



SOWING
THE SEEDS
FOR A **BETTER**
TOMORROW!



In fond memory

A tribute to our founder member, **Mr. K. K. Jhunjhunwala**, whose vision continues to remain our guiding light.

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Disclaimer

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



"DREAMS ARE THE SEEDS OF CHANGE. NOTHING EVER GROWS WITHOUT A SEED AND NOTHING EVER CHANGES WITHOUT A DREAM."

-Debbie Boone

AT YASH PAPERS LIMITED, FINDING DIRECTION REPRESENTED A TIPPING POINT IN THE HISTORY OF OUR EXISTENCE. WE'RE AT THE CUSP OF UNPRECEDENTED GROWTH AND STRATEGIC FORWARD MOVEMENT.

TODAY, WITH NEW ENERGY, WE SEEK TO SOW THE SEEDS FOR A BETTER TOMORROW THROUGH DEVELOPING INNOVATIVE, ECO-SMART AND ENVIRONMENT-FRIENDLY PACKAGING SOLUTIONS.

About us

Founded in the year 1981, Yash Papers is a global provider of innovative consumer, industrial and protective packaging solutions.

How our capacities are streamlined to benefit your business

Located in Faizabad, Uttar Pradesh, our three paper machines manufacture low grammage MG industrial bleached and unbleached grades of paper. Our consolidated paper production capacity is 39,100 MTPA with pulp mill capacity of 130 TPD; our chemical recovery unit has a capacity of 145 MT BD solids. Our two power plants have an output of 2.5 MW and 6 MW and both have extraction-cum-condensing turbines and rice husk-based FBC boilers. Therefore, we're a self-sustained and scalable business model that can manufacture in tandem with your specific requirements.

Served markets

- » FMCG
- » Frozen and refrigerated food
- » QSR (quick service restaurant)
- » Confection
- » Beverages
- » Personal care
- » Medical/ pharmaceutical
- » Health and beauty



Business priorities

- » Embrace a 'green' focus to make the world a better place
- » Grow our value-added products segments
- » Focus on synergistic projects that enable us to derive pre-set operating margins
- » Optimize our portfolio

Differentiating capabilities

- » Ideation and innovation
- » Insights and market alignment
- » Quality and service excellence
- » Manufacturing and supply chain excellence

Our approach to sustainability

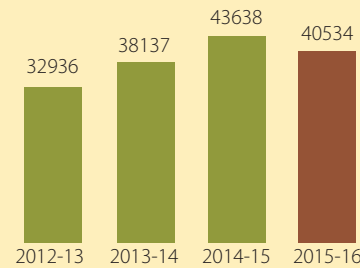
For us, sustainable development makes good business sense and is a part of the way we work every day. We fulfill our role by creating value in our communities, looking for ways to achieve more from less, increasing resource and process efficiencies and communicating the value of the sustainable product solutions we offer.

Financial plans

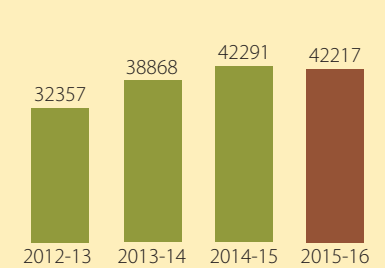
- » Focus on profitability-driven growth
- » Maximize sustainable cash flow from operations
- » Strengthen our working capital and inventory management practices
- » Achieve healthy returns on capital and equity

KEY FINANCIAL HIGHLIGHTS, 2015-16

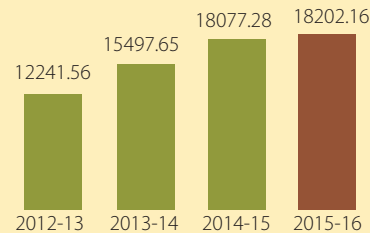
Pulp and Paper production (MT)



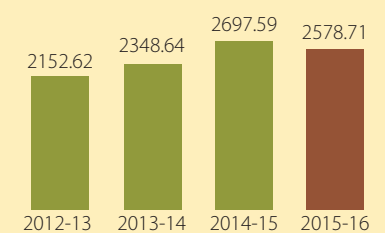
Pulp and Paper sales (MT)



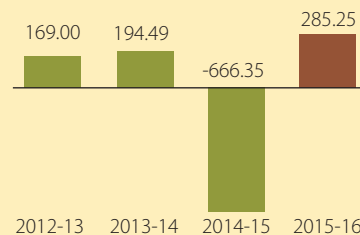
Total income from operations (₹ Lacs)



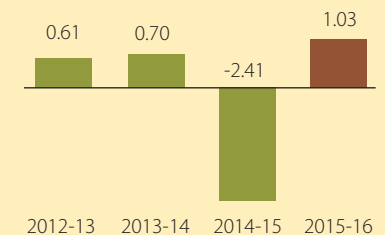
EBIDTA (₹ Lacs)



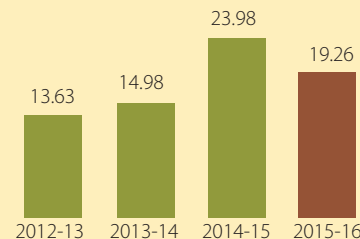
Net profit (₹ Lacs)



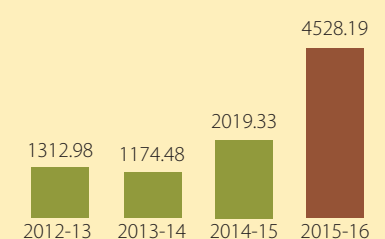
Earnings per share (₹)



ROCE (%)



Market capitalisation (₹ Lacs)





MESSAGE FROM THE **CHAIRMAN**

Dear fellow shareholders,

Environmental sustainability and business don't always go hand in hand, especially when it comes to product packaging. Some of the most common household packages including potato chips bags, pizza boxes and toothpaste tubes often are not recyclable. For companies hoping to attract and retain sustainability-minded customers, this can be a real problem. Even though it makes up a small part of a product's environmental impact, packaging is the first thing that consumers see and it can heavily influence their buying decisions.

Mark Dancy, President of WasteZero, a US-based waste reduction company, says that while advancing technologies can boost 'green-friendly' packaging, many companies continue to commit packaging mistakes. The main problem, he argues, is that when it comes to packaging, most companies focus on two priorities: "How will this drive consumers to my product and how much does this cost". For some, environmental sustainability is a third, less important concern. "But realistically, most look at the first two," he says.

Finding direction

Given this reality, at Yash Papers, we are inspired to change the world through better packaging options, catalysed by a green conscience. Finding this direction was crucial for a corporate like ours, enabling us to reconcile environmental sustainability and shareholder value. Besides, the relevance of this mission can be easily demonstrated through a couple of points that is sure to make one circumspect. For one, it takes 500 years for plastic to start decomposing and there are enough styrofoam cups produced every day to encircle the earth many times over. As many as seven layers of foil and plastic are required for a bag of chips and almost 6 billion kg of garbage is dumped into the oceans every year, most of which is plastic.

Charged by the fact that there is just so much to do to reverse the effects of environmental degradation, we embraced a landmark initiative by establishing the foundations of India's largest bagasse-based tableware unit within our existing complex in Faizabad. The 11.5-TPD capacity is expected to be operationalized by 1st April, 2017 and will have the flexibility to be progressively scaled-up to its maximum capacity 23-TPD, which we expect by 1st April, 2019. At full capacity operations, the unit has a revenue potential of ₹ 130 crore per annum with late double-digit EBIDTA margins potential. With this, I must mention that our tableware manufacturing unit is rightly at the intersection of our commitment to make the world a better place and our obligation to enhance shareholder value.

Strengthening our value-add

Identifying true potential and working towards unlocking it is the hallmark of an enterprise that is willing to face the odds, breakout of convention and reinvent itself constantly. Yash Papers is one such institution. From the commodity end of the business, we now aspire to enter the branded, margins-accretive paper products market with new designs, customisations and variations, while staying true and meaningful to being eco-friendly. In fact, we are also exploring the idea of putting seeds into paper pulp so that when it is thrown away, a tree will grow in its place. We are also looking to produce bags from sugarcane with the intent of getting into durable, multi-layered bags.

With the belief that there's a lot to do and the fact that collaborative efforts always accelerate reach towards common goals, we expect multi-stakeholder participation in our green movement. Hence, we are offering dried sugarcane pulp to tableware producers, encouraging them to join in the journey too.

Continued focus on good governance

The Board of Yash Papers strives to ensure the highest standards of corporate governance and best practices. Our Directors provide governance oversight of the Company's established framework of policies, practices and management systems. We believe in the values of transparency, integrity and accountability and live by it every day.

An outstanding team of people

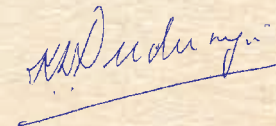
People make Yash Papers their talent, knowledge,

integrity, commitment and passion for performance shines through at all levels of the organisation. Considering the challenging economic environment our business continues to face, our employees are truly inspirational in the way they find solutions and deliver value in a responsible way. On behalf of the Board, we extend heartfelt thanks to all of our people for being so determined, innovative and willing to go the extra mile.

In conclusion


Underpinned by the Company's robust business model centered on our high-quality, low-cost asset base, clear strategic focus and culture of continuous improvement, we remain confident of realizing our full potential and reporting a better performance in the years ahead. In conclusion, I must mention that as a sprightly, compact, focused and vibrant enterprise, we are well-placed to reconcile consumption with environmental conservation with value creation.

With best wishes,



K.D. Pudumjee
Chairman





At Yash Papers, we are thinking big and bold. This thinking is propelling us towards projects, products and practices that are aligned with our vision of sowing the seeds for a better tomorrow.

TOWARDS
A **BETTER**
TOMORROW...

Focus on replacing plastic:

At Yash Papers, we aim to replace all styrofoam and plastic with compostable and non-carcinogenic products and have started to produce a wide variety of innovatively-designed and high-utility disposable tableware (plates, bowls and trays) and bags under the quirky Chuk! brand.

Focus on being adaptive with new product lines:

At Yash Papers, Chuk! designs are very flexible and adaptive as one can combine products together, place them differently, stack different products on top of each other and come up with new uses that together make the overall food experience more memorable.

Focus on compostable products:

At Yash Papers, our products are 100% compostable and decompose within months in backyard compostable systems. Disposable products made from plastics and polystyrene are not biodegradable. Thus our products are safe for the environment and are safe to chuck too!

Focus on non-fossil fuels:

At Yash Papers, 100% of our energy needs are met through renewable energy from our own captive, off-grid biomass-based power plant that consumes rice husk as fuel.

Focus on renewable waste:

At Yash Papers, our products are made from bagasse (sugarcane waste), a renewable source. In comparison, disposable products made from plastics and polystyrene are petroleum-based, non-renewable products.

Calm and composed!

Compostable tableware made from sugarcane waste has no negative effects on health as it is made using natural and renewable materials. This also makes it suitable for use in microwave ovens to heat food. On the other hand, polystyrene contains toxic substances suspected to be carcinogens and neurotoxins that are hazardous to humans. Polystyrene food containers leach styrene when they come into contact with warm food or liquid, causing human contamination and pose a health risk to people.

Focus on local community sourcing:

At Yash Papers, we are located near the agriculture belt of the Indo-Gangetic plains and source our raw material locally within a radius of 200 km off our facility, from farmers who sell their agriculture waste directly to us.





“Aligned with our commitment to make the world a better place, we established the foundations for establishing India’s largest bagasse-based compostable tableware manufacturing facility.”

Discussion with the *Managing Director, Ved Krishna*

Q. Were you happy with the way the year 2015-16 shaped up? Why?

A. With a nearly flat topline of ₹ 174.53 crore in 2015-16, we could have done better as far as our performance goes. We needed to have succeeded with some of our higher value products and should have produced more consistently. However, the year gave us happiness as we searched and found our direction in terms of what we really wanted to do as a Company, which was to leave our planet better than we found it.

Q. That sounds interesting.

A. Getting a clearer focus on the path ahead was important for us and as an immediate outcome, we strategized and started work on an exciting project to manufacture compostable tableware products.

Q. What was the rationale for setting up the tableware unit?

A. Aligned with our philosophy of moving towards the direction of minimising the adverse effects of 'white pollution' (the solid waste that comes from the usage of various plastic products, which is difficult to degrade and dispose-off), we decided to establish a 100% bagasse-based (fully-compostable) disposable tableware manufacturing facility within our existing premises in Faizabad. We invested much of the year 2015-16 in understanding the market potential and exploring the technology and processes and our readiness of the same became evident when the foundation plaque of the project was unveiled by dignitaries from the Uttar Pradesh government on 22 April 2016.

Q. Can you elaborate a bit on the potential of this market and our plans for the unit?

A. Today, the available disposable tableware products made of thermocol and plastic are carcinogenic (cancer-causing) and harmful to the environment too on account of their non-biodegradability. In this context, bagasse-composed disposable tableware products are both health- and environment-friendly and cost-competitive. These products can be widely used across food chains, restaurants and for meeting large, institutional requirements including those from the railways and airlines.

Recognising the sheer potential of the market (the projected size of the disposable packaging food

products sector is expected to grow to ₹ 3,800 crore by 2020), we placed an order for India's largest bagasse-based tableware manufacturing capacity with a reputed Chinese equipment vendor. We anticipate the 11.5-TPD capacity plant to commence commercial production towards the end of 2016-17 with a progressive capacity scale-up to 23-TPD by 1st April, 2019. The capex of about ₹ 54 crore will be met through both internal accruals and debt and our products will be marketed under the 'Chuk!' brand across India and in the mature markets of the US, Europe and Australia.

Interestingly, internally-produced bagasse as well as the availability of power and other utilities will ensure raw material security and enable us to sustain production with high levels of cost predictability, thereby strengthening our market-place competitive advantage. Once production starts, we intend to emerge as the largest bagasse-based disposable tableware manufacturers in the country.

Q. What were some of the other developments of the year 2015-16?

A. As a conscious decision, we decided to forge ahead into value-added products that would enable us to bring a perceptible change in our business and margins profile in the coming years. I am also happy to note that we emerged stronger in surviving through debt restructuring and remained profitable through the turbulence, reflected in the fact that we reported profits in every quarter of the year with the highest net profit accretion during the

last quarter of the year 2015-16 at ₹ 1.57 crore.

Besides, we also moved ahead towards exiting CDR and focused on capitalizing on depressed commodity prices with the effect that we were able to report a 3.53% decline in raw material costs and 14.28% moderation in fuel expenses during the year under review, despite a near-same topline. Going forward, we will focus on procuring raw material and fuel cost-effectively, despite lack of availability.

Q. What were the plans drawn up during the start of the year? How many of these targets were we able to meet, both qualitatively and quantitatively?

A. I must confess that we did poorly in meeting our targeted plans as we were to produce higher and succeed in more value-added grades. That said, trials always enable learning and the organisation has been going through a huge learning curve through various experimentations that are now well-internalised. Today, we strongly believe that these efforts will enable us to create traction and work towards a better future.

We believe that we have a lot more potential than what our 2015-16 performance indicates. Market conditions were definitely very challenging but we need to continue to take responsibility for our performance. We can do better by being more consistent and serving our customers better. Our EBIDTA remains satisfactory but it does not help to be heavily leveraged since it impacts the net profit. Besides, the cost of funding is extremely high



I also feel that the market needs interesting products and it is becoming more aware about sustainability and is getting ready to reward for the same. At Yash Papers, we hold significant advantage through utilisation of agri-residues in our products.

and cuts deeply into our performance. We need to rationalise the same and are working on it. We hope our performance will enable us to get support from our bankers that would be vital to our growth aspirations.

We are clear that the returns need to grow and are targeting businesses accordingly. We believe that we can generate better returns through targeted products and value additions and will be focusing on the same. We have also done better with regards to inventory management with the inventory cycle coming down over the past two years.

Q. What were the new products launched during the year? How much of the sales did this add up to?

A. On the product side, we initiated a lot of trials for developing new grades that would enable us to better align with market-place requirements.

We launched some higher value products and made a lot of efforts to push them. They were primarily high-strength products in the specialty packaging segments for bags and release as well as coated grades. Though we tried hard, we were not able to create much traction and hence had to put

some of them on the backburner. With this learning, we will be focusing on a couple of important value-added grades where we have come close to success. Once we are able to achieve the desired quality and consistency, I am certain that the results will be very different.

Q. What are the initiatives planned for 2016-17?

A. We intend to focus on pulp-based products and will look to provide bagasse pulp for manufacturing tableware grades and also producing egg tray from our sludge for the growing poultry market. With a view to grow our margins, we will focus more on specialised bagasse pulp, which is creating quite a bit of interest in the market. On the paper side, we have been experimenting with a couple of grades and we will direct our efforts and strength to and succeed in this business.

Q. How do we expect to further shareholder value creation?

A. We are clear that shareholder value will be created through futuristic growth. Towards this extent, we will continue to look for opportunities in the value-added segments which will enable

both topline and bottomline growth. We will also look to find products that enable us to move away from commodities and into product niches, those that are not manufactured by many others. We are also creating the required team that will take our ambitions to the next level. As far as our topline is concerned, we are looking at growing the same 21% in 2016-17.

Q. The Indian economy grew 7.6% in 2015-16, which the government has said is the fastest-growing rate among major economies in the world.

A. The 7.6% growth is the fastest for India in the last five years. Besides, the growth rate of 7.9% during the last quarter of the fiscal year under review was very close to the 8% mark. There is no doubt that we should be happy but it is important to remember that at an absolute level, even if we grew at 7.6%, we will be adding only approximately US\$150 billion to our GDP. China with its US\$10 trillion GDP, even if they grew at about 6.5%, would have added US\$650 billion to their GDP. The US at US\$16 trillion, even if they grew at about 3%, they would have added about US\$480-500 billion. Therefore, there is a lot of work to be done to take

India to its next level of growth and by what we are witnessing today, I think the government is doing a fair job.

Q. What were some of the key trends witnessed from the paper market perspective and how did we capitalise on the same?

A. The Indian packaging industry constitutes about 4% of the global packaging industry. The per capita packaging consumption in India is quite low at 4.3 kg, compared with countries like Germany and Taiwan where it is 42 kg and 19 kg, respectively. However, organised retail and the boom in e-commerce, which offers huge potential for growth, is giving a boost to the packaging sector.

I also feel that the market needs interesting products and it is becoming more aware about sustainability and is getting ready to reward for the same. At Yash Papers, we hold significant advantage through utilisation of agri-residues in our products. Going forward, we will look to enable our marketing to appraise segments that would provide us advantages in terms of pricing and positioning through our focus on sustainability. Overall, we look forward to another interesting year ahead.

Yash Papers is committed to creating sustainable value. These are some of our immediate priority focus areas:

- » Investing in the long-term growth and development of our business.
- » Minimising our contribution to climate change with the philosophy of investing for a better tomorrow.
- » Finding inventive, innovative and advanced solutions that meet our customers' needs.
- » Focusing on delivering cutting-edge products that deliver exceptional value.
- » Creating and sustaining meaningful employment, recognising diversity and creating a working environment where opportunities unfold for our people.
- » Working diligently to ensure the safety and well-being of our employees and contractors.
- » Engaging in active stewardship of our raw material and other utility ecosystems to maintain biodiversity.
- » Enhancing the eco-efficiency of our products through resource efficiency and responsible use of materials throughout their life-cycle.
- » Contributing to the development of people and communities around our operations.

OUR **COMPETENCY** DRIVERS

At Yash Papers, we are powered by multiple competency drivers that together enable us to create a resilient and sustainable business.



Efficient raw material resource sourcing

Aim: Ensure continued availability of bagasse for smooth operational continuity and focus on cost-effective procurement despite challenges in availability.

Key highlights, 2015-16: Capitalised on lower commodity costs with the impact of raw material expenses, including fuel, as a percentage of turnover declining a healthy 486 bps to 64.04% during the year under review.

Future plans: Lower reliance on the expensive wheat alternative through optimising the resource mix and widen the supplier base for bagasse.



Pursuing production excellence

Aim: Maximise asset utilisation, enhance production reliability and ensure high quality and cost-competitive output.

Key highlights, 2015-16: Overall asset utilisation increased to 2.06% and chemical recovery rose by 3.23%.

Future plans: Focus on equipment stabilization towards operational continuity and reduce key resource consumption to desired levels.



Creating a strategic product basket

Aim: Focus on developing customised and high-demand packaging products and solutions that help drive our customers' business forward.

Key highlights, 2015-16: Though response for some of our value-added paper launched during the year was sub-optimal, we have internalized the learnings and look towards correcting this skew.

Future plans: We are excited to launch our Chuk! brand of compostable tableware and bags, products that are not only environment-friendly but also high in demand with the rise in the number of eco-conscious customers.



Strengthening service excellence

Aim: Reinforce consistency by strengthening supply chain management and thereby boosting customer-centricity by augmenting customer service levels.

Key highlights, 2015-16: Ensured continued supplies to our customers and balanced demand and supply consistency.

Future plans: Widen our geographic presence through creating demand for value-added paper and engaging in portfolio rationalization to focus on high-performance brands.



Enhancing our human resource practices

Aim: We focus on creating an inspiring workplace that thrives on collaboration and teamwork. We also provide distinct career pathways that ensure loyalty and focus towards defined goals while promoting the spirit of meritocracy.

Key highlights, 2015-16: We organized several employee-centric programmes that kept our human resources engaged, also helping enhance employee productivity..

Future plans: Reinforce our mid-management tier for execution of our plans. Also control attrition and provide meaningful job opportunities in one of the most populous states of the country.



Disciplined financial management

Aim: Embrace financial conservatism while enhancing liquidity; also focus on strengthening the Balance Sheet.

Key highlights, 2015-16: On the P&L side, finance costs declined 7.87% to ₹ 14.82 crore on account of a focus on aggressive debt repayment and reported a swing-back in net profit from a loss of ₹ 6.63 crore in 2014-15 (largely on account of an extraordinary item to the tune of ₹ 10.63 crore) to a profit of ₹ 2.85 crore. On the Balance Sheet side, shareholder's funds rose to ₹ 49.51 crore as on 31 March 2016 (from ₹ 38.79 crore as on 31 March 2015) on account of a rise in equity share capital and funds received against share warrants issued to the promoter group; long-term liabilities reduced 13.67% to ₹ 49.57 crore as on 31 March 2016; inventories declined 16.40% to ₹ 49.24 crore as on 31 March 2016; cash and equivalents rose a healthy 67.81% to ₹ 4.61 crore and debt-equity declined to a more comfortable 2.44 during 2015-16.

Future plans: Focus on reinforcing cash flows and debt repayment, thereby creating the platform for shareholder value accretion.

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

The world economy slowed down further in calendar year 2015 on account of lower global economic growth, compared with calendar year 2014. Global activity continued to decelerate, triggered by slowing growth in emerging and developing markets as they contribute to about 70% of the global growth.

World GDP fell to 2.3% in the last quarter of the calendar year 2015, below the threshold of 2.5%, which indicates recessionary trends and hence, Morgan Stanley has commensurately raised their global recession risk probability from 20% to 30%. Growth in the US fell to 1.6% from 1.8% last year. Today, the Chinese economy is being hampered by a slowdown in imports and exports and declining investments and manufacturing activity. This is causing a spillover effect on other economies linked with trade channels. Japan received the single-biggest downgrade for any country with GDP declining by half to just 0.6% in the fiscal year 2015-16 as compared with 1.2% in 2014-15.

Global GDP growth is projected at 3.4% in 2016 and 3.6% in 2017. Growth in advanced economies is projected to rise by 0.2 percentage points in 2016 to 2.1% and hold steady in 2017. Growth in emerging market and developing economies is projected to increase from 4% in 2015 – the lowest since the 2008-09 financial crisis – to 4.3% and 4.7% in 2016 and 2017, respectively (Source: IMF, January 2016).



Indian economic overview

It is believed that the Indian economy started to heal in 2015-16. As per the advance estimates report dated 8 February 2016 of the Central Statistics Office (CSO), the growth in GDP during 2015-16 is estimated at 7.6%, as compared with the growth rate of 7.2% in the financial year 2014-15. Manufacturing growth for 2015-16 is likely to be at 9.5%, much higher than the 5.5% growth in 2014-15. The sectors that are likely to register growth rate of over 7% include financial, real estate and professional services; trade; hotels; transport; communication and services related to broadcasting and manufacturing.

India's GDP grew at an annual rate of 7.4% in the July-to-September quarter of 2015-16 (Q2FY16), putting it firmly ahead of China, where growth slowed to 6.9% during the same period. Declining oil prices have helped raise the GDP, as corporate margins increased, household purchasing power improved, tax collections increased and subsidy bills declined.

Global paper industry

As per a Euler Hermes report, the global paper and printing industry is estimated at USD 1,270 billion, registering a de-growth of 6% in 2015 as compared with 2014. This is expected to further drop in the current year (2016) with sales projected to decline by 2%.

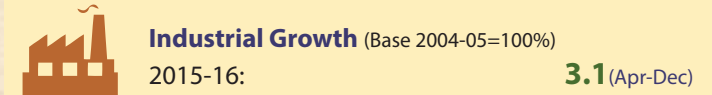
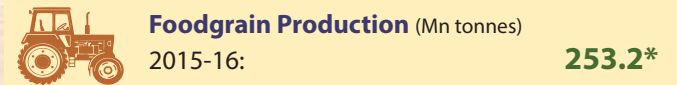
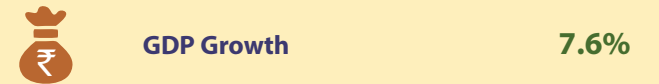
This contraction is primarily due to the transition to digital media and paperless communication across most developed economies. However, manufacturing boom in several emerging markets have partially offset the decline by driving increased demand for paper used in packaging materials.

The upstream pulp sector continues to cope with a moderating demand worldwide. Over 2015, most regions saw pulp production (and prices) declining, especially leading producer China (down 2% y-o-y) and Brazil (down 2.5% y-o-y) since an annual high in 2012. Asia, which accounts for 45% of the total paper and board demand, can barely make up for the sluggish demand from either Western Europe or slowing-down Latin America. The situation seems most challenging in Europe because of the strong dollar, which weighs down on European pulp buyers. Add to this, the growing competition from digital devices leading to plant mill closures.

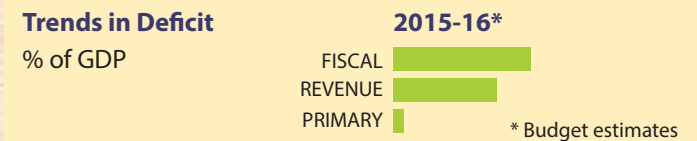
Interestingly, tissue and corrugated papers are the only two sub-sectors to stand out, still on a positive trajectory, thanks to a rising demand for e-commerce packaging.

INDIAN ECONOMY IN 2015-16

* Advance estimates



FOREX RESERVES (US \$ BN) 2015-16 : 349.6



Rate of Growth Per Capita Income



Unemployment Rate



Source: ECONOMIC SURVEY 2015-16

As per IBIS World, paper price increases in the single-digits should be expected from now until the year 2018. Coated papers are expected to witness a 1.5% increase while flexible packaging paper is projected to have an exceptionally high increase of 2.6%. These forecasts have been impacted by numerous factors. Examples include high levels of construction and a consistent improvement in the US economy. These two factors alone have greatly increased the demand for paper products. As various industries continue to require paper goods for their manufacturing and production processes, the price of paper is likely increase due to higher demand.

The global paper and pulp mills industry is expected to experience a significant turnaround. Once considered a declining industry in response to the decline of traditional print media, paper and pulp mills around the world have refocused their paper processing efforts towards end products such as cardboard, hygienic products, sanitary products and packaging materials. Over the next five years to 2021, industry value-added, which measures the industry's contribution to the world economy, is forecast to increase at an annualized rate of 4.2%. Comparatively, world GDP is forecast to rise at an average annual rate of 3.6% over the same period. The industry is growing at a faster rate than the global GDP, which is a key indicator of its current life cycle stage (*Source: Ibis World*).

Indian paper industry

The Indian paper industry accounts for about 3% of the world's production of paper. The sector's estimated turnover is around ₹ 50,000 crore and

its contribution to the exchequer is around ₹ 4,500 crore. The industry provides employment to more than 0.5 million people directly and another 1.5 million indirectly.

The operating capacity of the industry currently stands at around 13 million tonnes (MT). As per Indian Paper Manufacturers Association (IPMA), during 2015-16, domestic production is estimated at 12.2 MT. As per rough industry estimates, the overall paper consumption has now touched 13.9 MT and per capita consumption is pegged at about 10 kg. Demand for paper has been growing at around 8% per annum, mirroring the growth in GDP, and making the country one of the fastest-growing paper markets in the world.

An India Ratings report estimates India's per capita paper consumption at 10.8 kg, which pales even against similar developing nations like 22 kg in Indonesia, 28 kg in Malaysia and 42 kg in China. The global average stands at 54 kg. This indicates that there is significant headroom for growth in India. Besides, policy factors also have a key role to play in the growth of the domestic paper industry. The government's sustained focus on literacy, increased consumerism and expansion in organised retail are expected to positively affect paper consumption and demand in India.

In the country, digital media has a lot of ground to cover, at least as far as penetration is concerned, primarily in rural areas. Paper is an established business and its consumption is being encouraged. What was heartening was that despite the challenges, the packaging side of the segment

continues to grow. Over the last six years, the Indian paper sector has invested about ₹ 20,000 crore in capacity enhancement, technology upgradation and acquisitions. With this investment, companies in the sector are now seeking to improve their balance sheets. While the sector is eager to expand capacity further, decisions in this regard will depend on how soon companies can improve their financials.

Drivers of demand

Growth in consumption of paper and paper products is driven by several sustainable factors in India and a number of economic trends and lifestyle changes are driving the growth of paper consumption in the country.

Growth in the education sector. The government has increased focus on education and initiated several central and state-level programs such as the landmark Sarva Shiksha Abhiyan (Education for All) and Operation Blackboard. This has had a positive effect on India's literacy rate which reached approximately 74% in 2011, as per the latest data available. Besides, the youth literacy rate between the 15-24 years population is estimated at a much higher 90.2% (in 2015). The result of these programmes has been increased expenditure on textbooks and notebooks, providing a good opportunity for paper companies. Additionally, with higher literacy levels, circulation of other print media, such as newspapers, has also increased.

Increased corporate activity and lifestyle changes. Economic development and globalization have led to an increase in corporate activity and increased per capita consumption of paper.

Concurrently, rising commercial activity has spurred demand for packaged goods. Lifestyle changes have also pushed up the demand for specialty paper, such as tissue paper.

Growth in press publications. India is the second largest print market in the world, with a readership base of over 250 million. There are approximately 130,000 printing presses in India. The printing and packaging industry is growing at a compound annual growth rate (CAGR) of over 16%. The strong growth in the printing industry is expected to continue to fuel demand for paper.

Increased demand for packaging. With a turnover of USD 24.6 billion and high double-digit growth rate, the Indian packaging industry is expected to reach a size of USD 32 billion by 2020 as per www.packworld.com. Additionally, the Indian FMCG sector is growing at a rapid pace due to strong demand from a large and growing middle-class as well as the advent of new entrants. As a result, the packaging industry, growing by more than 15% annually, will likely increase demand for corrugated boxes, leading to increased demand for Kraft paper.

Growing population affluence. India's GDP has grown at a rate of about 7% in the last decade, increasing affluence. This has led to increased consumption growth in key urban towns and rural markets. The higher consumption per capita leads to a higher newspaper and magazine reader base, which in turn fuels demand for paper.

The package has arrived!

With a turnover of over USD 25 billion currently, the Indian packaging industry is expected to reach USD 32 billion by 2020. Here's a look at the key facts and drivers of the Indian packaging industry.

The per capita consumption of packaged beverages and food in India is still very low compared with the other regions. However, expenditure on these products has doubled in the last five years. Within the next five years it will increase by another 14% annually, as the demand for processed food is rising due to growing disposable incomes, urbanization and a young population.

The Indian food services industry, estimated at nearly USD 14 billion, is growing at a healthy 17% CAGR, which has significant implications for the packaging sector as a whole. Besides, the Indian QSR (quick service restaurant) market is expected to touch ₹ 25,000 crore by 2020 from the current size of ₹ 8,500 crore.

Plans are currently in place, thanks to public and private funding, to establish 30-40 mega food parks. Corresponding infrastructure for packing, packaging transport, and refrigeration are part of these plans. Hence, this development is expected to provide food manufacturing – and, by extension, packaging – a big boost. In fact, by 2015, more than USD 25 billion is estimated to have been pumped into the food sector and the required infrastructure.

Packaging has an annual global turnover of about USD 550 billion and India's share is miniscule in the global context. According to a recent McKinsey report, there will be a 10x increase in India's middle-class population by 2025, which will further trigger the consumption of packaging materials. This will bring another growth spurt to packaging.

Besides, Morgan Stanley has indicated that the GMV (gross merchandise value) of the country's top-three e-commerce companies exceeded that of the top-10 offline retailers in 2015, representing a historic feat for the country's e-commerce sector. Going forward, the key growth drivers of e-commerce will be greater Internet penetration, a rise in the number of online shoppers and an increase in per capita income. Morgan Stanley has estimated that by 2020, India's e-commerce market will surge to a staggering size of USD 119 billion.

INDIA'S E-COMMERCE ECOSYSTEM

Shopping on a Tap

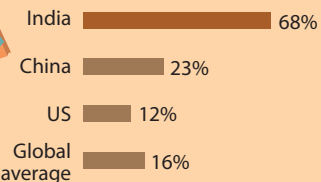
India is adding three new Internet users every second and is the second largest market ranked by user numbers



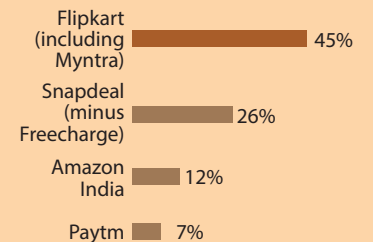
No. of online shoppers
50 million in 2015
320 million in 2020 (estimated)



Three-year growth rankings



Market share of Indian Ecommerce majors



Source: The Economic Times (18 February 2016), Assocham and www.packworld.com



Indian paper industry outlook

India is the fastest growing market for paper globally and the country presents an exciting scenario with paper consumption poised for a big leap forward in-sync with the economic growth. The forward view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of one million tonnes (*Source: IPMA*).

Despite the continued focus on digitisation, India's demand for paper is expected to rise 53% in the next six years (2014-20), primarily due to a sustained increase in the number of school-going children in rural areas.

Growing consumerism, modern retailing, rising literacy (continued government spending on education through the Sarva Shiksha Abhiyan) and the increasing use of documentation will keep demand for paper buoyant. Though India's per capita consumption is quite low compared with global peers, things are looking up and demand is set to rise from the current 13 MT to an estimated 20 MT by 2020.



Indian economic outlook

The Indian economy is currently being viewed as a beacon of stability because of the steady disinflation, a modest current account deficit (CAD) and commitment to fiscal rectitude. The Economic Survey has pegged the economy's growth at 7-7.75% in 2016-17. The Finance Minister has stated that the GDP growth target could move up from 7.5% to 8-8.5% in 2016-17 if the monsoon rainfall matches the 106% of the long-period average, as forecasted by the Indian Meteorological Department (IMD) in its first-stage forecast.



Risk management

At Yash Papers, our risk management framework helps identify risks and ensure that mitigation plans are in place for risks with a high likelihood of occurrence with accompanying potential impacts. The industry in which we operate is highly competitive and selling prices are subject to volatility. Capacity additions combined with product substitution risks (for instance the advancement of electronic alternatives and alternative packaging solutions) and increasing environmental considerations have a significant impact on the supply-demand balance and hence on market prices. At Yash Papers, we continuously monitor industry developments in terms of changes in capacity as well as trends and developments in our own product markets and take corrective risk-mitigated actions to ride over the potential challenges.



Human resources

Yash Papers is a knowledge-driven organization focused on judicious people recruitment and retention. The Company's HR function focuses on employee training, values inculcation and enhanced functional expertise. The Company's key HR objective is to ensure that employees are aware of expected roles leading to organizational momentum.

During the year under report, the Company conducted several training sessions for all tiers of the organization, enabling them to hone their skills and stay competitive in a dynamic and challenging industry environment. The top management also conducted several discussions with employees to discuss multiple issues including leadership qualities, values, responsibilities, workplace freedom and empowered decision-making. Going ahead, the Company will continue to invest in people to strengthen its production processes, product quality and service delivery.

During the year under report, the Company also focused on the automation of key HR processes for employee benefit. The result of these initiatives was that the Company was able to keep its attrition levels well under control, much below the industry average. The Company's headcount stood at 363 as on 31 March 2016, registering a net addition of 27 during the year.



Internal control systems and their adequacy

In any industry, the processes and internal control systems play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.



Cautionary statement

Statements made in the Management Discussion and Analysis report relating to projections, estimates, expectations or predictions are based on certain assumptions. The Company cannot guarantee that these assumptions are accurate or will be realised. The actual results, performance or achievements of the Company could thus differ materially from those projected or estimated.

YASH PAPERS LIMITED

Regd. Office: - 13/65, Parmat, Civil Lines, Kanpur – 208001, Uttar Pradesh

Corp. Office : Yash Nagar, Faizabad – 224135, Uttar Pradesh

CIN – L24231UP1981PLC005294 | T: +91 5278 326611 - 12 | F: +91 5278 258062

E: info@yash-papers.com | Website: www.yash-papers.com

NOTICE

NOTICE is hereby given that the **36th Annual General Meeting** of the Members of Yash Papers Limited will be held on Saturday, the **30th day of July, 2016 at 9:00 A.M. at Hotel Little Chef, 15/198 - A, Civil Lines, Kanpur – 208 001, Uttar Pradesh**, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2016 and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Kimberly Ann McArthur (DIN: 05206436), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.
3. To ratify appointment of M/s Kapoor Tandon & Co, Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary resolution**.

“**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s

Kapoor Tandon & Co., Chartered Accountant, Kanpur, the appointment of retiring Auditors who have furnished the eligibility certificate under Section 141 of the Companies Act, 2013 be and are hereby ratified as the Statutory Auditor of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting subject to ratification of appointment by the Members of the Company at Annual General Meeting at remuneration of ₹4,50,000 per annum including fees for Limited Review and Audit Report plus out of pocket expenses incurred for traveling, lodging and other expenses in connection with conducting the Statutory Audit.”

SPECIAL BUSINESS:

4. To appoint Mr. Imanul Haque (DIN: 00001284) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and all other provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory

modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Imanul Haque (DIN No.00001284), who was appointed as an Additional Director on 6th February, 2016, pursuant to section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 31st March, 2021.”

5. To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2017 and in this regard to consider and, if thought fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-

enactment thereof, for the time being in force), Mr. Rakesh Mishra, Cost Accountant, of Kanpur who was appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, be paid the remuneration of ₹50,000/- plus out of pocket expenses incurred for traveling, lodging and other expenses in connection with conducting the cost audit.”;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of the Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and subject to the approval of the Members of the Company at General Meeting and such other approvals as may be necessary, Mr. Narendra Kumar Agrawal be and is hereby appointed as Director Works of the Company for a period of 3 years w.e.f. 24th July, 2015 on the following remuneration and terms and conditions:-

(a) Basic Salary: ₹ 1,14,841/- per month in the grade of ₹ 1,14,841 – 5,000 – 1,50,000. Increment will be effective from 1st June each year, the amount being decided by the Board.

(b) Variable Dearness Allowance (V.D.A.): As applicable for the employees of the Company from time to time.

(c) Production Incentive: As per applicable scheme for the employees of the Company from time to time.

(d) House Rent Allowance: As per applicable scheme for the employees of the Company from time to time.

(e) Tea: As per applicable scheme for the employees of the Company from time to time.

(f) Perquisites: Mr. Narendra Kumar Agrawal shall not be entitled for any perquisites.

(g) Provident Fund: Company's contribution to Provident Fund to the extent are not taxable under the Income Tax Act, 1961, gratuity payable as per rules of the Company and encashment of leave at the end of his tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

(h) Minimum Remuneration: If in any accounting year, the Company has no profits or its profits are inadequate or in any case remuneration by way of salary, perquisites and other allowances will be subject to the ceilings set out in Schedule V of the Companies Act, 2013.

(i) Leave: On full pay and allowances, as per rules of the Company. Encashment of leave shall not be included in the computation of the ceiling on perquisites.

(j) Mr. Narendra Kumar Agrawal shall also be entitled to reimbursement of entertainment, traveling, hotel and other expenses actually incurred by him in performance of the duties on behalf of the Company.

(k) Any other benefits, facilities, allowances and expenses may be allowed under Company rules/

schemes and available to other employees.

(l) No sitting fees will be paid for attending the meetings of the Board of Directors of the Company or Committees thereof.

7. To consider and, if thought fit, to ratify with or without modification(s) following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (“**Companies Act**”) read with the rule made thereunder, to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of Sections of the Companies Act, 2013), various rules, circulars, press notes, clarification issued by Foreign Investment Promotion Board (“**FIBP**”), the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”), and subsequent amendments thereto, including but not restricted to the (“**SEBI ICDR Regulations**”), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**SEBI Takeover Regulations**”) and amendments thereto as in force and subject to other applicable rules, regulations and guidelines of the Securities and Exchange Board of India (“**SEBI**”), (“**SEBI Regulations**”), the Reserve Bank of India (“**RBI**”) and the stock exchange where the shares of the Company are listed (“**Stock Exchanges**”) and enabling provisions

of the Memorandum and Articles of Association of Yash Papers Limited ("**Company**") and the listing agreements entered into between the Company and the Stock Exchanges and subject to requisite approvals, consents, permissions and / or sanctions if any, of FIPB, SEBI, the Stock Exchanges and other appropriate authorities, including RBI, as may be required and subject to such conditions as may be prescribed by any of them while granting any approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more of its power including the power conferred hereunder), the Board be and is hereby authorized to create, offer, issue and allot up to 75,40,000 equity warrants at a price of ₹15/- per warrant or at a price being not less than the price determined in accordance with Chapter VII of SEBI ICDR Regulations and carrying a right to subscribe to equal number of equity shares in the company on conversion of warrants, in cash aggregating to ₹ 11,31,00,000/- or at a price not less than the price which is calculated in accordance with the Guidelines for Preferential Issue issued by SEBI under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, with November 18, 2015 being the relevant date i.e. the date 30 days prior to the date of Extraordinary General Meeting of the Company where the proposed issue is to be considered on such terms as may be deemed appropriate by the Board, on preferential basis to Mr. Ved Krishna, Managing Director (Promoter) S/o Late Mr. Krishna Kumar Jhunjunwala R/o Officers' Colony, Yash Papers Limited, Yash Nagar, Faizabad –

224135, Uttar Pradesh having PAN AJRPK1551C at such time or times, in one or more tranches and on such terms and conditions and in such manner as the Board may think fit in its absolute discretion."

RESOLVED FURTHER THAT the equity warrants will be convertible within a period which shall not exceed beyond 18 months at one or more times at the option of the allottees of the warrants subject to SEBI guidelines/ regulations or any other applicable law.

RESOLVED FURTHER THAT the equity warrants so issued shall have right to subscribe equal number of equity shares of nominal value of ₹10/- each at premium of ₹ 5/- per equity share or at a price not less than computed in accordance with Chapter VII (Guidelines for Preferential Issues) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT ₹ 3.75 (25% of the decided price) per warrant shall be payable on the date of allotment of the warrants and ₹ 11.25 (remaining amount) per equity warrant shall be payable on the date of allotment of the resultant Equity Shares.

RESOLVED FURTHER THAT the Equity Shares so issued shall rank *pari passu* with the existing Equity Shares of the Company including dividend.

RESOLVED FURTHER THAT the equity warrants to be offered, issued and allotted shall be subject to lock-in after conversion into equity shares as provided under the provisions Chapter VII of the SEBI ICDR Regulations and the Equity Shares so offered, issued and allotted will be listed subject to the receipt of necessary regulatory permissions and

approvals.

RESOLVED FURTHER THAT subject to SEBI guidelines and other applicable laws, the Board be and is hereby authorized to decide and approve terms and conditions of the issue of above mentioned warrant and to vary, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid equity warrants and listing of the equity shares on conversion to be allotted on preferential allotment basis with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, including without limitation, issuing clarifications on the offer, making any application etc., to the concerned regulatory authorities, including to the FIPB, issue and allotment of the equity shares, to execute necessary documents and enter into contracts, arrangements, other documents (including for appointment of agencies, intermediaries and advisors for the issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit, without being required to seek any further

consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings and applications etc., with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental and regulatory authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors, if required, to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the

shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the shareholder."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may

arise in respect of the matter aforesaid and further to do all acts, deeds matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

By Order of the Board

Sachin K. Srivastava
Company Secretary

Camp : Faizabad
Date : 23rd April, 2016

Route Map of the AGM Venue



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not be act as a proxy for any other person or shareholder. The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instruction and other information relating to e-voting are given in this Notice under Note No.22. The Company will also send communication relating to remote e-voting which inter-alia would contain details about User ID and password along with a copy of this Notice to the Members, separately.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at

the Meeting.

4. In terms of Section 152 of the Companies Act, 2013, Ms. Kimberly Ann McArthur (DIN 05206436) Non-Independent Director (Promoter), retire by rotation at the Meeting and being eligible, offer herself for reappointment. The Board of Directors of the Company commends her respective re-appointment. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under the Securities and Exchange Board of India (Listing Obligation Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members/ Proxies should fill the Attendance Slip for attending the Meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification for attendance at the Meeting.

9. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of 36th Annual General Meeting of the Company.

10. The Company has notified closure of Register of Members and Share Transfer Books of the Company from Saturday, 23rd July, 2016 to Saturday, 30th July, 2016 (both days inclusive).

11. Members holding shares in electronic form are requested to intimate immediately any change in their address or Bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to inform the change of their registered address to our Registrar and Transfer Agent (RTA), M/s Skyline Financial Services Private Limited at its D-153/A, 1st Floor, Okhla Industrial Area, Phase – 1, New Delhi – 110 020 by quoting their folio number.

12. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, No dividends and Public Issue Refund etc. are remain unpaid/unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account or Unpaid Public Issue Refund account, hence no transfer will be made to the Investor Education and Protection Fund (IEPF Fund) established by the Central Government.

13. The Company's Equity Shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street,

MUMBAI- 400001.

14. Members desirous of obtaining any information with regard to the Annual Reports, are requested to write to the Company's Corporate Office at Faizabad at least ten days before the date of Annual General Meeting so that the information can be made available at the meeting.
15. The Company has been allotted **ISIN No. INE551D01018**. Members are requested to approach their DPs for dematerialisation of equity shares of the Company.
16. All material documents referred to in notice are open for inspection by the members on all working days between 11:00 AM to 1:00 PM at the Registered Office of the Company.
17. Members holding shares in single name and physical form are advised to make nomination as per provision of the Companies Act, 2013 in respect of their shareholding in the Company. The nomination Form No.SH-13 can be downloaded from the Company's website www.yash-papers.com under the section 'Investor'.
18. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.
19. scn@yash-papers.com has been designated for the purpose of registering complaints by investor, pursuant to the SEBI (LODR) Regulations, 2015.
20. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all the communication including Annual Report,**

Notices, Circulars, etc. from the Company electronically.

21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Skyline Financial Services Limited.
22. In accordance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the business may be transacted through electronic voting system and the company is pleased to provide the facility for voting by electronic means ("e-voting") to its members. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

The instructions for the shareholders for e-voting are as under:

A. In case of Shareholders receiving e-mail from NSDL:

- i) Open email and open the PDF file viz, "YPL e-voting.pdf" with your client ID or Folio No. as password. The said PDF file contains user ID and password for e-voting. Please note that the password is an initial password;
- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>;

- iii) Click on Shareholder – Login;
- iv) Insert user ID and password as initial password noted in step (i) above. Click Login;
- v) Password change menu appears. Change the password with the new password of your choice with minimum 8 digits/ characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
- vi) Home Page of e-Voting opens. Click on e-Voting: Active EVoting Cycles;
- vii) Select "EVEN" of Yash Papers Limited;
- viii) Now you are ready for e-voting as Cast Vote page opens;
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted;
- x) Upon confirmation, the message "Vote cast successfully" will be displayed;
- xi) Once you have voted on the resolution, you will not be allowed to modify your vote;
- xii) For the votes to be considered valid, the Institutional shareholders (other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at info@yash-papers.com with a copy marked to evoting@nsdl.co.in

B. In case of Shareholders who have not registered their e-mail Id and will be receiving physical copy of the Notice of EGM:

- i) User ID and Password is provided at the top of the attendance sheet.
- ii) Please follow all steps from Sl.No. (ii) to Sl. No. (xii) above, to cast vote.

23. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.

24. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.

25. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evoting.nsdl.com> during the following voting period:

Commencement of e-voting: From 9.00 a.m. IST on 27th July, 2016

End of e-voting: Upto 5.00 p.m. IST on 29th July, 2016.

E-Voting shall not be allowed beyond 5.00 p.m. of 29th July, 2016. During the e-voting period, Shareholders of the Company, holding shares as on the cut-off date (record date) 25th July, 2016 either in physical form or in dematerialized form may cast their vote electronically.

26. The Company has appointed Mr. Adesh Tandon, Practicing Company Secretary (Membership No.F2253 and Certificate of Practice No.1121), as 'Scrutinizer' for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

27. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence

of at least two witnesses, not in employment of the Company and make Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

28. The results declared alongwith Scrutinizer's Report shall be placed on the Company's website www.yash-papers.com and on the website of NSDL within two days of passing of the resolutions at the 36th Annual General Meeting of the Company on 30th July, 2016 and communicate to the BSE Limited, Mumbai.

By Order of the Board



Sachin K. Srivastava
Company Secretary

Camp : Faizabad
Date : 23rd April, 2016

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

ITEM NO. 4

The Board of Directors of the Company appointed, pursuant to Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Imanul Haque (DIN: 00001284) as an Additional Director of the Company with effect from 6th February, 2016. In terms of the provisions of Section 161(1) of the Act Mr. Imanul Haque would hold office as an Additional Director of the Company up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of ₹ 1,00,000/- (Rupees

One Lac only) under Section 160 of the Act proposing the candidature of Mr. Imanul Haque for the office of Director of the Company.

Mr. Imanul Haque is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and he shall not be included in the total

number of directors for retirement by rotation.

The Company has received a declaration from Mr. Imanul Haque that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16 of the Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015. Mr. Imanul Haque possesses appropriate skills, experience and knowledge, *inter alia*, in the field of finance.

In the opinion of the Board, Mr. Imanul Haque fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Securities



and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2016. Mr. Imanul Haque is independent of the management.

Brief Resume of Mr. Imanul Haque, nature of his expertise in specific function areas and name of companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding and relationship between directors *inter-se* as stipulated under the Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Imanul Haque is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr. Imanul Haque as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under the Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015.

Save and except Mr. Imanul Haque and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM NO. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and

remuneration of Mr. Rakesh Mishra, Cost Accountant, of Kanpur as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 at a remuneration of ₹ 50,000/- plus out of pocket expenses incurred for traveling, lodging and other expenses in connection with conducting the cost audit.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended 31st March, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

ITEM NO. 6

The Board of Directors in its meeting held on 24th July, 2015, approved the appointment of Mr. Narendra Kumar Agrawal as Director Works of the Company.

Approval of the Members u/s 196 and 197 read with schedule V to the Companies Act, 2013 is required for the remuneration of Director Works for payment of remuneration but in no circumstances the remuneration shall exceed the remuneration as laid down in Schedule V of Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

ITEM NO. 7

It is proposed to part finance to augment the new pulp mold project, the long term working capital requirements of the Company and contribution for pending CAPEX in CDR. The resultant increase in the borrowed funds needs to be offset by funds in the form of capital so as to reduce the borrowing cost and to enhance the debt / capital raising capacity in order to respond various opportunities for the future growth of the business in terms of introduction of new products so as to leverage such structure to achieve higher growth in terms of revenue and profit. Therefore, the Company is proposing to raise capital by allotment of equity warrants on preferential basis.

Raising Capital through Preferential allotment is one of the most cost effective methods as no merchant banker need to be appointed and other issue related expenses are not to be incurred. Preferential Issue is proposed by way of allotment of the equity warrants. Accordingly the Company proposes to issue 75,40,000 equity warrants at a price of ₹ 15 per equity warrants or such other higher price determined in terms of SEBI under Securities and Exchange Board of India (Issue of capital and Disclosure requirements 2009), in cash aggregating to ₹ 11.31crores on preferential basis.

Consent of the shareholders is sought for issuing the Equity Warrants as stated in the resolution to Mr. Ved Krishna, Managing Director (Promoter) S/o Late Mr. Krishna Kumar Jhunjunwala R/o Officers' Colony, Yash

Papers Limited, Yash Nagar, Faizabad – 224135, Uttar Pradesh having PAN AJRPK1551C, which shall result in issuance of up to 75,40,000 further equity warrants of the Company, on a preferential basis, resulting in an inflow of up to ₹ 11.31 crores to the Company in accordance with the terms and nature of the Equity Warrants to be issued by the Company.

Section 62 of the Companies Act, 2013 and the provisions of the Listing Agreement provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 62 unless the shareholders of the Company in general meeting decide otherwise.

The Resolution, if passed, will have the effect of allowing the Board to issue and allot Equity Shares to the Investor who is an existing member of the Company. Since the proposed Special Resolution would result in issue of Equity Warrants of the Company otherwise than to the members of the Company in the manner laid down under Section 62 of the Companies Act, 2013, consent of the shareholders is being sought pursuant to the provisions of Section 42, 62 and all other applicable provisions of the Companies Act, 2013 and the Listing Agreement.

The equity warrants after conversion into equity shares would be listed on Bombay Stock Exchange Limited, Mumbai. The issue and allotment would be subject to the availability of regulatory approvals, if any.

The salient features of this Preferential Issue are:

- 75,40,000 warrants of ₹ 15/- each convertible as per detail given in the resolution.
- The equity warrants shall be locked in for a period of 3 years from the date of allotment or trading approval whichever is later or such period as

required by law.

- The right attached to equity warrants to subscribe to equal number of equity shares of ₹ 10/- each at a premium of ₹ 5/- representing 18.74% of the diluted share capital of the Company shall be exercised within a period which shall not exceed beyond 18 months from the date of allotment but subject to provision of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
- The equity warrants will be convertible at one or more occasion at the option of the allottees within a period which shall not exceed beyond 18 months from the date of allotment of warrants.
- The equity warrants shall not carry any voting/ dividend rights.

In terms of Regulation 73 of SEBI (ICDR) Regulations, 2009 ("Regulations"), the following disclosures are needed to be made in the Explanatory Statement to the Notice of Extraordinary General Meeting

i. The Object of the Preferential Issues:

It is proposed to part finance to augment the new pulp mold project, the long term working capital requirements of the Company and contribution for pending CAPEX in CDR. The resultant increase in the borrowed funds needs to be offset by funds in the form of capital so as to reduce the borrowing cost and to enhance the debt / capital raising capacity in order to respond various opportunities for the future growth of the business in terms of introduction of new products so as to leverage such structure to achieve higher growth in terms of revenue and profit.

ii. Intention of the Promoters/Directors/Key Management Persons to subscribe the Offer:

Except Mr. Ved Krishna, Managing Director & Promoter, who will be subscribing to Equity

Warrants in preferential issue, none of the promoters, directors or key managerial personnel of the Company intends to apply / subscribe to any of the equity shares / equity warrants.

iii. Relevant Date:

The Relevant Date as per the Regulations for the determination of issue price of warrants pursuant to the aforesaid preferential allotment is fixed as November 18, 2015 i.e. the date falling 30 days prior to the date of this Extraordinary General Meeting to approve the proposed preferential issue, in terms of Section 62 of the Companies Act, 2013.

iv. Pricing of Preferential Issue:

The equity warrants will be allotted in accordance with the price determined in terms of ICDR Regulation 76 of the Regulations.

Since the Company is listed at Bombay Stock Exchange Limited, Mumbai, the maximum of the average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the six months preceding the relevant date or the average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the two weeks preceding the relevant date will be considered to determine for computation of issue price.

As required under the Regulations, wherever it is required, the Company shall re-compute the issue price in accordance with the Regulations. Further, if the amount payable on account of re-computation of issuer price is not paid by the proposed allottees, i.e. Mr. Ved Krishna within the time stipulated under Regulations, the equity shares allotted to Mr. Ved Krishna shall continue to be locked in till the time such amounts are paid by them.

v. Identity of the proposed allottees:

The identity of the beneficial owners of the equity warrants proposed to be allotted is as follows:

Identity	Category	Pre-Issue Holding	% of Pre-issue holding	No. of warrants to be allotted	Issue Price (INR) of equity warrants	Post-issue holding	% of Post-issue holding
VED KRISHNA S/O LATE MR. KRISHNA KUMAR JHUNJHUNWALA YASH PAPERS LIMITED YASH NAGAR, FAIZABAD - 224135 PAN NO.: AJRPK1551C	Promoter	3434950	12.40%	7540000	₹ 15 per equity warrants	10974950	31.14%

vi. Particulars of the proposed allottees:

The proposed allottee, Mr. Ved Krishna is a Managing Director & Promoter of the Company. He has a rich experience of about 2 decades in Management and administration of paper Company.

He is also ex-chairman of Confederation of Indian Industry (C.I.I.), Uttar Pradesh. He has been awarded many awards in the field of Management from some of the prime institution.

vii. Shareholding Pattern pre and post preferential Offer*

Sl. No.	Categories of Shareholders	Pre-allotment Shareholding*		Post-allotment Shareholding**	
		No. of Shares	% to Shares	No. of Shares	% to Shares
1	Promoters**	8337456	30.10	15877456	45.06
2	Mutual Funds and UTI	1000	0.00	1000	0.00
3	Banks, Financial Institutions	0	0.00	0	0.00
4	Central/ State Government	211121	0.76	211121	0.60
5	Corporate Bodies	689937	2.49	689937	1.96
6	Individuals/ HUF / Trusts	18097666	65.34	18097666	51.35
7	Directors' Relatives	114585	0.41	114585	0.33
8	Foreign Nationals / NRIs	248235	0.90	248235	0.70
	Total	27700000	100.00	35240000	100.00

The above shareholding pattern may be changed upon transfer of shares by the existing shareholders of the company from time to time.

*As at 13.11.2015

**It Includes conversion of 75,40,000 warrants into 75,40,000 equity shares to be allotted on preferential basis.

viii. Proposed time within which the allotment shall be completed:

As required under Chapter VII of the Regulations, the Company shall complete the allotment of warrants as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue at the Extraordinary General Meeting or in the event allotment of warrants would require any approval(s) from any regulatory authority or the Central government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

ix. Change in Control:

There is no change in management or control of the Company pursuant to issue of equity warrants.

x. Securities to be issued:

The resolution set out in the accompanying notice authorizes the Board to issue to the allottee, up to 75,40,000 equity warrants of face value of ₹15/- each aggregating to ₹11.31/- crores (Rupees Eleven crores thirty one lacs only), in such manner and on such price, terms and condition as may be determined by the Board in accordance with the provisions of Chapter VII of the ICDR Regulations.

xi. Auditors' Certificate:

The Statutory Auditor's certificate, as required under Regulation 73(2) of the Regulations will be made available for inspection at the Corporate Office of the Company between 10 a.m. to 5:30 p.m. on all

working days (excluding Saturday and Sunday) up to the date of the meeting.

xii. Lock in period:

The proposed allotment shall be subject to lock-in as per requirements of the regulations.

xiii. The Company has not made any preferential issued of securities during the current year:

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 62 of the Companies Act, 2013 and Chapter VII of the Regulations. The Board of Directors believes that the proposed Preferential issue and allotment of Equity warrants is in the best interest of the Company and its members. Your Directors therefore, recommend the resolution for your approvals.

Except Mr. Ved Krishna, Managing Director (Promoter), Mrs. Manjula Jhunjhunwala, Director (Promoter) and Ms. Kimberly Ann McArthur, Director (Promoter), None of the Directors / Key Managerial Personnel / their relatives of the Company are in any way concerned or interested in the resolution set out at item No.7 of the Notice.

The Board commends the Special Resolution set out at Item No.7 of the Notice for approval by the shareholders.

All the documents referred to in the accompanying Notice and Statement annexed thereto would be

available for inspection without any fee by the members at the Corporate Office of the Company during 09:00 A.M. to 05:30 P.M. on any working day (excluding Saturday and Sunday) up to the date of the meeting.

ITEM NO. 8

As per the provisions of Sections 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.8 of the Notice.

The Board commends the Special Resolution set out at Item No.8 of the Notice for approval by the shareholders.

By Order of the Board



Sachin K. Srivastava
Company Secretary

Camp : Faizabad
Date : 23rd April, 2016

DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT / APPOINTMENT AT 36TH ANNUAL GENERAL MEETING

Particulars	Ms. Kimberly Ann McArthur	Mr. Imanul Haque	Mr. Narendra Kumar Agrawal
DIN	05206436	00001284	05281887
Date of Birth	19-05-1974	19-07-1965	15-04-1971
Date of Appointment	13-02-2012	06-02-2016	10-05-2012
Education	Master In Communication	Bachelor in Business Administration	Bachelor of Engineering
Occupation	Business	Business	Service
Experience in specific functional areas	<p>Kim is passionate about life. She earned a Masters in Communication and built her company Freerange Studios in the USA from a start up to a well known design firm that works on social causes.</p> <p>Kim knows how to communicate. She has a brain that can look at issues and guide as they need to be handled. From experience in running her own business for ten years, she gained business strategic experience combined with her great acumen for aesthetics and design. She also has a deep commitment to Yash Papers' CSR efforts.</p>	<p>Imanul has a wide experience in conversion and making of specialty papers. We look forward to his expert guidance and mentorship.</p>	<p>Yash Papers is blessed to benefit from Narendra's 2 decades of rich experience in projects. His skills have enabled Yash to minimize downtime, enhance production operations, and improve operational efficiencies. He has a Bachelor of Engineering (Mechanical) from MNREC Allahabad in year 1993. In his personal time he enjoys reading and organizing for the care of children and elderly.</p>
Directorship in other Companies	Yash Ecoenergy Limited	1. Genus Marketing Services Pvt Ltd 2. Rexcel Packaging Private Limited	
Membership / Chairmanship of Committees of Listed entities (includes only Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee)	Yash Papers Limited	-	-
Number of Shares held in the Company	-	-	500
Relationship with any Director(s) of the Company	1. Mr. Ved Krishna 2. Mrs. Manjula Jhunjunwala	-	-

By Order of the Board

Sachin K. Srivastava
Company Secretary

Camp : Faizabad
Date : 23rd April, 2016

Board's Report

**TO,
THE MEMBERS OF
YASH PAPERS LIMITED**

Your Directors have pleasure in presenting the 35th Annual Report together with Audited Financial Statements of Yash Papers Limited for the financial year ended 31st March, 2016.

1. FINANCIAL RESULT

The summarized financial performance of your Company for the financial year 2015-16 as compared to previous year 2014-15 has been as under:

(₹ in lacs)

Particulars	Current Year ended 31.03.2016	Previous Year ended 31.03.2015
Net Sales	17,333.23	17,226.82
Other Income	120.20	164.93
Decrease and (Increase) in Inventories of Finished Goods and Work-in-Process	594.77	(554.03)
Total Expenditure	14,279.95	15,248.20
Finance Cost	1,481.72	1,598.31
Depreciation	661.48	416.15
Profit Before exceptional and extraordinary items and Tax	435.51	683.12
Extraordinary Items (CERs receivable written off)	-	1,547.59
Profit / (Loss) before Tax	435.51	(864.47)
Provision for taxation		
- Current Tax (MAT)	3.70	0.00
- Deferred Tax	146.56	198.12
Net Profit (Net Loss)	285.25	(666.35)

2. DIVIDEND

In view of ongoing projects of the Company, Directors have decided to retain the profit and hence not declare dividend this year.

3. RESERVES

The reserves of the Company stand at ₹1,486.15 lacs during the year as compared to ₹1,109.46 lacs in the previous year 2014-15.

4. OPERATIONS

Your Company has achieved a production of paper 35,981 MT (Kraft Paper 19,427 MT and Poster Paper 16,554 MT) and salable pulp of 4,553 MT during the year ended 31st March, 2016 against a production of paper 37,975 MT (Kraft Paper 21,723 MT and Poster Paper 16,252 MT) and salable pulp of 5,663 MT in the previous year ended 31st March, 2015.

The Company has achieved sales of paper 37,664 MT

(Kraft Paper of 20,194 MT, Poster Paper of 17,470 MT) and salable pulp of 4,553 MT during the year ended 31st March, 2016 against sales of paper 36,198 MT (Kraft Paper of 20,740 MT, Poster Paper of 15,458 MT) and salable pulp of 6,093 MT in the previous year ended 31st March, 2015.

The Company has achieved purchase and sales of trading of paper of 286 MT during the year ended 31st March, 2016 against 208 MT in the previous year ended

31st March, 2015.

The Company has achieved production of 5,71,900 pieces of egg tray and sales of 1,58,400 pieces during the year ended 31st March, 2016.

The Company has achieved a Gross turnover of ₹182.03 crores in the current year ended 31st March, 2016 against ₹180.77 crores in the previous year. Reserves as on 31st March, 2016 stood at ₹14.86 crores as compared to ₹11.10 crores of the preceding year 31st March, 2015.

5. EXPORT

The Company exported 6,693 MT Kraft and Poster Paper (4,984 MT Kraft Paper and 1709 MT Poster Paper) during the year ended 31st March, 2016 against 6,224 MT in the previous year ended 31st March, 2015.

The Company exported 270 MT Traded Kraft and Poster Paper during the year ended 31st March, 2016 against 208 MT Traded Kraft and Poster Paper in the previous year ended 31st March, 2015.

6. SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2016 was ₹2,983 lacs. During the year, the Company has increased its paid up capital by allotment of 21,30,000 equity shares on conversion of 21,30,000 warrants on preferential basis to Mr. Ved Krishna, Managing Director (Promoter) of the Company.

7. INSURANCE

The properties of your Company comprising buildings, plant and machinery, other assets, stocks, etc. were adequately insured against various risks.

8. OUTLOOK

The organization has increased focus on cost reduction measures as well as production of value added products. It is expected that the current year 2016-17,

the Company shall demonstrate better bottom line performance for value addition for the investors.

9. HUMAN RESOURCE AND WELFARE

The Company takes special care to nurture and develop its human resources as it believes that they are the most valuable asset of the organisation. Employee engagement has been improved through the introduction of Sangh Level interactions & small group activities. Focused employee development through regular training interventions and counseling is a continuing process.

10. CREDIT RATING

Line	Rating	Sanction (INRm)
Working-Capital Facilities		
Fund Based Limits		
United Bank of India	'IND B+/'Stable/'IND A4'	85.60
Oriental Bank of Commerce	'IND B+/'Stable/'IND A4'	107.10
State Bank of India	'IND B+/'Stable/'IND A4'	210.40
Union Bank of India	'IND B+/'Stable/'IND A4'	53.90
UCO Bank	'IND B+/'Stable/'IND A4'	43.00
Non-Fund-Based Limits		
United Bank of India	'IND A4'	9.90
Oriental Bank of Commerce	'IND A4'	73.20
State Bank of India	'IND A4'	45.10
Union Bank of India	'IND A4'	6.20
UCO Bank	'IND A4'	4.90
Term Loan		
United Bank of India	'IND B+/'Stable	207.60
Oriental Bank of Commerce	'IND B+/'Stable	195.90
State Bank of India	'IND B+/'Stable	23.30
Union Bank of India	'IND B+/'Stable	148.00
UCO Bank	'IND B+/'Stable	126.90

11. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial statements relate i.e. 31st March, 2016 and the date of the report i.e. 23rd April, 2016.

12. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

13. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Internal Auditor of the Company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

14. CORPORATE GOVERNANCE

As per Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company follows good Corporate Governance and complies with mandatory provisions as applicable. As stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,, Corporate Governance Certificate obtained from M/s Kapoor Tandon & Co., Chartered Accountants is annexed with the report.

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the Company has adopted a vigil mechanism policy. This policy is explained in Corporate Governance Report and also posted on the website of company.

16. BUSINESS RISK MANAGEMENT

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

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-

active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

18. DEPOSITS

The Company has not accepted any deposit under Section 73 or Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

However, the Company had accepted deposits in earlier years in compliance of provisions of Section 58A of the Companies Act, 1956 read with the Companies

(Acceptance of Deposit) Rules, 1975 which pursuant to Section 74 (1)(b) of the Companies Act, 2013, need to be repaid within one year from 1st April, 2015 or the date on which such payments are due, whichever is earlier. The Company has paid the deposits matured during the year.

The Company has applied under Section 74(2) of the Companies Act, 2013 to the Company Law Board, New Delhi on 30th March, 2015 in the prescribed Form No.7 for extension of repayment period in respect of unpaid deposits of ₹118.09 lacs excluding interest ₹28.18 lacs yet to be matured as at 31st March, 2016.

The application has been admitted by the Hon'ble Company Law Board, New Delhi on 31st March, 2015 and the Board has directed to make repayment of the deposits alongwith interest on due date of maturity of FDs of depositors.

The Company is holding an aggregate sum of ₹58.33 lacs on account of deposits from the public, employees and shareholders as on 31st March, 2016 in comparison to ₹118.09 lacs in the previous year ended 31st March, 2015. No unclaimed matured deposit was pending as on 31st March, 2016.

19. AUDITORS' OBSERVATION

19.1 STATUTORY AUDITOR

The Statutory Auditor of the Company has given unqualified report during the year under review.

19.2 SECRETARIAL AUDITOR

The replies of qualifications of Secretarial Auditor by the Board of Directors are given below:-

- i) The delayed occurred due to facing technical difficulties faced in MCA Portal. In view of facing technical problems at the relevant time and

subsequent skipping the attention that form is pending for filling. However efforts are being taken to take the remedial action.

- ii) The Company has improved its Effluent Treatment Plant (ETP) by making additional capital expenditure. The effluent discharged by the Company is within norms as on date and the Company is expecting positive Joint Inspection Report and favorable decision from National Green Tribunal.
- iii) The hardcopy of the form could not be filed due to certain requirement of enclosures with the form. We are moving to apply NOC for Central Ground Water Authority shortly.
- iv) The License for Boiler was applied within time and is expected to be issued shortly.
- v) The Company has applied for the Air and Water Consent which was rejected due to non-meeting certain criteria in sample inspection. The Company has improved its plant with regard to environmental criteria and is in process to apply the fresh consent approval shortly.
- vi) The Company has applied for renewal of its Factory License of Unit-3 having Registration No.FZD-301 within time. The Factory License is expected to be issued by the Next Month.
- vii) The Company will take the required approval from the appropriate authority before exercising the next option which will trigger the provisions of making any Open Offer as may be legally advice.

20. DIRECTORS:

20.1 CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Anil Kumar Gupta was appointed as Chief Financial

Officer (Key Managerial Personnel) of the Company w.e.f. 2nd May, 2015.

Mr. Mudar Patherya, Independent Director of the Company, who was appointed on 25th May, 2013 as Independent Director of the Company has resigned due to his pre-occupations on 4th February, 2016.

Mr. Imanul Haque was appointed as an Additional Director (Independent) on 6th February, 2016.

Ms. Kimberly Ann McArthur is re-designated as Non-Independent Director (Promoter) w.e.f. 6th February, 2016.

Ms. Kimberly Ann McArthur is a Director retiring by rotation in pursuance of Section 152 of the Companies Act, 2013, being eligible, offers herself for re-appointment.

Mr. Sachin Kumar Srivastava was appointed as Company Secretary (Key Managerial Personnel) of the Company w.e.f. 2nd May, 2016 in pursuance of Section 203 of the Companies Act, 2013.

20.2 INDEPENDENT DIRECTOR(S) DECLARATION

In pursuance of sub-section (7) of Section 149 of the Companies Act, 2013 all the Independent Directors have furnished the declaration that they meet the criteria of Independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

20.3 BOARD ANNUAL EVALUATION

Pursuant to the provisions of Companies Act, 2013 and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the

evaluation has been carried out has been explained in Corporate Governance Report.

20.4 REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

21. BOARD AND COMMITTEE MEETINGS

21.1 BOARD MEETING

During the year 2015-16, 06 Meetings of the Board of Directors were held on 2nd May, 2015, 24th July, 2015, 26th September, 2015, 14th November, 2015, 6th February, 2016, 28th March, 2016, adjourned and held on 31st March, 2016. The maximum time gap between any two consecutive meetings was not exceeding four months.

21.2 AUDIT COMMITTEE MEETING

The Chairman of the Audit Committee is Mr. Gyanendra Nath Gupta. During the year, 4 Audit Committee meetings were held on 1st May, 2015, 24th July, 2015, 13th November, 2015 and 5th February, 2016.

The composition of the Audit Committee and number of meetings attended by the Members are given below:

Name of Directors	Category
Mr. Gyanendra Nath Gupta	Independent, Non-Executive
Dr. Indroneel Banerjee	Independent, Non-Executive
Mr. Atul Kumar Gupta	Independent, Non-Executive

The other details of Board and Committee Meetings are given in Corporate Governance Report forming part of the Annual Report.

22. AUDITORS

22.1 STATUTORY AUDITORS

M/s Kapoor Tandon & Co. (Firm Registration No.000952C), Chartered Accountants have been appointed as Statutory Auditors of the Company at the last i.e. 34th Annual General Meeting held on August 9, 2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the Members of the Company at the ensuing 36th Annual General Meeting to be held on 30th July, 2016. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 for their re-appointment as Statutory Auditors of the Company.

22.2 SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Adesh Tandon & Associates (CP No.:1121, FCS: 2253), Company Secretaries to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure A'.

22.3 INTERNAL AUDITOR

M/s U Nagar & Co., Chartered Accountants, Lucknow performs the duties of Internal Auditors of the Company and their report is reviewed by the Audit Committee from time to time.

22.4 COST AUDITOR

The Board of Directors at their Meeting held on 2nd May, 2015 has appointed Mr. Rakesh Misra (Firm Registration No. 102140) Practicing Cost Accountant, as the Cost Auditor of the Company for the financial year 2015-16 for all the applicable products of the Company. The Cost Audit Report for the year ended 31st March, 2015 which was required to be filed with the Ministry of Corporate Affairs on or before 10th October, 2015, was filed on 3rd November, 2015.

22.5 FRAUD REPORTING

During the year under review, there was no fraud reported by the Auditors to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013.

23. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure B".

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are disclosed in Form No. AOC -2. is annexed herewith as "Annexure C".

25. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual

Return in form MGT 9 is annexed herewith as "Annexure D".

26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report on financial condition and results of operations of the Company for the year under reviews required under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as separate statement forming part of the Annual Report.

27. PARTICULARS OF EMPLOYEES

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information required pursuant to Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

27.1 THE PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY DURING THE FINANCIAL YEAR 2015-16, RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2015-16 AND THE COMPARISON OF REMUNERATION OF EACH KEY MANAGERIAL PERSONNEL (KMP) AGAINST THE PERFORMANCE OF THE COMPANY ARE AS UNDER:

Name of Directors / KMP	Remuneration of the Director / KMP in F.Y. 2015-16 (₹)	Remuneration of the Director / KMP in F.Y. 2014-15 (₹)	% increase in F.Y.2015-16 (%)	Ratio (times) of the remuneration of each director to the median remuneration of the employees	Comparison of the remuneration of the KMP against the performance of the company
Mr. Ved Krishna, Managing Director (KMP)	42,07,636	35,80,471	17.52%	18.85	The turnover of the Company increase 0.69% and Net Profit for the financial year ended March 31, 2016 increased by 333.60% in comparison to last financial year.
Mr. Narendra Kumar Agrawal, Director Works	22,21,211	20,71,711	7.22%	10.91	
Mr. Anil Kumar Gupta, Chief Financial Officer (KMP)	11,95,720	11,81,419	1.21%	13.66	
Mr. Sachin Kumar Srivastava, Company Secretary (KMP)	7,72,289	6,80,015	13.57%	5.92	

- i. The median remuneration of employees of the Company during the financial year was ₹2.02 lacs.
- ii. In the financial year, there was an increase of 5.06% in the median remuneration of employees.
- iii. There were 363 permanent employees on the rolls of the Company during the financial year 2015-16.
- iv. **Relationship between average increase in remuneration and company performance:** The Net Profit for the financial year ended 31st March, 2016 increased by 333.60% whereas the increase in median remuneration was 5.06%. The average increase in median remuneration was in line with the performance of the Company.
- v. **Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:** The total remuneration of Key Managerial Personnel has increased 13.48% during the year in comparison to last year whereas the Net Profit for the financial year ended 31st March, 2016 increased by 333.60% in 2015-16 in comparison to last year 2014-15.
- vi. a) **Variations in the market capitalisation of**

the Company: The market capitalization of the Company has been increased by 124.24% as on 31st March, 2016 to ₹4,528.19 lacs in comparison of ₹2,019.33 lacs as on 31st March, 2015.

- b) **Price Earnings ratio of the Company:** The Price Earnings Ratio was 14.76 as at 31st March, 2016 and was not applicable as at 31st March, 2015 due to negative earnings per share.
- c) **Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the Company came out with the last public offer in the year:** The Company had come out with Further Public Offer (FPO) in 2005. An amount of 2,352 lacs invested in the said FPO by issuing 1,68,00,000 equity shares at ₹14 would be worth ₹2,550.24 lacs as on 31st March, 2015. There has been increase of 8.43% in the shares of the Company in comparison to FPO.

vii. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 4.80% whereas

the increase in the managerial remuneration for the same financial year was 11.76%.

- viii. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- ix. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- x. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- xi. **THE PARTICULARS OF THE EMPLOYEES WHO ARE COVERED BY THE PROVISIONS CONTAINED IN RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE:**

a) Employed throughout the year	Nil
b) Employed for part of the year	Nil

28. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to the legislation Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013 introduced by the Government of India, which came into effect from 9th December, 2013, the Company has framed a policy on Prevention of Sexual Harassment at Workplace. There was no case reported during the year under review under the said policy.

29. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the

profit of the Company for the year ended on that date;

- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

30. COMPANIES WHICH CEASED TO BE HOLDING, SUBSIDIARY OR ASSOCIATE COMPANY

There is no holding, subsidiary or associate Company of the Company.

31. PARTICULARS OF LOANS, INVESTMENTS OR GUARANTEE

There is no a loan, investments or guarantee pursuant to provisions of Section 186 of the Companies Act, 2013.

32. ACKNOWLEDGEMENTS

The Company has been very well supported from all

quarters and therefore your Directors would like to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers, Credit Rating Agencies, Depositories, Stock Exchange, Registrar and Share Transfer Agents, Associates as well as our Shareholders at large during the year under review.

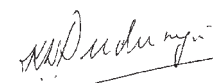
Your Directors also wish to place on record their deep sense of appreciation for the commitment, abilities and hard work of all executives, officers and staff who enabled Company to consistently deliver satisfactory and rewarding performance even in the challenging economic conditions.

We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

33. CAUTIONARY STATEMENT

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

For and on Behalf of the Board



K. D. Pudumjee
Chairman

Annexure 'A' of Board's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,
The Members,
Yash Papers Limited

13/65, Parmat, Civil Lines
Kanpur – 208001 (UP)

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the

manner and subject to the reporting made hereinafter.

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

- i) The Companies Act, 2013 (the Act) and the rules made there under ;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable To the Company during the Audit Period)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client; **(Not applicable to the Company during the Audit Period)**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(Not applicable to the Company during the Audit Period)

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- vi) **I further report that**, having regard to the compliance system prevailing in the Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on text check basis, the Company has complied the law applicable specifically to the Company named as under :

a) The Boilers Act, 1923

b) The Explosives Act, 1884

c) The National Green Tribunal Act, 2010

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India. **(SS-1 and SS-2 Effective from 1st July, 2015)**
- ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. 1st December, 2015.**

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

above except the following:

- a) Some MGT-14 and MR-1 has been filed with the delay fees before signing of the report. One Form MGT-14 is pending till the date of signing of this report.

We further report that:-

1. The National Green Tribunal (NGT) in Original Application No. 205 of 2014 directed on 10th December, 2015 the industrial undertaking to be closed forthwith initially for a period of 4 weeks and imposed environmental compensation of ₹ 5 Lacs on the Company pursuant to which the Company filed M.A No. 1327 of 2015 for modification of order and NGT thereon directed on 23rd December, 2015 to operate only for one month during which an inspection was conducted by the Joint Inspection Team, the report of which was pending as on the date of signing of this report. The stay to operate was also extended on every date and remains in force on the date of signing of this report.
2. The Application No. 21-4/863/UP/IND/2015 made by the Company on 20/12/2015 to Central Ground Water Authority for NOC was rejected on 11th April, 2016 due to non-submission of hardcopy of the application along with required enclosures.
3. The License for Boiler Registry No.UP-6298 was expired on 5th April, 2015 and Recovery Boiler Registry No.UP-6384 was expired on 21st August, 2015. The Company has applied for renewal of the same with the applicable fees on 21st March, 2015 and 8th July, 2015 respectively. The same is pending as on the date of signing of this report.

4. The Company applied for the Air and Water Consent for the Calendar Year 2016 to the UP Pollution Control Board which was rejected on 20th April, 2016.
5. The Company applied for the renewal of its Factory License for Unit-3 for Calendar Year 2016. The approval regarding the same was pending as on the date of signing of this report.

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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

We have relied on the representations made by the Company and its officers for systems and mechanism



formed by the Company for compliances under other applicable Acts/Laws/Regulations to the Company.

We further report that during the audit period, there were no instances of:

- (i) Public/Right/debentures/sweat equity, etc.

However, the Company issued on preferential basis u/s 62 of the Companies Act, 2013 to Mr. Ved Krishna, Managing Director of the Company 75,40,000 Equity Warrants at ₹ 15 per warrant to be converted into equity shares of the Company within 18 months from the date of their allotment on 31st March, 2016 and 21,30,000 Equity warrants were converted on the date of the allotment i.e., 31st March, 2016. 24,80,000 Equity

warrants were further converted on 23rd April, 2016.

However, the further conversion of the warrant in equity share shall attract relevant provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for Individual Shareholding.

- (ii) Redemption / buy-back of securities.
(iii) No Major decisions except the mortgage on the properties of the companies from banks and financial Institutions
(iv) Merger / amalgamation / reconstruction, etc.
(v) Foreign technical collaborations

We Further Report that the Company had accepted deposits under The Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 which were due for repayment as on 31st March, 2015 under The Companies Act, 2013 for which an application was made to the Company Law Board, Delhi Bench for the extension of period for repayment of Deposits under Section 74(2) of The Companies Act, 2013.

Pursuant to the application, the CLB vide Order dated 5th June, 2015 has granted the extension for two years on the basis of No Objection Affidavits received from all the depositors.

Camp : Faizabad
Date : 23rd April, 2016

Adesh Tandon & Associates
Company Secretaries

(Proprietor)
FCS No: 2253
C P No: 1121

Annexure 'B' of Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided hereunder:

1. CONSERVATION OF ENERGY

(A) ENERGY CONSERVATION MEASURES TAKEN

1. Reduced the angle of new cooling tower fan
2. Connection of capacitors to individual motors.
3. Load sharing optimization of transformers *
4. Implemented timer in evaporator cooling tower fan to run one fan for 12 hrs.
5. Vacuum pump 3 is replaced with energy efficient pump at PM-3
6. Stop one supply pump (18.5 KW) and one booster pump (11 KW).
7. FRP blade implemented in cooling tower of power plant.
8. Set the gap between impeller and screen plate in all UTM pulper
9. Modification in ducting of Recovery Boiler.
10. Treated water usage in Gardening and chemical preparation.
11. Recycling of treated water from ETP to Raw material washing.
12. Reduction of orifice size of nozzles of bleaching washers.

13. Water recirculation of bearing cooling & spout heat exchanger.
14. Optimization of pitch of nozzles of HP showers
15. Reuse of vacuum pump sealing water
16. Separate cooling tower for evaporator
17. Reuse of RO reject water
18. ETP treated water given to various areas for floor cleaning.
19. Filler fresh water is replace by save all back water
20. To reduce LP steam venting provide pp-2 LP steam at pm-2 steam box

(B) ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY

1. Implement APFC panel at ETP
2. Use one pump(255 m3/hr) with drive by replacing 3 pumps (120 m3/hr each)
3. Use foul condensate 1& 2 of evaporator at pulp mill.
4. Implement drive in green liquor pump.
5. Replace One MC pump by installing belt conveyors for transfer of Pulp.
6. Installation of Sedicell at PM-1 and PM-2 to Recover fibre and reuse machine back water.
7. Install APFC panel at Depithing House MCC.
8. Blow heat recovery
9. Heat exchanger in white liquor circuit from Continuous Digester.
10. Preheater for Recovery Boiler feed water heating
11. Installation of Thermocompressor in Paper Machine-1
12. Load sharing and Synchronization of 6mw and 2.5 mw.

(C) IMPACT OF THE MEASURES OF THE ABOVE

1. Reduction of power from 1113 KWH to 1025 KWH/MT of paper.
2. Reduction of steam from 10.65 MT to 10.5 MT/MT of paper.

(D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER PRESCRIBED FORM A OF THE ANNEXURES IN RESPECT OF THE INDUSTRIES SPECIFIED IN THE SCHEDULE THERETO.

I. POWER AND FUEL CONSUMPTION

Particulars	Current Year	Previous Year
(a) Electricity		
(i) Purchased Unit (lacs)	Nil	Nil
Total Amount (₹ in lacs)	Nil	Nil
Rate / Unit (₹)	Nil	Nil
(ii) Own generation		
Through Diesel Generator	1.88	1.03
Unit (lacs)	3.45	3.18
Unit per liter of Diesel Oil	13.74	16.77
Through Steam Turbine		
Unit (lacs)	454.91	469.25
Unit per MT of fuel (Paddy husk)	1468.00*	1,198.00*
Cost / Unit (₹)	2.07	2.63

Note: *Steam Turbine is extraction cum condensing type hence fuel allocation is on estimated basis.

Particulars	Current Year	Previous Year
(b) Coal Quantity (MT)	Nil	Nil
(c) Furnace Oil Quantity (Kilo litre)	Nil	Nil
(i) Paddy Husk Quantity (MT)	77,162.00	87,809.34
Total Cost (₹ in lacs)	2,349.56	2,771.47
Average Rate (₹)	3,045.00	3,156.24
(ii) Bagasse/ Pith Quantity (MT)	18,996.00	22,788.43
Total Cost (₹ in lacs)	503.70	512.62
Average Rate (₹)	2,651.61	2,249.49

II. CONSUMPTION PER UNIT OF PRODUCTION OF PAPER

Particulars	UOM	Current Year	Previous Year
Electricity	Units	1078*	1152*
Furnace Oil	Litre	Nil	Nil
Coal	MT	Nil	Nil
Paddy Husk	MT	1.35**	1.35**
Bagasse Pith	MT	3.00**	3.00**

* For achieving pollution norms and increased recycling of water electrical Load increase.

** Bagasse pith is used alongwith the paddy husk as fuel for producing steam which is used for pulp and paper manufacturing and power generation hence consumptions are estimated.

(E) STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCE OF ENERGY.

Since inception the Company is using Biomass as a fuel for generating the Steam. In year 1995, the Company installed a 2.5 MW cogeneration power plant using biomass (rice husk and pith) as fuel. The Company has also installed a Black liquor (Pollutant generated during pulping of Agro waste raw material) fired Boiler, generating steam and thereby power.

(F) CAPITAL INVESTMENTS ON ENERGY CONSERVATION EQUIPMENTS.

Total Capital investment on energy conservation equipment during year 2015-16 is approximate ₹30 Lacs.

2. TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER PRESCRIBED FORM B of the Annexure.

(A) Specific areas in which R & D carried out by the Company

1. Developed new grade of paper i.e. Chromo paper (one side coated), Release base paper.
2. New Lab set up of R&D laboratory by improving infrastructure
3. Develop compostable solution for plastic bags.
4. Lignin extraction from black liquor in CPPRI lab.
5. Enhancement of opacity level of product using alternative fillers & raw materials in furnish.
6. Bagasse preservation trial's by means of chemical treatment for better storage.
7. Bagasse preservation trial by wet storage.
8. R&D work is in progress for color removal of ETP effluent.
9. Trials for usages of lime sludge and ETP sludge.
10. Improve fiber pith separation through dry depithing.

11. Trial & optimization of cooking aid.
12. Lab trial of oxygen bleaching

(B) Benefits derived as a result of the above R & D

Above efforts have resulted in quality improvements, cost reduction, better realization, waste reduction, recycling and development of plastic compostable alternatives.

(C) Future plan of action

1. Replacement of softwood pulp with hardwood pulp for better formation in the paper.
2. Installation of tertiary treatment system in ETP for recycling of water.
3. Installation of online monitoring system for air emission.
4. Bagasse fiber pith separation trial's by means of chemical treatment without hammer mills.
5. Production of 6.0 Tensile & 35 BF paper for bag making.
6. Development of stone paper from lime sludge.
7. Replacement of PE coating & lamination with compostable solution

(D) Expenditure on R & D

(₹ in Lacs)

Sl. No.	Particulars	Current Year 31.03.2016	Previous Year 31.03.2015
1.	Capital	0.00	0.00
2.	Recurring	17.72	10.32
3.	Total	17.72	10.32
4.	Total R & D Expenditure as a percentage of total Turnover	0.10	0.06

(E) Technology absorption, adaptation and innovation

(i) Efforts, in brief, made towards technology absorption, adaptation and innovation:-

1. Installation of online monitoring system for effluent.
2. Installation of centricleaner in pulp mill for shieves & sand control
3. Installation of air drying system of pulp sheet.
4. Installation of egg tray machine based on 100% usage of ETP sludge

(ii) Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc.:-

Improvement in existing process and product quality, less qualities variations, improved productivity, cost

reduction and reduction in use of imported softwood pulp, reduction in fresh water consumption.

(iii) Imported Technology (Imported during the last five years reckoned from the beginning of the financial year)

Installations of Head boxes on Paper Machine-1 and Paper Machine-2 and Deipither in Bagasse storage area for better storage & preservation of raw material.

Installation of Decanter for easy handling of secondary sludge.

3. FOREIGN EXCHANGE EARNING AND OUTGO

(A) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

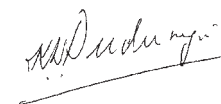
The Company has continued thrust on exports.

(B) Total foreign exchange used and earned

(In ₹)

S. No.	Particulars	Amount
1.	Used	14,42,76,592
2.	Earned	29,10,84,652

For and on Behalf of the Board



K. D. Pudumjee
Chairman

Camp: Faizabad
Date: 23rd April, 2016

Annexure – ‘C’ of Board’s Report

FORM AOC -2

(Pursuant to clause (h) of sub section (3) of the section 134 of the Act and Rules 8(2) of the Companies (Account) Rules, 2014)

Form for Disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso is given below:

1. Details of contracts or arrangements or transactions not at arm’s length basis:

Sl. No.	Particulars	Details
a)	Name (s) of the related party	Nil
b)	Nature of relationship	Nil
c)	Nature of contracts/arrangements/transaction	Nil
d)	Duration of the contracts/arrangements /transaction	Nil
e)	Salient terms of the contracts or arrangements or transaction	Nil
f)	Value of the contracts or arrangements or transaction	Nil
g)	Date of approval by the Board	Nil
h)	Amount paid as advances, if any	Nil
i)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of contracts or arrangements or transactions at arm’s length basis:

Sl. No.	Particulars	Details
a)	Name (s) of the related party	Yash Agro Products Limited
b)	Nature of relationship	Common Promoters
c)	Nature of contracts/arrangements/transaction	Unsecured Loan
d)	Duration of the contracts/arrangements /transaction	5 Years
e)	Salient terms of the contracts or arrangements or transaction	Unsecured Loan at Interest Rate of 10% Per Annum
f)	Value of the contracts or arrangements or transaction	75,00,000
g)	Date of approval by the Board	06.02.2016
h)	Amount paid / received as advances, if any	-
i)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	09.08.2014

Annexure – ‘D’ of Board’s Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2016 of YASH PAPERS LIMITED [Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L24231UP1981PLC005294
Registration Date	5th May, 1981
Name of the Company	Yash Papers Limited
Category/Sub-Category of the Company	Manufacturing
Address of the Registered office and contact details	13/65, Parmat, Civil Lines, Kanpur 208001 (U.P.)
Whether listed company	Yes in BSE Limited
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Skyline Financial Services Pvt. Ltd., D-153/A, First Floor, Okhla Industrial Area, Phase – I, New Delhi 110020 Phone No. 011 64732681

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

SI No.	Name and Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Kraft, Poster Papers & Pulp	21020	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

SI No.	Name and Address of the company	CIN/GLN	Holding /Subsidiary Associate	%of shares held	Applicable Section
-	-	-	-	-	-

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	16000	-	16000	0.06	16000	-	16000	0.05	-0.01
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4303140	-	4303140	15.53	4303140	-	4303140	14.43	-1.10
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
g) Directors	4018316	-	4018316	14.51	6148316	-	6148316	20.61	+6.10
Sub-total (A) (1):-	8337456	-	8337456	30.10	10467456	-	10467456	35.09	+4.99
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Bank / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub -total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2) :-	8337456	-	8337456	30.10	10467456	-	10467456	35.09	+4.99
B. Public Shareholding									
1) Institutions									
a) Mutual Fund	-	1000	1000	0.00	-	1000	1000	0.00	-
b) Bank/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	211121	-	211121	0.76	211121	-	211121	0.71	-0.05
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	211121	1000	212121	0.76	211121	1000	212121	0.71	-0.05

i) Category-wise Share Holding (contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	708942	5401	714343	2.58	737355	5401	742756	2.49	-0.09
ii) Overseas									
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individuals shareholders holding nominal share capital upto ₹1 lakh	6378208	569240	6947448	25.08	7374305	564040	7938345	26.61	+1.53
ii) Individual shareholders holding nominal share capital excess of ₹1 lakh	8967823	16900	8984723	32.44	8124451	12400	8136851	27.28	-5.16
c) Others (specify)	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Custodians/ Clearing Member	1315	0	1315	0.00	45304	0	45304	0.15	+0.15
NRIs	255511	600	256111	0.92	281298	600	281898	0.95	+0.03
HUF	2124998	0	2124998	7.67	1894684	0	1894684	6.35	-1.32
Director & their Relative	111599	3486	115085	0.42	107599	2986	111085	0.37	-0.05
Sub-total(B)(2):-	18548396	595627	19144023	69.11	18564996	585427	19150423	64.20	-4.91
Total Public shareholding (B)=(B)(1)+(B)(2)	18759517	596627	19356144	69.88	18776117	586427	19362544	64.91	-4.97
Total (A)+(B)	27103373	596627	27700000	100.00	29243573	586427	29830000	100.00	-
C. Share held by Custodian for GDR& ADRs	-	-	-	-	-	-	-	-	-
i) Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
ii) Public	-	-	-	-	-	-	-	-	-
Sub-total (C):-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	27103373	596627	27700000	100.00	29243573	586427	29830000	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Mr. Ved Krishna*	34,34,950	12.40	99.81	55,64,950	18.66	61.71	6.26
2.	Satori Global Limited	33,34,500	12.04	100.00	33,34,500	11.18	100	NIL
3.	Yash Agro Products Limited	9,68,640	3.50	100.00	9,68,640	3.25	100	NIL
4.	Mrs. Manjula Jhunjhunwala	5,83,366	2.11	100.00	5,83,366	1.96	100	NIL
6.	K K Jhunjhunwala HUF (Karta Ved Krishna)	16,000	0.06	100.00	16,000	0.05	100	NIL
	Total	83,37,456	30.10	99.92	1,04,67,456	35.09	79.65	6.26

*21,30,000 equity shares allotted to Mr. Ved Krishna, Managing Director (Promoter) on conversion of 21,30,000 warrants allotted on preferential basis on 31st March, 2016 in pursuance of Chapter VII of SEBI (ICDR) Regulations, 2009.

(iii) Change in Promoter's Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	83,37,456	30.10	83,37,456	30.10
2.	21,30,000 equity shares allotted to Mr. Ved Krishna, Managing Director (Promoter) of the Company on conversion of 21,30,000 warrants allotted on preferential basis on 31st March, 2016 in pursuance of Chapter VII of SEBI (ICDR) Regulations, 2009	21,30,000	7.14	21,30,000	7.14
3.	At the end of the year	1,04,67,456	35.09	1,04,67,456	35.09

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Saurabh Jalan	12,33,919	4.45	12,33,919	4.14
2.	Ankur Jalan	12,33,619	4.45	12,33,619	4.14
3.	Ms. Sangeetha S	10,71,790	3.87	10,71,790	3.41
4.	Saurabh Jalan HUF	6,18,046	2.23	6,18,046	2.07
5.	Ankur Jalan HUF	6,18,046	2.23	6,18,046	2.07
6.	Mr. Dipak Kanayalal Shah	5,06,000	1.83	3,00,000	1.01
7.	Ms. S Sathya	3,92,300	1.42	3,92,300	1.42
8.	Mr. Damodar Prasad Agarwal	3,68,163	1.33	3,50,634	1.18
9.	Ms. Renu Devi Patni	3,36,716	1.22	1,44,129	0.48
10	Mr. Kishore Kumar Patni	3,33,471	1.20	46,364	0.16
11	Ms. Savitha S	2,84,290	1.03	3,17,590	1.06
12	Mr. Karan Patni	2,80,597	1.01	1,31,836	0.44
13	United India Insurance Company Limited	2,11,121	0.76	2,11,121	0.71
14	Mr. Kishore Kumar Nadhani	1,97,418	0.71	1,99,926	0.67

V. INDEBTEDNESS:

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1078281573	12625000	12788433	1103695006
i) Interest due but not paid	19958727	0	0	19958727
ii) Interest accrued but not due	0	0	979050	979050
Total (i+ii+iii)	1098240300	12625000	13767483	1124632783
Change in Indebtedness during the financial year				
*Addition	39924593	12700000	112885	52737478
*Reduction	143144448	0	6954524	150098972
Net Change	-103219855	12700000	-6841639	-97361494
Indebtedness at the end of the financial year				
i) Principal Amount	995020445	25325000	5833909	1026179354
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	1091935	1091935
Total (i +ii+iii)	995020445	25325000	6925844	1027271289

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Ved Krishna, Managing Director (Promoter)	34,34,950	12.40	55,64,950	18.66
2.	Mrs. Manjula Jhunjunwala, Non-Independent Director (Promoter)	5,83,366	2.11	5,83,366	1.96
3.	Mr. Narendra Kumar Agrawal, Director Works	500	0.00	500	0.00
4.	Dr. Indroneel Banerjee, Independent Director	780	0.00	780	0.00
5.	Mr. Anil Kumar Gupta, Chief Financial Officer	900	0.00	900	0.00
6.	Mr. Sachin Kumar Srivastava, Company Secretary	500	0.00	500	0.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Mr. Ved Krishna, Managing Director	Mr. Narendra Kumar Agrawal, Director Works	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42,07,636	22,21,211	64,28,847
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	42,07,636	22,21,211	64,28,847
	Ceiling as per the Act	Being ₹84 lacs per annum per Director as per Section 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014		

B. Remuneration to other directors:

I. Independent Director:

Particulars of Remuneration	Name of Independent Directors							Total Amount (₹)
	Mr. K. D. Pudumjee	Mr. G. N. Gupta	Mr. Jaideep Narain Mathur	Mr. Mudar Patherya	Mr. Atul Kumar Gupta	Dr. Indroneel Banerjee	Mr. Imanul Haque	
Fee for attending Board / Committee Meetings	60,000	67,500	7,500	15,000	52,500	67,500	-	2,70,000
Commission	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total B (I)	60,000	67,500	7,500	15,000	52,500	67,500	-	2,70,000
Ceiling as Per Act :	Being ₹ 1 Lac per meeting per Director as per Section 197(5) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.							

II. Other Non-Executive Director:

Particulars of Remuneration	Name of Directors		Total Amount (₹)
	Mrs. Manjula Jhunjunwala, Promoter	Ms. Kimberly Ann McArthur, Promoter	
Fee for attending Board / Committee Meetings	45,000	30,000	75,000
Commission	-	-	-
Others	4,80,000	30,000	5,10,000
Total B (II)	5,25,000	30,000	5,85,000
Total B I + II			8,55,000
Ceiling as Per Act	Being ₹1 lac per meeting per Director as per Section 197(5) and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER / WTD :

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹)
		Mr. Sachin Kumar Srivastava, Company Secretary	Mr. Anil Kumar Gupta, Chief Financial Officer	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	7,63,064	11,13,592	18,75,738
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	9,225	-	-
	c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- Others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (C)	7,72,289	11,13,592	18,75,738

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

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

NIL

Corporate Governance

Corporate Governance Compliance Report

In terms of Regulation 34(3) and 53(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Corporate Governance Compliance Report is provided hereunder:

1. Company's Philosophy on Code of Governance

Your Company is of the belief that sound Corporate Governance is vital to enhance and retain stakeholders' trust. Good Governance underpins the success and integrity of the organisation, institutions and markets. It is one of the essential pillars for building efficient and sustainable environment, system and practices to ensure that the affairs of the Company are being managed in a way which ensure accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectation. Your Company is committed to the adoption of best governance practices and its adherence in the true spirit at all times and envisages the attainment of a high level of transparency and accountability in the functioning of the Company and conduct of its business internally and externally.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. The Company recognizes that good governance is a continuing exercise and thus reiterates its commitment to pursue highest standard of Corporate Governance in the overall interest of its stakeholders.

Your Company not only adheres to the prescribed

corporate governance practices as per Regulation 34(3) and 53(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 but is also consistently working for the betterment of the governance system executed with the Stock Exchanges. We are committed to doing things in the right way which includes but not limited to compliance with its applicable legal requirement.

The highlight of the Corporate Governance system includes:

- i) The Board of Directors of the Company is well represented with Executive, Non-Executive and Independent Non-Executive Directors with the Non-Executive Chairman and Managing Director. The Independent & Non-Executive Directors form nearly 70% of the Board of Directors.
- ii) The Board has constituted several Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee, Strategic Committee and Sustainability Committee for more focused attention. The Board is empowered to constitute additional functional Committee from time to time, depending on the business needs.
- iii) The Company has established a Code of Conduct and Corporate Disclosure Policy for prevention of Insider Trading for Directors and Employee of the Company.
- iv) Whistle Blower Policy wherein the Employee may have the direct access to the Chairman of Stakeholder Relationship Committee and Chairman

of Audit Committee.

- v) Risk Management framework to identify the risk for its business and to assess the probability of its occurrence. Its mitigation plans and information placed before the Audit Committee and Risk Management Committee periodically.

2. Board of Directors:

The Company is managed and guided by the Board of Directors ("Board"). The Board formulates the strategy, regularly reviews the performance of the Company, determine the purpose and values of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman and Managing Director with the support of the senior executives overseeing the functional matters of the Company. The Company has an optimum combination of Executive, Non-Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring a wide range of skills and experience to the Board.

During the year, information as mentioned in the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration. In addition to matters statutorily requiring Board's approval, all major decision involving policy formulation, strategy and business plans, new investments, compliance with statutory / regulatory requirements and major accounting provisions are

considered by the Board.

Minutes of the Board Meeting / Committees are circulated to Directors and confirmed at subsequent meetings.

a) Composition of the Board:

The present Board consists of two Executive Director and eight Non-Executive Directors. The Non-Executive Directors with their diverse knowledge, experience and expertise brings in their independent judgment to the deliberations and decisions of the Board. The Non-Executive Directors did not have any material pecuniary relationship or transactions with the Company during the year 2015-16.

The Company has a Non-Executive Chairman. The Company is having 6 Independent Directors which is about 60% of the total number of Directors. The

Company meets the requirement relating to the Composition of Board of Directors.

b) Independent Directors:

The definition of independence of Directors is derived from Section 149 of the Companies Act, 2013 and Regulation 34(3) and 53(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. All the independent Directors of the Company make declaration to the Company annually regarding their independence status. All such declarations were placed before the Board.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors

pursuant to the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

c) Non-Executive Directors' compensation and disclosures:

The Non-Executive Directors are paid sitting fees as well as commission within the limits prescribed under the Companies Act, 2013. No stock options were granted to Non-Executive Directors during the year under review.

d) Other provisions as to Board and Committee:

During the year 2015-16, 06 meeting of the Board of Directors were held 2nd May, 2015, 24th July, 2015, 26th September, 2015, 14th November, 2015, 6th February, 2016 and 28th March, 2016. The meeting of 28th March, 2016 was adjourned to 31st March, 2016. The maximum time gap between any two consecutive meetings was not exceeding four months.

Details of attendance of Directors at Board meeting and at the last Annual General Meeting held on 25th July, 2015, with particulars of their other Directorships and Chairman/ Membership of Board Committees of other Companies showing the position as on 31st March, 2016 are given below:-

Name of Director and DIN	Designation	Category	Attendance at Board Meetings	Attendance at Last AGM	No. of outside Directorship in Public Limited		No. of Committees and Positions held	
					Director	Chairman	Member	Chairman
Mr. K. D. Pudumjee DIN-01594401	Chairman & Director	Non-Promoter, Non-Executive, Independent	4	Yes	Nil	Nil	Nil	Nil
Mr. Ved Krishna DIN-00182260	Managing Director	Promoter, Executive, Non-Independent	5	No	Nil	2	Nil	Nil
Mr. Narendra Kumar Agrawal, DIN-05281887	Whole Time Director	Non-Promoter, Executive, Non-Independent	5	Yes	Nil	Nil	Nil	Nil
Mrs. Manjula Jhunjhunwala DIN-00192901	Director	Promoter, Non-Executive, Non-Independent	4	No	2	Nil	Nil	Nil
Mr. G. N. Gupta DIN-00027502	Director	Non-Promoter, Non-Executive, Independent	5	Yes	2	1	1	1

Name of Director and DIN	Designation	Category	Attendance at Board Meetings	Attendance at Last AGM	No. of outside Directorship in Public Limited		No. of Committees and Positions held	
					Director	Chairman	Member	Chairman
Ms. Kimberly Ann McArthur DIN-05206436	Director	Promoter, Non-Executive, Non-Independent	2	No	1	Nil	Nil	Nil
Dr. Indroneel Banerjee DIN-06404397	Director	Non-Promoter, Non-Executive, Independent	5	Yes	Nil	Nil	Nil	Nil
Mr. Jaideep Narain Mathur, DIN-06560639	Director	Non-Promoter, Non-Executive, Independent	1	No	Nil	Nil	Nil	Nil
Mr. Mudar Patherya* DIN-01377691	Director	Non-Promoter, Non-Executive, Independent	1	No	Nil	Nil	Nil	Nil
Mr. Atul Kumar Gupta DIN- 01734070	Director	Non-Promoter, Non-Executive, Independent	4	No	2	Nil	Nil	Nil
Mr. Imanul Haque** DIN: 00001284	Additional Director	Non-Promoter, Non-Executive, Independent	–	–	Nil	Nil	Nil	Nil

*Resigned from Director w.e.f. 4th February, 2016.

**Appointed as Additional Director w.e.f. 6th February, 2016.

Other directorships do not include alternate directorships, directorships of Private Limited Companies, Section 8 Companies and of Companies incorporated outside India. Chairmanships/ Memberships of Board Committees include only Audit and Shareholders/Investor Grievance Committees.

Mr. Ved Krishna, Managing Director of the Company is son of Mrs. Manjula Jhunjhunwala, Director of the Company and thus is related. Ms. Kimberly Ann McArthur, Director of the Company is wife of Mr. Ved Krishna, Managing Director of the Company and thus is related. No other Director of the Company is related to any other Director of the Company.

Particulars of the Non-Executive Director who is retiring

by rotation and eligible for re-appointment has been given in the attachment to the Notice and their profile is also appearing elsewhere in the Report.

(e) Code of Conduct

(A) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of the Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company – www.yash-papers.com.

(B) The Members of the Board of Directors and Senior Management personnel have affirmed the compliance with the Code applicable to

them during the year ended 31st March, 2016. The Annual Report of the Company contains a Certificate by the Managing Director in this regard.

3. Audit Committee

(A) Qualified and Independent Audit Committee

The Company complies with the provisions of Section 177 of the Companies Act, 2013 read with rules made thereunder as well as requirements under the Regulation 18 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 pertaining to the Audit Committee. Its functioning is as under:

(i) The Audit Committee presently consists of the 3

Non-Executive Directors, Independent Directors and Managing Director of the Company.

- (ii) All members of the Committee are financially literate and having the requisite financial management expertise.
- (iii) The Chairman of the Audit Committee is an Independent Director.
- (iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 25th July, 2015.
- (v) M/s Kapoor Tandon & Co. has audited the accounts of the Company from the financial year 2015-16 will continue to audit in next year only.

(B) Composition, names of Members and Chairperson, its meetings and attendance:

The Chairman of the Audit Committee is Mr. Gyanendra Nath Gupta. During the year, 4 Audit Committee meetings were held on 1st May, 2015, 24th July, 2015, 13th November, 2015 and 5th February, 2016.

The composition of the Audit Committee and number of meetings attended by the Members are given below:

Name of Directors	Category	Number of Meetings Held during 2015-16	Meeting Attended
Mr. G. N. Gupta	Independent, Non-Executive	4	4
Dr. Indroneel Banerjee	Independent, Non-Executive		1
Mr. Atul Kumar Gupta	Independent, Non-Executive		3
Mr. Ved Krishna*	Non-Independent, Executive		-

* Appointed in the Committee w.e.f. 5th February, 2016.

The Committee meetings are attended by invitation by the Chief Financial Officer, Unit Head, the representatives of Statutory Auditors and representatives of the Internal Auditors. Mr. Sachin Kumar Srivastava, Company Secretary acts as the Secretary of the Audit Committee.

The Internal and Statutory Auditors of the Company discuss their audit findings and update the Audit Committee and submit their views directly to the Committee. Separate meetings are held with the internal auditors to focus on competence issues and to conduct detailed reviews of the processes and internal controls in the Company.

(C) Function and terms of reference

The function and terms of reference of the Audit Committee meet the requirements of Regulation 34(3) and 53(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. The broad terms of reference of the Committee include:-

- i) Statutory Auditors:** To recommend to the Board for the appointment and/ or re-appointment of the Statutory Auditors, fixation of audit fee and to approve payment for any other services rendered by the statutory auditors.
- ii) Review independence of statutory auditors:** Reviewing the information provided by the management relating to the independence of firm, including, among other things, information relating to the non audit services

provided and expected to be provided by the Statutory Auditors.

iii) Review the performance of the Internal and External Auditors: Review with the management the performance of the statutory and internal auditors and adequacy of the internal control systems.

iv) Review Financial Statements

- a) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
- b) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013.
- c) Changes, if any, in accounting policies and practices and reasons for the same.
- d) Major accounting entries involving estimates based on the exercise of judgment by management.
- e) Significant adjustments made in the financial statements arising out of audit findings.
- f) Compliance with listing and other legal requirements relating to financial statements.
- g) Disclosure of any related party transactions.
- h) Qualifications, if any in the draft audit report.
- i) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

(D) Review of other Information

The Audit Committee reviews the following information:

- i) Management discussion and analysis of financial condition and results of operation.
- ii) Statement of significant related party transaction submitted by the management.
- iii) To look into the reasons for substantial defaults in the payment to the creditors.

- iv) To review the functioning of the Whistle Blower mechanism.
v) Seek legal or professional advice, if any.

4. Nomination and Remuneration Committee

The Company complies with the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder as well as requirements under the Regulation 18 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(A) The terms of reference of the committee are as follows:

- i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
ii) Formulation of criteria for evaluation of Independent Directors and the Board;
iii) Devising a policy on Board diversity;
iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the Industry norms.

During the year 2015-16 Nomination and Remuneration Committee Meeting was held. The Composition of Nomination and Remuneration Committee and

attendance of each member Director, at the Committee Meetings during the period is as under:

Name of Directors	Position	Remuneration Committee Meetings	
		Number of Meetings held during 2015-16	Attended
Mr. G. N. Gupta	Chairman	4	4
Dr. Indroneel Banerjee	Member		4
Mr. Atul Kumar Gupta	Member		4

(B) Remuneration to Executive and Non-Executive Directors

The details of remuneration paid to all the Executives and Non-Executives Directors during the year ended on 31st March, 2016 are as follows:

Name of Directors	Service Contract / Notice period	Remuneration Paid (in ₹)		
		Sitting Fees	Salaries, perquisites and contribution to Provident Fund	Total
Mr. K. D. Pudumjee PAN No.- ABKPP5506D	Appointment made for 5 years	60,000	Nil	60,000
Mr. Ved Krishna PAN No.- AJRPK1551C	Appointment made for 3 years		42,07,636	42,07,636
Mr. Narendra Kumar Agrawal PAN No.- ABQPA2664M	Appointment made for 3 years (Retire by rotation)	-	22,21,211	22,21,211
Mrs. Manjula Jhunjunwala ¹ PAN No.- ABSPJ4695H	Retire by rotation	45,000	4,80,000*	5,25,000
Mr. G. N. Gupta PAN No.- AAGPG2885F	Appointment made for 5 years	67,500	-	67,500
Ms. Kimberly Ann McArthur PAN No.- BYEPM4617C	Retire by rotation	30,000	-	30,000
Dr. Indroneel Banerjee PAN No.- AISPB1599B	Appointment made for 5 years	67,500	-	67,500
Mr. Jaideep Narain Mathur PAN No.- AEPMP1275P	Appointment made for 5 years	7,500	-	7,500
Mr. Mudar Patherya ² PAN No.- AFLPP0747F	Appointment made for 5 years	15,000	-	15,000
Mr. Atul Kumar Gupta PAN No.- ACNPG5646B	Appointment made for 5 years	52,500	-	52,500
Mr. Imanul Haque ³ PAN No.- ACNPG5646B	Appointment made for 5 years	-	-	-
	Total	3,45,000	69,08,847	72,53,847

1. Being wife of Late Mr. K. K. Jhunjunwala, Vice-Chairman of the Company, amount paid as pension in the event of his death.
2. Resigned from Director w.e.f. 4th February, 2016.
3. Appointed as Additional Director w.e.f. 6th February, 2016.

5. Stakeholders Relationship Committee

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing “Shareholders / Investor Grievance Committee Meeting” as the “Stakeholder Relationship Committee”. The said Committee would also recommend measures for overall improvement of the quality of Investor Services.

The process of share transfer as well as review of redressal of investors’/shareholders’ grievances is undertaken on fortnightly basis by the Registrar and Share Transfer Agents and the Compliance Officer. However, the matters related to issue a fresh Share Certificates would be dealt with by the Stakeholder Relationship Committee.

The Board has delegated the powers to the Registrar and Transfer Agents (RTA) to attend to Share Transfer formalities twice in months in accordance Regulation 34(3) and 53(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the RTA has convened 20 concall meetings with the Compliance Officer during the year under review for the purpose.

During the year, 4 meetings of the Stakeholder Relationship Committee / Shareholders/Investors Grievance Committee were held on 17th July, 2015, 30th October, 2015, 29th January, 2016 and 28th March, 2016.

A) Composition of the Committee

The composition of the Stakeholder Relationship Committee and number of meetings attended by the Members are given below:

Name of Directors	Category	Remuneration Committee Meetings	
		Number of Meetings held during 2015-16	Number of Meetings attended
Dr. Indroneel Banerjee	Independent Non-Executive	4	4
Mrs. Manjula Jhunjhunwala	Independent Non-Executive	4	4
Ms. Kimberly Ann McArthur	Non-Independent Non-Executive	4	4

Mr. Sachin Kumar Srivastava, Company Secretary is the Compliance Officer during the year under review. He performed the functions of monitoring the complaints received vis-à-vis share transfer and other related processes and reported them to the Board. He also carried out his responsibility as liaison officer with the investors and regulatory authorities, such as SEBI, Stock Exchanges, Registrar of Companies, R.B.I. in respect of implementing laws, rules and regulations, and directives of such authorities concerning investor service and complaints.

B) Functions of the Committee

The Committee performs following tasks:-

- Transfer / Transmission of Shares.
- Issue of Duplicate Share Certificates.
- Review of Share dematerialization and rematerialization.
- Monitoring the expeditious Redressal of Investor Grievances.
- Monitoring the performance of the Company’s Registrar & Transfer Agent.
- All other matters related to Shares.

C) Name and Designation of the Compliance Officer

Mr. Sachin Kumar Srivastava, Company Secretary is the Compliance Officer and can be contacted at:

Yash Papers Limited

Yash Nagar, Faizabad – 224 135

Uttar Pradesh, India

Tel : 91 – 5278 – 326611/12

Fax : 91 – 5278 - 258062

E-mail : scn@yash-papers.com

D) Number of complaints received and redressed during the year 2015-16

Opening Balance	Received during the year 2015-16	Resolved during the year	Closing Balance
0	1	1	0

As required under Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

E) Suspense Account for the Unclaimed Shares

Pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015, your Company has opened a Demat Suspense Account with Central Depository Services (India) for transferring 12,921 shares which remained unclaimed out of shares issued pursuant to the public issue offer. It is also informed that the voting right on these shares will remain frozen till the rightful owner of such shares claims the shares.

No. of Shareholders as on 01.04.2015	Opening Balance of Shares in Suspense Account	Requests received during the year 2015-16	Shares transferred during the year	No. of Shareholders as on 31.03.2016	Closing Balance of Shares in Suspense Account
19	12,921	0	0	19	12,921

6. Independent Directors' Meeting

During the year under review, the Independent Directors met on 6th February, 2016, inter alia to discuss:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Formulation of policy for selection and appointment of Directors and their remuneration

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

(A) Criteria of selection of Non Executive Directors

- The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of

the Companies Act, 2013.

- The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
- In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

B) Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board / Committee meetings and commission as detailed hereunder:

- Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- The Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- The payment of such commission would be at the discretion of board only and shall not exceed 1% of the net profit of the Company;

- The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

C) Managing Director & Whole Time Director - Criteria for selection / appointment

For the purpose of selection of the Managing Director or Whole Time Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the Managing Director or Whole Time Director

- At the time of appointment or re-appointment, the Managing Director or Whole Time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole Time Director within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Managing Director or Whole Time Director may be broadly divided into fixed and variable components. The fixed component shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall



comprise performance bonus.

- iv) In determining the remuneration (including the fixed increment and performance bonus) the Committee shall ensure / consider the following:
- the relationship of remuneration and performance benchmarks is clear;
 - balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - responsibility required to be shouldered by the Managing Director or Whole Time Director, the industry benchmarks and the current trends.

D) Remuneration policy for the senior management employees

- i) In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the board level) the Committee shall ensure / consider the following:
- the relationship of remuneration and performance benchmark is clear;
 - the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.
- ii) The Managing Director or Whole Time Director will carry out the individual performance review based on the standard appraisal matrix and shall take into

account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

E) Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 34(3) and 53(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

F) Familiarisation Programme

With a view to familiarising the Independent Directors with the Company's operations, as required under regulation 25(7) of the SEBI Listing Regulations, 2015 the Company has held various familiarisation programmes for the Independent Directors throughout the year on an ongoing and continuous basis. The details of such familiarisation programmes are placed on <http://www.yash-papers.com/investors>.

7. Risk Management Committee

(A) Risk Management Committee

The Company complies with the provisions of Regulation 34(3) and 53(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations, 2015 pertaining to the Risk Management Committee. The Risk Management Committee was constituted Its functioning is as under:

- The Risk Management Committee presently consists of the 2 Independent Directors and Managing Director of the Company.
- All members of the Committee are financially literate and having the requisite financial management expertise.
- The Chairman of the Risk Management Committee is an Independent Director.

(B) Composition, names of Members and Chairperson, its meetings and attendance:

The Chairman of the Risk Management Committee is Mr. K. D. Pudumjee. During the year, 1 Risk Management Committee meetings were held on 5th February, 2016.

The composition of the Risk Management Committee and number of meetings attended by the Members are given below:

Name of Directors	Category	Number of Meetings held during 2015-16	Meeting Attended
Mr. K. D. Pudumjee	Independent Non-Executive	1	1
Mr. Jaideep Narain Mathur	Independent Non-Executive		0
Mr. Ved Krishna	Non-Independent Executive		1

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The objectives and scope of the Risk Management Committee broadly comprises:

- (i) Oversight of risk management performed by the executive management;
- (ii) Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- (iii) Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- (iv) Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

Non – Mandatory Committees

8. Strategic Committee

(A) Strategic Committee

The Company has constituted Strategic Committee on 15th May, 2015 as under:

- (i) The Strategic Committee presently consists of the 2 Independent Directors, 1 Managing Director and 3 other prominent persons from different Industry.
- (ii) The Chairman of the Strategic Committee is not a Director of the Company. However, he is an industrialist and has very rich experience in various fields.

(B) Composition, names of Members and Chairman, its meetings and attendance:

The Chairman of the Strategic Committee is Mr. Basant Kumar Khaitan. During the year, 3 Strategic Committee Meetings were held on 1st May, 2015, 13th November, 2015 and 5th February, 2016.

The composition of the Strategic Committee and number of meetings attended by the Members are given below:

Name of Directors	Category	Number of Meetings held during 2015-16	Meeting Attended
Mr. Basant Kumar Khaitan	Non-Director	3	2
Mr. K. D. Pudumjee	Independent Non-Executive		3
Mr. Jaideep Narain Mathur	Independent Non-Executive		0
Ms. Sonali Tipre	Non-Director		0
Mr. D. S. Gandikota	Non-Director		1
Mr. Ved Krishna	Non-Independent Executive		3

(C) Review of the Information

The Strategic Committee will review the following information on Annual Basis:-

1. Roadmap for 2025 to achieve Vision of the Company.
2. Plan for 1 / 3 / 5 years.
3. Strategic tie ups / transactional structuring.
4. Focus products / target areas.
5. Finance arrangement / structuring.
6. Expansion projects monitoring.

9. Sustainability Committee

(A) Sustainability Committee

The Company has voluntary constituted Corporate Social Responsibility and Sustainability Committee on 4th July, 2014 and re-named it as Sustainability Committee Meeting on 6th February, 2016. Its functioning is as under:

- (i) The Corporate Social Responsibility and Sustainability Committee presently consists of the 2 Independent, 1 Non-Executive Director, 1 Executive Director.
- (ii) The Chairperson of the Corporate Social Responsibility and Sustainability Committee is Non-Independent Director (Promoter).

(B) Composition, names of Members and Chairperson, its meetings and attendance:

The Chairperson of the Sustainability Committee is Ms. Kimberly Ann McArthur. During the year, 3 Sustainability Committee Meetings were held on 2nd May, 2015, 14th November, 2015 and 5th February, 2016.

The composition of the Sustainability Committee and number of meetings attended by the Members are given below:

Name of Directors	Category	Number of Meetings held during 2015-16	Meeting Attended
Mr. Mudar Patherya ¹	Independent Non-Executive	3	1
Ms. Kimberly Ann McArthur ²	Non-Independent Non-Executive		2
Mrs. Manjula Jhunjunwala	Non-Independent Non-Executive		2
Dr. Indroneel Banerjee	Independent Non-Executive		2
Mr. Narendra Kumar Agrawal	Non-Independent Executive		2

1. Mr. Mudar Patherya, Chairperson resigned w.e.f. 4th February, 2016.
2. Ms. Kimbelry Ann McArthur was appointed as Chairperson of the Sustainability Committee w.e.f. 4th February, 2016.



Mr. Sumant Pai, Head of Human Resource acts as the Secretary of the Sustainability Committee.

(C) Review of Information

The Corporate Social Responsibility and Sustainability Committee review the following information:

1. Create Roadmap for Corporate Social Responsibility.
2. Environmental Strategy.
3. Plan ideas on creating best place for work.
4. Plan 1/3/5 years for education, employment and sanitation.
5. Review implementation effectiveness.
6. Earmark available funds / Raising Funds.
7. Review environmental impacts for water / solid and air.
8. Plan strategy for improvements.
9. Monitor conservation efforts – Benchmark Internationally.
10. Study best practices and plan implementations.
11. Review HR Systems and suggest improvements.
12. Review and plan initiatives by team engagement.
13. Explore government schemes for social impact.

10. Disclosures

(A) Basis of related party transactions

All transactions entered into with Related Parties as defined Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

(i) The statements containing the transactions with

related parties were submitted periodically to the Audit Committee.

- (ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.
- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as on an arm's length basis.
- (iv) There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

(B) Disclosure of Accounting Treatment

During the year, there has been no change in Accounting Standard applicable to the Company.

(C) Board Disclosures - Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Risk Management Committee, Audit Committee and Board of Directors review these procedures periodically.

(D) Proceeds from public issues, right issues, preferential issues etc.

The Company have made allotment of 75,40,000 warrants and converted 21,30,000 warrants into 21,30,000 equity shares during the year under review.

The details of proceeds of preferential issue is as below:-

Use of Funds	Amount ₹
Contribution for pending CAPEX in CDR	1,89,02,170
New Pulp Mould Project	1,36,84,749
Long Term Working Capital Requirement	25,50,581
Unutilized Amount	4,50,00,000
Total	8,01,37,500

(E) Whistle Blower Policy

In pursuit to maintain the highest ethical standards in the course of its business, the Company has put in place a mechanism for reporting of instances of conduct which is not in conformity with its Code. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations, unethical conduct, misuse of authority, financial irregularities etc. by way of e-mail directly to the Director and Chairman of Stakeholder Relationship Committee. The whistle blowers may also have direct access to the Chairman of Audit Committee. The Company has provided a dedicated e-mail address indroneel.banerjee@gmail.com for reporting such complaints. The whistle blower policy aims:

1. To create a window for the employees, who observe an unethical practice either organisationally or individually, to be able to raise it without any fear of victimisation or reprisal.
2. To encourage timely, safe and open reporting of alleged wrong doings or suspected impropriety.
3. To ensure consistent and timely institutional response.
4. To ensure appropriate reporting of whistleblower investigations; and
5. To encourage ethical and lawful conduct.

The Directors and management personnel maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discrimination. No employee was denied access to the Audit Committee.

(F) Secretarial Audit Report

The Company has obtained Secretarial Audit Report from the Company Secretary in practice for compliance with the applicable provisions of the Companies Act, 1956 (effective Section) and rules made thereunder, the Companies Act, 2013 and rules made thereunder (notified Sections), SEBI (LODR) Regulations, 2015,

SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the said Report is annexed elsewhere.

(G) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

(H) Shareholders

(i) The quarterly results made by the Company are put on the Company's website under the following link <http://www.yash-papers.com/investors-unaudited-financial-results>.

(ii) Ms Kimberly Ann McArthur, Director (Promoter) is a Director retiring by rotation at the ensuing Annual General Meeting and, being eligible, offer herself for re-election as Non-Executive Directors.

11. CEO/CFO Certification

A prescribed certificate as stipulated in Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 duly signed by the Managing Director and Chief Financial Officer was placed before the Board along with the financial statements for the year ended March 31, 2016. The said certificate is provided elsewhere in

the Annual Report.

12. Compliance on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchange where the Company's equity shares are listed in the requisite format duly signed by the Compliance officer. Pursuant to Regulation 34(3) and 53(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

13. General Body Meetings

(A) Location and time of General Meetings held in the last 3 years

Year	Date & Day	Location	Time	Special Resolution
2014-15	25/07/2015, Saturday	Hotel Little Chef, 15/198-A, Civil Lines, Kanpur - 208 001	09:00 A.M.	-
2013-14	09/08/2014, Saturday	Hotel Little Chef, 15/198-A, Civil Lines, Kanpur - 208 001	10:00 A.M.	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Ved Krishna, Managing Director for a period of 3 years with effect from August 1, 2014 and fixing of his remuneration. 2. Appointment of Mr. Girish Kumar, Wholetime Director & CEO for a period of 3 years with effect from July 4, 2014 and fixing of his remuneration. 3. Adopt new Article of Association of the Company containing regulations and in conformity with the Companies Act, 2013. 4. Increase the Borrowing Limits of the Company beyond the Paid Up capital and Free Reserves of the Company. 5. Hypothecate and mortgage the movable and immovable properties of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013. 6. Consent to do transaction with Related Parties pursuant to Section 188 of the Companies Act, 2013.
2012-13	21/09/2013, Saturday	Hotel Little Chef, 15/198-A, Civil Lines, Kanpur - 208 001	1:30 P.M.	-

(B) Postal Ballot

(i) Details of the Special/Ordinary Resolutions passed by the Company through Postal Ballot:

During the financial year 2015-16 ended on 31st March, 2016, no special/ordinary resolutions passed by the Company through Postal Ballot.

(ii) Whether any special resolution is proposed to be conducted through postal ballot:

There is no proposal for any special resolution to be put through postal ballot at the forthcoming Annual General Meeting for shareholders' approval.

14. Means of Communication

(a) Quarterly Results: Unaudited / Audited quarterly financial results and the Annual Audited Financial Results of the Company are sent to all the Stock Exchange where its equity shares are listed, and the same are generally published in Business Standard, leading National English and Hindi Newspapers.

(b) Website www.yash-papers.com: Detailed information on the Company's business and products; quarterly/half yearly/ nine months and annual financial results, Investor brief and the quarterly distribution of Shareholding are displayed on the Company's website.

(c) Exclusive email ID for investors: The Company has designated the email id scn@yash-papers.com of Mr. Sachin Kumar Srivastava, Company Secretary & Compliance Officer of the Company exclusively for investor servicing and the same is prominently displayed on the Company's website www.yash-papers.com.

(d) Annual Report: Annual Report contains inter-alia Audited Annual Accounts, Consolidated Financial Statement, Directors' Report, Auditors' Report. The Management Perspective, Business Review and Financial Highlights are also part of the annual

report.

(e) The Management Discussion & Analysis: The Management Discussion & Analysis Report forms part of the annual report.

(f) Intimation to the Stock Exchanges: The Company intimates stock exchanges all price sensitive information or such other information which in its opinion are material & of relevance to the shareholders.

(g) Code of conduct for Directors and Senior Executives: The Company has laid down a Code of Conduct for all Board Members and Senior Executives of the Company. The Code of conduct is available on the Company's website www.yash-papers.com. All Board Members and Senior Management Personnel affirm compliance with the code of conduct annually. The Managing Director has given a declaration that all the Directors and senior management personnel have affirmed compliance with the Code of Conduct and same is annexed hereto.

Financial calendar for the financial year 2015-16 (tentative)

Financial Reporting for the quarter / three months ending 30th June, 2016	30th July, 2016
Financial Reporting for the quarter / half year ending 30th September, 2016	By mid of November 2016
Financial Reporting for the quarter / nine months ending 31st December, 2016	By mid of February 2017
Financial Reporting for the annual audited accounts for the financial year ending 31st March, 2017	By the end of May 2017

15. General Shareholder Information

(A) Annual General Meeting

Date & Day	30th July, 2016
Time	9.00 A. M.
Venue	Hotel "Little Chef", 15/198-A, Civil Lines, Kanpur – 208 001, Uttar Pradesh
Date of Book Closure	23rd July, 2016 to 30th July, 2016 (both days inclusive)
Dividend Payment Date	Dividend has not been recommended by the Board.
Financial Year	1st April to 31st March

(B) Unclaimed Dividend

Pursuant to Section 205C of the Company of the Companies Act, 1956, all unclaimed dividends upto the financial year 2004 have been transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government. The Company has not declared any dividend thereafter till the year under review.

(C) Listing on Stock Exchange

The Company's entire equity share capital comprising of 2,98,30,000 equity shares of ₹10 each is listed at the following Stock Exchange:

Name an Address of the Stock Exchange	Stock Code
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 023, Maharashtra	516030

(D) Listing and Custodian Fees

The Company has paid listing fees for the Financial Year 2016-17 to the BSE Ltd. The Company has also paid annual custodial fee for the financial year 2016-17 to both the depositories namely NSDL and CDSL.

(E) Shareholding as on 31st March, 2016

(i) Distribution of Equity Shareholding as on 31st March, 2016

No. of equity share held of nominal value of ₹10	Shareholders		Equity share amount	
	Number	% to total	Total Amount (₹)	% to total
Upto - 5,000	10912	74.44	23325490	7.82
5,001 - 10,000	2057	14.03	17282250	5.79
10,001 - 20,000	788	5.38	12687360	4.25
20,001 - 30,000	258	1.76	6719740	2.25
30,001 - 40,000	130	0.89	4749430	1.59
40,001 - 50,000	118	0.80	5679380	1.90
50,001 - 1,00,000	226	1.54	17377530	5.83
1,00,001 and above	170	1.16	210478820	70.56
TOTAL	14659	100.00	298300000	100.00

(ii) Shareholding Pattern of Equity Shares as on 31st March, 2016

Sl. No.	Categories of Shareholders	As on 31-03-2016		As on 31-03-2015	
		No. of Shares	% of Shares	No. of Shares	% to Shares
1.	Promoters	1,04,67,456	35.09	83,37,456	30.10
2.	Mutual Funds and UTI	1,000	0.00	1,000	0.00
3.	Banks, Financial Institutions	0	0.00	0	0.00
4.	Insurance Companies	2,11,121	0.71	2,11,121	0.76
5.	Bodies Corporate	7,42,756	2.49	43,46,838	15.69
6.	Individuals	1,60,75,196	53.89	1,36,87,098	49.41
7.	Directors' Relatives	1,10,585	0.37	1,15,119	0.42
8.	NRIs	2,81,898	0.95	1,59,258	0.57
9.	HUF	18,94,684	6.35	8,10,591	2.93
10.	Foreign Nationals	0	0.00	12,600	0.05
11.	Clearing Members/Public Trust	45,304	0.15	18,919	0.07
	Total	2,98,30,000	100.00	2,77,00,000	100

(iii) Promoters' Group Shareholding as on 31st March, 2016

S. No.	Name of Promoters	No. of Shares held	% to Total Paid up Share Capital	No. of Pledged Shares	% of Total Shareholding of Promoter
1.	Mr. Ved Krishna	55,64,950	18.66	34,34,950	32.82
2.	Mrs. Manjula Jhunjunwala	5,83,366	1.96	5,83,366	5.57
3.	Satori Global Limited	33,34,500	11.18	33,34,500	31.86
4.	Yash Agro Products Limited	9,68,640	3.25	9,68,640	9.25
5.	K. K. Jhunjunwala (H.U.F.) – Ved Krishna (Karta)	16,000	0.05	16,000	0.15
	Total	1,04,67,456	35.09	83,37,456	79.65

(iv) Capital of the Company

The Authorized and paid-up capital of your Company are 60 crores and 29.83 crores respectively as on 31st March, 2016. The Company has increased its paid up capital by allotment of 21,30,000 equity shares of ₹10 each at a security premium of ₹ 5 on 31st March, 2016 against 21,30,000 warrants out of total 75,40,000 warrants allotted on 31st March, 2016 on preferential basis in pursuance of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(v) Top ten shareholders as on 31st March, 2016

Sl. No.	Name of Shareholders	No. of Equity Shares held	% of Total Equity Shares held
1.1.	Saurabh Jalan	12,33,919	4.14
2.	Ankur Jalan	12,33,619	4.14
3.	Sangeetha S	10,17,190	3.41
4.	Saurabh Jalan HUF	6,18,046	2.07
5.	Ankur Jalan HUF	6,18,046	2.07
6.	S Sathya	3,92,300	1.32
7.	Damodar Prasad Agarwal	3,50,634	1.18
8.	Savitha S	3,17,590	1.06
9.	United India Insurance Company Limited	2,11,121	0.71
10.	Kisor Kumar Nadhani	1,99,926	0.67
	TOTAL	61,92,391	20.76

(vi) Stock Price Data/ Stock Performance: Year 2015-16

a. During the year under report, the trading in the Company's equity shares was from 1st April, 2015 to 31st March, 2016. The high and low price during the period on the Bombay Stock Exchange Limited was as under:-

Month	High (₹)	Low (₹)	High	Low
	BSE		BSE SENSEX	
April, 2015	7.99	6.41	29,094.61	26,897.54
May, 2015	9.46	7.05	28,071.16	26,423.99
June, 2015	8.38	6.40	27,968.75	26,307.07
July, 2015	9.75	6.72	28,578.33	27,416.39
August, 2015	13.28	7.93	28,417.59	25,298.42
September, 2015	11.90	8.00	26,471.82	24,833.54
October, 2015	14.75	10.95	27,618.14	26,168.71
November, 2015	17.26	12.82	26,824.30	25,451.42
December, 2015	27.50	14.90	26,256.42	24,867.73
January, 2016	29.45	19.25	26,197.27	23,839.76
February, 2016	25.50	13.95	25,002.32	22,494.61
March, 2016	16.10	13.26	25,479.62	23,133.18

b. Performance in comparison to BSE Sensex : Year 2015-16

The performance of the Company's scrip on the BSE as compared to the Sensex is as under:

	01 April, 2015	31 March, 2016	% CHANGE
Company Share Price (High)	₹ 7.98	₹ 15.30	91.73%
SENSEX (High)	28,298.34	25,479.62	-9.96%

(vii) Dematerialization of shares and liquidity

The Company's equity shares are compulsorily traded in the electronic form from 26th December, 2000. The Company entered into an Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of its shares for scripless trading. The system for getting the shares dematerialised is as under:

- Share Certificate(s) along with Demat Request Form (DRF) is to be submitted by the shareholder to the Depository Participants (DP) with whom he/she has opened a Depository Account.
- DP processes the DRF and generates a unique number DRN.
- DP forwards the DRF and share certificates to the Company's Registrar and Share Transfer Agent.

- The Company's Registrar and Share Transfer Agent after processing the DRF confirm or reject the request to the Depositories.
- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

As on 31st March, 2016, 98.03% of total equity share capital of the Company was held in dematerialised form (including 100% of the promoter holding). The ISIN allotted by NSDL/CDSL is *INE551D01018*. Confirmation in respect of the requests for dematerialisation of shares is sent to NSDL and CDSL within the stipulated period.

(viii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

(ix) Reconciliation of Share Capital Audit Report

As required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, the audit for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital for each of the quarter in the financial year ended on 31st March, 2016 was carried out. The audit reports confirm that the total issued/paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

(x) Register and Share Transfer Agents

The Members are requested to correspond the Company's Registrars & Share Transfer Agents – M/s Skyline Financial Services Private Limited quoting their Folio Number, Client ID and DP ID at the following address:-



Skyline Financial Services Pvt. Ltd.

D-153/A, 1st Floor,
Okhla Industrial Area, Phase – 1,
New Delhi – 110 020
Tel No.: (011) 26292680/81/82/83
Fax No. : (011) 26292681
Email: admin@skylinerta.com

(xi) Registered Office

Yash Papers Limited
13/65, Parmat, Civil Lines, Kanpur – 208001,
Uttar Pradesh, India
E-mail : info@yash-papers.com

Camp : Faizabad
Date : 23rd April, 2016

(xii) Plant Locations

Yash Papers Limited
Yash Nagar, Faizabad (U. P.) – 224 135
Ph. (05278) 326611-12; Fax. (05278) 258062
E-mail : info@yash-papers.com

(xiii) Address for correspondence

Please contact the Compliance Officer of the Company at the following address regarding any questions or concerns:

Mr. Sachin Kumar Srivastava
Company Secretary

Yash Papers Limited
Yash Nagar, Faizabad (U. P.) – 224 135

Ph. (05278) 326611-12; Fax. (05278) 258062
E-mail : scn@yash-papers.com

(xiv) Compliance Certificate on Corporate Governance from the Auditor

The certificate dated 23rd April, 2016 from Statutory Auditors of the Company, M/s Kapoor Tandon & Co. confirming compliance with the Corporate Governance requirements as stipulated under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed hereto.

The above report has been adopted by the Board of Directors at their meeting held on 23rd April, 2016.

On Behalf of the Board

Ved Krishna
Managing Director
DIN: 00182260

CODE OF CONDUCT DECLARATION

In accordance with Listing Regulations executed with the BSE Limited, I, Ved Krishna in my capacity as the Managing Director of the Company hereby confirm that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed their compliance for the financial year 2015-16 with the Company's Code of Conduct.

For Yash Papers Limited



Ved Krishna

Managing Director

DIN: 00182260

Camp : Faizabad
Date : 23rd April, 2016

COMPLIANCE CERTIFICATE

To
**The Members of
Yash papers Limited**

We have examined the compliance of conditions of Corporate Governance by **Yash Papers Limited**, for the financial year ended 31st March, 2016 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchange(s) in India.

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

In our opinion and to the best of our information and explanations given to us and representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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

for **KAPOOR TANDON & Co.**,
Chartered Accountants
Firm Registration No.000952C



Rajesh Parasramka

PARTNER

Membership No.74192


Camp: Faizabad
Date: 23rd April, 2016

CEO & CFO CERTIFICATION

In terms of Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, we, Ved Krishna, Managing Director and Anil Kumar Gupta, Chief Financial Officer certify that:

- A.** We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

for Yash Papers Limited



Ved Krishna
Managing Director

Camp : Faizabad
Date : 23rd April, 2016

for Yash Papers Limited



Anil Kumar Gupta
Chief Financial Officer

Independent Auditor's Report

To the Members of
Yash Papers Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Yash Papers Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal

financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Note No. 45 regarding change in cost formula used in valuation of inventories of Stores and spares (excepting Paddy Husk). The impact whereof on inventories, profit

for the year, Tax expense and Shareholders' funds is not ascertainable.

Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by

this Report are in agreement with the books of account;

- d. in our opinion, the aforesaid 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 36 to the financial statements;

- ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for 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 KAPOOR TANDON & CO.,
Chartered Accountants
Firm Registration No. 000952C



Devendra Swaroop Mathur

Partner

Membership No. 082570

Camp: Faizabad
Date: 23.04.2016

Annexure A to the Auditors' Report

(Referred to in paragraph 1 of our report of even date on the financial statements for the financial year ended 31st March, 2016 of **Yash Papers Limited**)

In terms of the information and explanations given to us and also on the basis of such checks as we considered appropriate, we state that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but there is regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
- (c) Title Deeds of immovable properties are held in the name of the Company.
- ii. The inventories of the Company have been physically verified by the management at regular interval during the year. In our opinion, the frequency of verification is reasonable. As explained to us, the discrepancies noticed on verification were not material in relation to the operations of the Company.
- iii. The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 (the Act). Hence, paragraph 3(iii) of the Order is not applicable.
- iv. The Company has not granted/made any loan, investment, guarantee, or security where provisions of section 185 and 186 of the Act are applicable. Hence, paragraph 3(iv) of the Order is not applicable.
- v. In our opinion, the Company has not accepted any deposit during the year within the meaning of Section 73 to Section 76 of the Companies Act, 2013 (the Act) read with the Rules framed there under. The deposits were accepted by the Company in earlier years in compliance of the provisions of Section 58A of the Companies Act, 1956 read with Rules framed there under, which as per Section 74(1) of the Act were due for payment within one year from 1st April 2014 (i.e. by 31st March, 2015) or due date whichever is earlier. The Company Law Board vide its Order dated 27.05.2015 has extended the time for repayment of such deposit till due date, in terms of Section 74 (2) of the Act. (refer Note no. 46 of Financial Statements).
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules framed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.
- vii. (a) According to the books and records produced and examined by us, the Company is generally regular in depositing undisputed Statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable with the appropriate authorities and no undisputed amount payable in respect of aforesaid statutory dues were outstanding as at 31st March 2016 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited on account of any dispute, except mentioned as below:

Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Year(s) to which relates	Forum where pending
The Central Excise Act, 1944	Disallowance of CENVAT Credit	188.98	2009-10	CESTAT, New Delhi
		111.57	2010-11	
The Income Tax Act, 1961	Disallowance of CENVAT Credit	0.73	2007-08	CESTAT, New Delhi
	Penalty u/s 271(1)(c)	22.61	2006-07	CIT Appeals - I, Kanpur
		2.82	2009-10	

viii. The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders during the year excepting for certain delays in repayment of installment and interest during the year to banks. However there is no default as on Balance Sheet date.

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purposes for which they were raised.

x. Based on the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion, the managerial remuneration paid or provided by the Company is in accordance with the

requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a "Nidhi Company"; hence paragraph 3(xii) the Order is not applicable.

xiii. In our opinion, transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. The Company has made preferential allotment 75,40,000 Warrants to one of the promoter during the year under review out of which 21,30,000 warrants have been converted into equal number of Equity shares. The requirements of Section 42 of the Act have been complied with and the amount raised has been used for the purposes for which the funds were raised. (refer Note no. 47 of Financial Statements)

xv. In our opinion, the Company has not entered into any non cash transactions with directors or persons connected with him. Hence, paragraph 3(xv) the Order is not applicable.

xvi. In our opinion, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For KAPOOR TANDON & CO.,

Chartered Accountants
Firm Registration No. 000952C

Devendra Swaroop Mathur

Partner

Membership No. 082570

Camp: Faizabad
Date: 23.04.2016

Annexure B to the Auditors' Report

(Referred to in paragraph 2(f) of our report of even date on the financial statements for the financial year ended 31st March, 2016 of **Yash Papers Limited**)

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

We have audited the internal financial controls over financial reporting of **Yash Papers Limited** ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal

control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial

controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal

control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KAPOOR TANDON & CO.,
Chartered Accountants
Firm Registration No. 000952C



Devendra Swaroop Mathur
Partner
Membership No. 082570

Camp: Faizabad
Date: 23.04.2016

Balance Sheet as at 31st March, 2016

Amount in ₹

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	298,300,000	277,000,000
(b) Reserves and Surplus	3	148,615,654	110,946,448
(c) Money Received against Share Warrant (refer Note no. 2.6)	2	48,187,500	-
		495,103,154	387,946,448
2. Non Current Liabilities			
(a) Long Term Borrowings	4	495,725,821	563,489,360
(b) Deferred Tax Liabilities (Net)	5	4,459,000	-
		500,184,821	563,489,360
3. Current Liabilities			
(a) Short Term Borrowings	6	419,123,844	417,572,172
(b) Trade Payables	7	113,937,371	122,628,765
(c) Other Current Liabilities	8	167,620,892	229,690,952
(d) Short Term Provisions	9	10,030,895	13,712,509
		710,713,002	783,604,398
TOTAL		1,706,000,977	1,735,040,206
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	915,026,578	923,063,933
(ii) Intangible Assets	10	4,822,624	762,437
(iii) Capital Work in Progress		1,900,020	2,020,202
(iv) Intangible Assets under development		-	4,630,920
(b) Non Current Investments	11	5,935	5,935
(c) Deferred Tax Assets (net)	5	-	10,197,000
(d) Long Term Loans and Advances	12	45,399,583	22,243,528
(e) Other Non Current Assets	13	-	1,506,000
		967,154,740	964,429,955
2. Current Assets			
(a) Inventories	14	492,406,677	573,140,573
(b) Trade Receivables	15	162,384,550	127,183,563
(c) Cash and Bank Balances	16	46,082,194	27,461,323
(d) Short Term Loans and Advances	17	34,791,963	36,803,775
(e) Other Current Assets	18	3,180,853	6,021,017
		738,846,237	770,610,251
TOTAL		1,706,000,977	1,735,040,206
Significant Accounting Policies	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For **Kapoor Tandon & Co.,**
Chartered Accountants
Firm Reg. No. 000952C



Devendra Swaroop Mathur
Partner
M. No. 082570
Camp: Faizabad
Dated: 23.04.2016



Ved Krishna
Managing Director
DIN: 00182260



Anil Kumar Gupta
Chief Financial Officer



N K Agrawal
Director Works
DIN: 05281887



Sachin Kumar Srivastava
Company Secretary

For and on behalf of the Board of Directors

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

Amount in ₹


Particulars	Note No.	2015-16	2014-15
REVENUE			
Revenue from operations (gross)	19	1,820,215,571	1,807,728,518
Less : Excise Duty		86,892,935	85,046,383
Revenue from operations (net)		1,733,322,636	1,722,682,135
Other Income	20	12,020,136	16,493,060
Total Revenue		1,745,342,772	1,739,175,195
EXPENSES			
Cost of Material consumed	21	813,034,348	842,802,053
Purchase of Stock-in-trade			
- Kraft & Poster Paper		15,969,525	12,716,999
Decrease/(Increase) in Inventories of Finished Goods and Work-in-Process	22	59,477,271	(55,402,761)
Employee Benefits Expense	23	130,577,090	119,027,740
Finance Costs	24	148,172,260	159,831,307
Depreciation and Amortisation Expense	25	66,147,743	41,615,225
Other Expenses	26	468,413,329	550,272,471
Total Expenses		1,701,791,566	1,670,863,034
Profit before exceptional and extraordinary items and Tax		43,551,206	68,312,161
Exceptional Items		-	-
Profit before extraordinary items and Tax		43,551,206	68,312,161
Extraordinary Items			
CERs (Certified Emission Reductions) Receivable written off (refer Note no. 39)		-	154,759,000
Profit/(Loss) before Tax		43,551,206	(86,446,839)
Tax Expenses			
- Current Tax (MAT)		370,000	-
- Deferred Tax		14,656,000	(19,812,000)
Profit/(Loss) for the year		28,525,206	(66,634,839)
Earning per Equity Share (EPS) (Face value of ₹10 each)	27		
Basic (₹)		1.03	(2.41)
Diluted (₹)		1.03	(2.41)
Significant Accounting Policies	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For **Kapoor Tandon & Co.,**
Chartered Accountants
Firm Reg. No. 000952C


Devendra Swaroop Mathur
Partner
M. No. 082570
Camp: Faizabad
Dated: 23.04.2016


Ved Krishna
Managing Director
DIN: 00182260


Anil Kumar Gupta
Chief Financial Officer


N K Agrawal
Director Works
DIN: 05281887


Sachin Kumar Srivastava
Company Secretary

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

Amount in ₹

Particulars	2015-16		2014-15	
CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax		43,551,206		68,312,161
Adjustment for :-				
Depreciation/amortisation	66,147,743		41,615,225	
Profit on Sale of Fixed Assets	(52,409)		(194)	
Interest Income	(2,089,467)		(1,500,606)	
Interest Expenses	136,024,559		146,402,661	
Loss on Sale of Fixed Assets	18,096	200,048,522	364,795	186,881,881
Operating Profit before Working Capital changes		243,599,728		255,194,042
Adjustment for :-				
Inventories	80,733,896		(59,210,405)	
Trade and Other Receivables	(49,175,083)		16,862,226	
Other Assets	2,840,164		(555,866)	
Trade Payable and Other Liabilities	(64,118,333)		22,950,786	
Income Tax Paid	(7,540,147)	(37,259,503)	(2,321,843)	(22,275,102)
Cash generated from operations		206,340,225		232,918,940
Interest Received		2,089,467		1,500,606
NET CASH FROM OPERATING ACTIVITIES		208,429,692		234,419,546

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

Amount in ₹

Particulars	2015-16	2014-15
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Including CWIP)	(57,859,057)	(34,977,945)
Sale of Fixed Assets	473,897	392,928
Other Bank Balances (margin Money)	(2,036,434)	(4,234,635)
NET CASH USED IN INVESTING ACTIVITIES	(59,421,594)	(38,819,652)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(136,024,559)	(146,402,661)
Increase/(Decrease) in Short Term Borrowings	1,551,672	8,779,607
Proceeds from Long Term Borrowings	39,924,593	–
Repayments of Long Term Borrowings	(118,012,867)	(49,640,915)
Proceeds of Equity Shares/Warrant (including premium)	80,137,500	–
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(132,423,661)	(187,263,969)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	16,584,437	8,335,925
CASH AND CASH EQUIVALENTS (Opening Balance)	10,514,322	2,178,397
CASH AND CASH EQUIVALENTS (Closing Balance) (refer Note 16, Cash and Bank Balances)	27,098,759	10,514,322

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For **Kapoor Tandon & Co.,**
Chartered Accountants
Firm Reg. No. 000952C

Devendra Swaroop Mathur
Partner
M. No. 082570
Camp: Faizabad
Dated: 23.04.2016

Ved Krishna
Managing Director
DIN: 00182260

Anil Kumar Gupta
Chief Financial Officer

N K Agrawal
Director Works
DIN: 05281887

Sachin Kumar Srivastava
Company Secretary

For and on behalf of the Board of Directors

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

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The accounts are prepared on accrual basis under the historical cost convention and to comply in all material aspects with Generally Accepted Accounting Principles in India including the Accounting Standards as prescribed by the Companies Act, 2013.

1.2 Use of Estimates

The preparation of Financial Statements requires estimates and assumptions that affect the reported amount of assets and liabilities, contingent liabilities on the balance sheet date and the revenues and expenses during the year. Difference, if any, between the actual and the estimate is recognised in the year in which the same are acknowledged/ materialized.

1.3 Fixed Assets

Fixed Assets are stated at cost (of acquisition/ construction, as the case may be), net of CENVAT and Subsidy, less accumulated depreciation and accumulated impairment losses, if any. All costs including borrowing costs upto the date of commissioning of related assets and all direct and indirect expenses attributable to the assets are capitalised. (Also refer Note 1.12 & 1.18 on Borrowing Costs and CENVAT).

1.4 Intangible Assets

Intangible assets are recognised only if it is probable that the future economic benefits that are

attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. The intangible assets are recorded at cost (including expenses attributable to such asset) and are carried at cost less accumulated amortisation and impairment losses, if any. [Also refer Note 1.6 (iii)].

1.5 Capital work in Progress

Capital work in progress comprises cost of fixed assets not yet commissioned, incidental pre-operative expenses and borrowing costs.

1.6 Depreciation / Amortisation

- i. Depreciation on fixed assets is provided on 'Straight Line Method' on the basis of useful life specified in Schedule II to the Companies Act, 2013. Fixed assets costing below ₹5,000/- are fully depreciated in the year of addition. Depreciation is provided on pro-rata basis with reference to the date of addition / deletion in respect of addition to/ deletion from fixed assets.
- ii. Leasehold Land is amortised over the period of lease.
- iii. Computer Software being intangible asset is amortised over a period of 5 years on "Straight Line Method".

1.7 Impairment of Assets

The Company assesses at each Balance Sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company

estimates the "recoverable amount" of asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than the "carrying amount", the carrying amount is reduced to its recoverable amount. If at the subsequent Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount.

1.8 Investments

Long Term Investments are stated at cost. A provision for diminution is made if in the opinion of the management, the diminution is other than temporary.

1.9 Inventories

- i. Inventories other than Scrap and Import entitlements/licence are valued at lower of cost or net realisable value. For this purpose cost is determined as under:
 - a. Raw materials, Stores and spares: Weighted Average Cost
 - b. Work in process: Direct Cost Method (estimated basis)
 - c. Pulp: Direct Cost Method (estimated basis)
 - d. Finished goods: Direct cost method
- ii. Scraps and Import entitlements/licence (DEPB) are valued at estimated realisable value.

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

1.10 Revenue Recognition

- i. Sales are recognised on despatch of goods to customers. Sales are net of discount/ rebate and sales tax but include Excise Duty. However the claims are recognized on settlement.
- ii. Export Incentives are recognised when certainty of receipt is established.
- iii. All other incomes are accounted for on accrual basis.

1.11 Foreign Currency Transactions

Outstanding foreign currency assets and liabilities, other than those covered by Forward Exchange Contract, are translated at the exchange rate prevailing as on Balance Sheet date. Foreign Exchange asset / liability covered by Forward Exchange Contract are translated at the rate prevailing at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of contract. Gains or loss on these assets and liabilities are recognised in the Statement of Profit and Loss except in case of long term liabilities, where they relates to acquisition of fixed assets, in which case they are adjusted to the carrying cost of respective assets.

1.12 Borrowing Costs

Borrowing costs that are attributable to the acquisition/construction of qualifying assets are

capitalised as part of cost of such assets. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

1.13 Government Grants

Government Grant related to fixed assets are adjusted with the Gross Block / Cost of fixed assets and Grants of revenue nature are adjusted with the respective expenditure/ treated as income as the case may be.

1.14 Employee Benefits

- a) Company's contributions to Provident Fund and Family Pension Fund are charged to Statement of Profit and Loss.
- b) Provision for Gratuity is determined on the basis of actuarial valuation at the end of the year and is debited to the profit and loss account each year.
- c) Provision for leave encashment (treated as short term in nature) is done on the basis of leaves accrued as at the end of the year.
- d) Other Termination benefits are recognized as an expense as and when incurred.

1.15 Research and Development Expenditure

Expenditure of revenue nature is charged to Statement of Profit and Loss and that of capital nature is capitalized as fixed assets.

1.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in respect of obligations where, based on the evidences available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are disclosed by way of notes on accounts in respect of obligations where, based on the evidences available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognised in the accounts.

1.17 Taxes on Income

Provision for tax on income for the year (i.e. Current Tax) is made after considering the various deductions/relief admissible under the Income Tax Act, 1961. Provision for tax effect of timing difference (i.e. Deferred Tax) is made in accordance with the provisions of the AS-22 on Taxes on Income.

1.18 CENVAT credit availed in respect of capital goods is adjusted from cost of assets and in respect of other items is adjusted from related expenses.

1.19 Cash flow statement has been prepared as per the "Indirect Method" specified in AS-3 on Cash Flow Statement.

1.20 Prior period items, if material, are disclosed separately.

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

2. SHARE CAPITAL

Amount in ₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
AUTHORISED		
5,60,00,000 Equity Shares of ₹10/- each	560,000,000	560,000,000
4,00,000 Preference Shares of ₹100/- each	40,000,000	40,000,000
	600,000,000	600,000,000
ISSUED, SUBSCRIBED AND FULLY PAID UP		
2,98,30,000 Equity Shares of ₹10/- each fully paid up (Previous year 2,77,00,000 Equity Shares)	298,300,000	277,000,000
Total	298,300,000	277,000,000

2.1 Reconciliation of the shares outstanding at the beginning and at the end of the year:

Equity shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	27,700,000	277,000,000	27,700,000	277,000,000
Shares allotted during the year on conversion of 21,30,000 Warrants (refer Note 2.6)	2,130,000	21,300,000	-	-
Outstanding at the end of the year	29,830,000	298,300,000	27,700,000	277,000,000

2.2 Term/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 Bonus Shares/Shares issued for consideration other than cash/Buy Back of shares during preceding five years: NIL

2.4 Shares held by holding/ultimate holding company and/or their subsidiary/associate: NIL

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

2.5 Details of shareholders holding more than 5% shares in the company:

Amount in ₹

Name of the Share Holder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held
Mr. Ved Krishna	5,564,950	18.66%	3,434,950	12.40%
Satori Global Limited	3,334,500	11.18%	3,334,500	12.04%

2.6 Money received against Share Warrants

The Shareholder in its Extra-ordinary General Meeting (EGM) held on 18th December, 2015 has approved preferential allotment of 75,40,000 Warrants of ₹15 each, convertible into equal number of Equity Shares ranking pari-pasu with the existing Equity Shares to Mr Ved Krishna, Managing Director (the promoter) in pursuance of the relevant SEBI Guidelines read with relevant provisions of the Companies Act, 2013. As required, Mr Ved Krishna has paid 25% upfront money for the proposed allotment within 15 days of the EGM. The Warrants were allotted on 31.03.2016 on receiving 'in principle' approval from the BSE Limited, the Stock Exchange, on 30.03.2016. The Board of Directors have subsequently allotted 21,30,000 Equity Shares of ₹10/- each at a premium of ₹5/- per share on 31st March, 2016 on conversion of 21,30,000 Warrants out of aforesaid 75,40,000 Warrants. The Warrant amount of ₹4,81,87,500 received and pending conversion into Equity Shares has been disclosed as "Money Received against Share Warrants" in the Balance Sheet.

3. RESERVES AND SURPLUS

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Capital Reserves				
Balance as per last Balance Sheet		6,819,550		6,819,550
Securities Premium Reserve				
Balance as per last Balance Sheet	81,022,028		81,022,028	
Add: Amount received during the year	10,650,000		–	
Less: Fee for increase in authorised capital (refer Note no. 13)	1,506,000	90,166,028	–	81,022,028
General Reserves				
Balance as per last Balance Sheet		55,000,000		55,000,000
Surplus in the Statement of profit and loss				
Balance as per last Balance Sheet	(31,895,130)		38,701,434	
Adjustment relating to Fixed Assets	–		(3,961,725)	
Profit/(Loss) for the year	28,525,206		(66,634,839)	
		(3,369,924)		(31,895,130)
TOTAL		148,615,654		110,946,448

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

4. LONG TERM BORROWINGS

Amount in ₹

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Secured				
Term Loans				
Indian rupee loan (including FITL) from banks (refer Note No. 4.1 to 4.4)				
- Oriental Bank of Commerce	121,702,724		147,695,967	
- UCO Bank	81,010,915		98,682,566	
- Union Bank of India	96,047,053		109,242,152	
- United Bank of India	157,617,782		189,409,766	
- State Bank of India	14,022,347	470,400,821	-	545,030,451
Unsecured				
Fixed Deposit (please refer Note 34 for detail of related parties)		-		5,833,909
Loan from related parties				
from Directors (interest free)		15,325,000		10,125,000
from Others (interest free)		2,500,000		2,500,000
from a Company (please refer Note No. 34 for detail of related parties)		7,500,000		-
TOTAL		495,725,821		563,489,360

- 4.1** The CDR-EG in its meeting held on June 01, 2012 has approved CDR Package (cut off date being July 01, 2011) of the company. Oriental Bank of Commerce (OBC) has been appointed as Monitoring Institution (MI). Final Letter of Approval (LOA) has been issued by the CDR cell to all the lenders with a copy to the company on June 08, 2012. Individual Sanction Letter in line with LOA has been received from all the banks. Master Restructuring Agreement (MRA) has been executed on October 05, 2012 and Joint consortium documents have been executed on November 20, 2012. CDR has been implemented successfully.
- 4.2** All the existing term loans, fresh term loans and FITL are secured by pari-passu first charge on all the fixed assets of the company and second pari-passu charge on the current assets of the company.
Pledge of 83,37,456 fully paid-up Equity Share of the company held by the promoters.
Corporate Guarantee of Yash Agro Products Limited & Satori Global Limited, the associates.
Personal Guarantee of promoter directors of the company Mr Ved Krishna and Mrs. Manjula Jhunjhunwala.
- 4.3** These Loans are repayable over a period of 8 years in structured thirty two quarterly instalment commencing from September 2013 to June 2021.
- 4.4** Term Loans from banks (including current maturities of long term borrowings) as at the year end include:
- | | |
|---|---------------|
| a) Restructured Term Loans carrying interest @ 14.50% p.a. | ₹ 419,144,289 |
| b) Funded Interest Term Loan (FITL) carrying interest @ 11.50% p.a. | ₹121,819,065 |
| c) CAPEX Loan carrying interest @ 13% p.a . | ₹34,933,247 |

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

4.5 Default as on the Balance Sheet date are as under:

Amount in ₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest on Loan outstanding for the month of February 2015	NIL	9,589,638
Interest on Loan outstanding for the month of March 2015	NIL	10,369,089
Instalment due for the month of March, 2015	NIL	15,423,860
Total amount overdue	NIL	35,382,587

5. DEFERRED TAX LIABILITIES/(ASSETS) (NET)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liability		
on account of		
Depreciation	154,949,000	168,807,000
Gross deferred tax liability	154,949,000	168,807,000
Deferred Tax Assets		
on account of		
Unabsorbed Depreciation/Losses	95,631,000	111,418,000
MAT Credit	15,097,000	15,569,000
Other Timing Differences	39,762,000	52,017,000
Gross deferred tax assets	150,490,000	179,004,000
Net Deferred Tax Liability/(Asset) @	4,459,000	(10,197,000)

@ Deferred Tax Assets and Deferred Tax Liabilities have been set off in accordance with clause 29 of AS 22

6. SHORT TERM BORROWINGS

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured		
Working Capital Loans		
Indian rupee loan from bank(s)		
- Oriental Bank of Commerce	104,582,068	87,935,221
- UCO Bank	27,021,764	31,549,700
- Union Bank of India	38,564,737	39,976,993
- United Bank of India	77,867,068	63,276,941
- State Bank of India	70,157,744	76,282,619
Foreign currency loan from bank(s)		
- State Bank of India (FCNRB Demand Loan)	100,930,463	118,550,698
Total	419,123,844	417,572,172

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

- 6.1** Working capital facilities are secured by pari-passu first charge on all the current assets of the company and second pari-passu charge on fixed assets of the company.
- 6.2** a) Indian rupee loan from banks (cash credit) carries interest of Base Rate of OBC + 400 bps (presently @ 13.70% p.a.)
b) Packing Credit from State bank of India (outstanding as on 31.03.2016 - ₹ 9,40,174) carries interest of base rate + 45 bps (presently 9.75% p.a.)
c) FCNRB Demand Loan from bank carries interest of LIBOR + 4.50% & 4.91%

7. TRADE PAYABLES

Amount in ₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
To Micro, Small and Medium Enterprises (refer Note 7.1)	-	-
Other Payable	113,937,371	122,628,765
TOTAL	113,937,371	122,628,765

- 7.1** The company has requested confirmation from Suppliers regarding their registration (filing of Memorandum) under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). According to the information available with the company there was no amount (principal and/or interest) due to any micro/small enterprises (SME as defined in the Act) as at the end of the year. There is no delay in payment to SME during the year. No interest was paid/payable on account of delay in payment to SME during the year in terms of Section 16 of the Act.

8. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2016	As at 31st March, 2015
Current maturity of long term borrowings - Secured	105,495,780	115,678,950
Current maturity of long term borrowings - Unsecured	5,833,909	5,975,474
Interest accrued and due on borrowings	-	19,958,727
Interest accrued but not due on borrowings	1,091,935	979,050
Security Deposit from Customers	11,400,000	13,000,000
Advance from Customers	11,694,463	48,671,336
Payable for Capital Goods	8,322,075	6,761,678
Other Liabilities	23,782,730	18,665,737
TOTAL	167,620,892	229,690,952

- 8.1** No amounts is due for payment to Investor Education & Protection Fund.

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

9. SHORT TERM PROVISIONS

Amount in ₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Gratuity	4,027,759	3,647,131
Provision for Leave Encashment	4,303,136	4,236,378
Provision for Excise Duty on Finished Goods	1,700,000	5,829,000
TOTAL	10,030,895	13,712,509

10. FIXED ASSETS

Amount in ₹

S. No.	Description of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
		As at 31.03.2015	Additions	Sales/ discarded	As at 31.03.2016	Upto 31.03.2015	For the year	Relating to earlier years	Deduction/ Adjustment	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
	Tangible											
a.	Land Free Hold (including Site Development)	28,016,802	-	-	28,016,802	-	-	-	-	-	28,016,802	28,016,802
b.	Land Lease Hold	20,031,377	-	-	20,031,377	1,780,064	223,332	-	-	2,003,396	18,027,981	18,251,313
c.	Factory Building	198,135,673	6,825,061	-	204,960,734	58,128,852	6,015,030	-	-	64,143,882	140,816,852	140,006,821
d.	Non Factory Building	28,333,400	-	-	28,333,400	8,958,152	1,717,435	-	-	10,675,587	17,657,813	19,375,248
e.	Plant & Machinery	1,112,860,851	45,739,797	35,553	1,158,565,095	453,654,442	37,201,294	-	33,775	490,821,961	667,743,134	659,206,409
f.	Electric Installation & Fittings	106,667,214	2,861,562	-	109,528,776	61,577,145	16,610,332	-	-	78,187,477	31,341,299	45,090,069
g.	Furniture & Fittings	6,066,059	21,000	-	6,087,059	4,190,944	316,172	-	-	4,507,116	1,579,943	1,875,115
h.	Office Equipment	12,282,781	649,078	27,280	12,904,579	8,343,197	1,617,944	-	11,066	9,950,075	2,954,504	3,939,584
i.	Motor Car & Other Vehicles	13,655,606	1,188,401	990,239	13,853,768	6,353,034	1,181,131	-	568,647	6,965,518	6,888,250	7,302,572
	Sub total	1,526,049,763	57,284,899	1,053,072	1,582,281,590	602,985,830	64,882,670	-	613,488	667,255,012	915,026,578	923,063,933
	Intangible											
a.	Computer Software	4,563,366	5,325,260	-	9,888,626	3,800,929	1,265,073	-	-	5,066,002	4,822,624	762,437
	Total	1,530,613,129	62,610,159	1,053,072	1,592,170,216	606,786,759	66,147,743	-	613,488	672,321,014	919,849,202	923,826,370
	Previous Year	1,505,920,221	29,826,823	5,133,915	1,530,613,129	563,546,195	41,615,225	6,001,725	4,376,386	606,786,759	923,826,370	-

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

11. NON CURRENT INVESTMENTS (Long Term Investments)

Amount in ₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Non trade (valued at cost unless stated otherwise)		
EQUITY SHARES - FULLY PAID-UP		
Pudumjee Pulp & Paper Mills Ltd. 500 Equity Shares of ₹ 2/- each fully paid up	4,400	4,400
Rana Mohendra Papers Ltd. 100 Equity Shares of ₹10/- each fully paid up	380	380
Mukerian Papers Ltd. 100 Equity Shares of ₹10/- each fully paid up	600	600
Shree Rama Newsprint Ltd. 100 Equity Shares of ₹10/- each fully paid up	555	555
Total	5,935	5,935
Total cost of quoted investments	5,935	5,935
Aggregate Market value of quoted investments	12,805	12,735

12. LONG TERM LOANS AND ADVANCES (Unsecured considered good)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Capital Advance		26,655,315		10,139,447
Security Deposits		280,255		274,255
Balance with Government Authorities		8,958,359		9,494,319
Advance Tax	20,975,654		13,435,507	
Less: Provision for Tax	11,470,000	9,505,654	11,100,000	2,335,507
TOTAL		45,399,583		22,243,528

13. OTHER NON CURRENT ASSETS (Unsecured considered good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Miscellaneous Expenditure (to the extent not written off or adjusted)		
- Authorised Capital Increase Fee @	1,506,000	1,506,000
Less: Transferred to Securities Premium Reserve	1,506,000	-
TOTAL	-	1,506,000

@ Fee paid to the Registrar of Companies for increasing the Authorised Capital of the company has been transferred to Securities Premium Reserve on issue of shares during the year .

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

14. INVENTORIES (valued at lower of cost and net realisable value)

Amount in ₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Raw Materials	218,773,584	206,858,728
Work in Progress	22,752,440	18,983,596
Finished Goods - Kraft & poster paper	24,568,813	89,000,506
Finished Goods - Other	620,250	–
Pulp	15,163,051	14,597,723
Store and Spares	204,778,539	237,698,094
Import Entitlements/Licenses in hand	–	1,926
Scrap	5,750,000	6,000,000
TOTAL	492,406,677	573,140,573

15. TRADE RECEIVABLES (Unsecured considered good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Outstanding for a period exceeding six months from the date they are due for payment	27,904,795	23,695,566
Others	134,479,755	103,487,997
TOTAL	162,384,550	127,183,563

16. CASH AND BANK BALANCES

Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents		
Balances with Banks on:		
Current Accounts	21,631,125	6,314,721
Cash on Hand (as certified by the Management)	5,467,634	4,199,601
	27,098,759	10,514,322
Other bank balances		
Margin Money Deposit (including Fixed Deposit)	18,983,435	16,947,001
	18,983,435	16,947,001
TOTAL	46,082,194	27,461,323

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

17. SHORT TERM LOANS AND ADVANCES (Unsecured considered good)

Amount in ₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Excise Duty Advance/CENVAT Receivable	7,451,618	5,368,422
VAT Credit Receivable	15,498,856	13,793,294
Advances to Trade Creditors	6,760,813	11,972,788
Advance recoverable in cash or kind or for value to be received	5,080,676	5,669,271
TOTAL	34,791,963	36,803,775

18. OTHER CURRENT ASSETS (Unsecured considered good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest accrued on Fixed Deposit	1,061,670	1,928,772
Export Incentive Receivable	2,119,183	3,943,382
Other Receivables	–	148,863
TOTAL	3,180,853	6,021,017

19. REVENUE FROM OPERATIONS

Particulars	2015-16	2014-15
Revenue from operations		
Sale of products (refer Note 19.1)		
Sales (Export)	296,344,049	354,958,428
Sales (Indigenous)	1,517,367,203	1,446,299,562
	1,813,711,252	1,801,257,990
Other operating revenue (refer Note 19.2)	6,504,319	6,470,528
Revenue from operations (gross)	1,820,215,571	1,807,728,518

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

19. REVENUE FROM OPERATIONS (contd..)

Amount in ₹

Particulars	2015-16	2014-15
19.1 DETAILS OF PRODUCT SOLD		
a) Manufactured Goods		
Kraft & Poster Paper	1,642,460,407	1,610,902,391
Pulp	152,661,438	175,802,934
Others	374,939	–
b) Traded Goods		
Kraft & Poster Paper	18,214,468	14,552,665
TOTAL	1,813,711,252	1,801,257,990
19.2 DETAILS OF OTHER OPERATING REVENUE		
Export Incentives	6,504,319	6,470,528
TOTAL	6,504,319	6,470,528

20. OTHER INCOME

Particulars	2015-16	2014-15
Interest received on fixed deposit & others	2,089,467	1,500,606
Commission	84,449	80,560
Profit on Sale of Fixed Assets	52,409	194
Self Consumed	4,700,006	2,029,350
Balances written back	–	3,683,549
Miscellaneous Income	4,969,614	7,853,090
Rent	34,659	65,244
Exchange Fluctuation (net)	89,532	1,280,467
TOTAL	12,020,136	16,493,060

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

21. COST OF MATERIAL CONSUMED

Amount in ₹

Particulars	2015-16	2014-15
Raw Material consumed		
Bagasse	329,970,813	347,165,095
Old Gunny / Jute Goods	21,435,372	24,333,530
Wheat Straw	61,829,677	2,065,007
Pulp - bleached/unbleached	124,945,775	154,765,665
Unfinished Bleached Paper	–	12,136,131
Re-pulping of Finished Goods	2,209,610	1,219,909
Raw Material consumed	540,391,247	541,685,337
Chemicals Consumed	173,730,368	208,235,802
Stores & Spares Consumed	67,928,942	58,335,216
Packing Material Consumed	30,983,791	34,545,698
Cost of material consumed	813,034,348	842,802,053

22. DECREASE/(INCREASE) IN INVENTORIES

Particulars	2015-16	2014-15
Inventories at the beginning of the year		
Finished Goods	89,000,506	21,045,380
Pulp	14,597,723	25,442,777
Work in Progress	18,983,596	20,690,907
TOTAL 'A'	122,581,825	67,179,064
Inventories at the end of the year		
Finished Goods - Kraft & poster paper	24,568,813	89,000,506
Finished Goods - Other	620,250	–
Pulp	15,163,051	14,597,723
Work in Progress	22,752,440	18,983,596
TOTAL 'B'	63,104,554	122,581,825
Decrease/(increase) (A - B)	59,477,271	(55,402,761)

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

23. EMPLOYEE BENEFITS EXPENSE

Amount in ₹

Particulars	2015-16	2014-15
Salary, Wages and Bonus	107,970,017	92,984,209
Contribution to Provident and other funds	6,194,869	5,727,107
Gratuity	2,380,628	4,394,227
Directors Remuneration	6,908,847	7,707,190
Workmen and Staff Welfare expenses	7,122,729	8,215,007
TOTAL	130,577,090	119,027,740

24. FINANCE COSTS

Particulars	2015-16	2014-15
Interest on		
– Term Loan & Fixed Deposits	88,986,866	98,814,397
– Others	47,037,693	47,588,264
	136,024,559	146,402,661
Bank Charges	6,134,801	5,613,274
Exchange Fluctuation	6,012,900	7,815,372
TOTAL	148,172,260	159,831,307

25. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	2015-16	2014-15
Depreciation of tangible assets	64,882,670	41,359,795
Amortisation of intangible assets	1,265,073	255,430
TOTAL	66,147,743	41,615,225

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

26. OTHER EXPENSES

Amount in ₹

Particulars	2015-16		2014-15	
Power and Fuel		304,787,500		355,564,828
Effluent Treatment Expenses		6,638,638		7,159,165
Repairs and Maintenance				
– Building	3,068,858		8,714,381	
– Machinery	19,128,816	22,197,674	24,795,915	33,510,296
Excise Duty provided on stock - increase/(decrease)		(4,129,000)		4,458,598
Freight, Handling and Other Sales & Distribution Expenses		58,235,694		67,422,452
Commission on Sale		24,947,833		28,883,673
Advertisement and Publicity		259,225		257,328
Rent		108,503		658,364
Rates and Taxes		5,181,630		2,681,443
Insurance		2,074,636		1,933,780
Communication Cost		1,563,196		3,371,638
Travelling and Conveyance		14,362,037		13,417,046
Repairs and Maintenance - Others		15,473,432		17,939,629
Printing and Stationery		1,335,452		1,647,989
Legal and Professional Charges		6,741,448		6,333,501
Directors Sitting Fee		330,000		304,500
Auditor's Remuneration (refer Note No. 26.1)		984,460		707,466
Cost Audit fee		40,000		45,000
Exchange Fluctuation		1,174,052		–
Miscellaneous Expenses		3,006,864		1,774,315
Subscription and Donation		3,081,959		1,836,665
Loss on Sale of Fixed Assets		18,096		364,795
TOTAL		468,413,329		550,272,471

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

26.1 PAYMENT TO AUDITOR

Amount in ₹

Particulars	2015-16	2014-15
As Auditor:		
Audit Fees	300,000	300,000
Tax audit Fee	60,000	50,000
In other capacity:		
Certification Fees	245,000	41,000
Reimbursement of Expenses	379,460	316,466
TOTAL	984,460	707,466

27. EARNING PER SHARE (EPS)

Particulars	2015-16	2014-15
Profit/(Loss) for the year	28,525,206	(66,634,839)
Weighted average number of equity shares for the purpose of calculation of		
– Basic EPS	27,705,836	27,700,000
– Diluted EPS	27,709,542	27,700,000
Nominal value of equity shares (₹)	10.00	10.00
EPS- Basic (₹)	1.03	(2.41)
EPS- Diluted (₹)	1.03	(2.41)

28. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARES CONSUMED

Particulars	2015-16		2014-15	
	₹	%	₹	%
Raw Materials				
Imported	124,945,775	23.12%	154,765,665	28.57%
Indigenous	415,445,472	76.88%	386,919,672	71.43%
Chemicals, Stores & Spares				
Imported	4,125,990	1.51%	6,155,429	2.04%
Indigenous	268,517,111	98.49%	294,961,287	97.96%

In respect of items which are purchased both from indigenous and imported sources, the identity of individual items consumed cannot be established but segregation of consumption between imported and indigenous sources has been made on a reasonable approximation determined from the company's records.

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

29. VALUE OF IMPORTS ON CIF BASIS

(excluding purchases from canalising agencies and imported items purchased locally)

Amount in ₹

Particulars	2015-16	2014-15
Raw Materials	92,087,799	150,001,967
Chemicals, Stores and Spares	6,921,711	7,163,223
TOTAL	99,009,510	157,165,190

30. EARNINGS IN FOREIGN EXCHANGE

Particulars	2015-16	2014-15
Export of goods calculated on FOB basis	291,084,562	338,679,989

31. EXPENDITURE IN FOREIGN CURRENCY

Particulars	2015-16	2014-15
Travelling	1,578,357	596,490
Commission on Sales	2,814,456	2,555,602
Interest on Loans	5,192,655	4,378,205
Foreign Bank Charges	854,696	1,100,013
Other expenses	1,003,863	NIL

32. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

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

33. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 "EMPLOYEE BENEFITS"

Amount in ₹

Particulars	2015-16	2014-15
a. Defined Benefit Plan		
The employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust maintained with LIC. The present value of obligation as at the balance sheet date is determined based on actuarial valuation, carried out by an independent Actuary, using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
Reconciliation of Opening and Closing balance of present value of defined benefit obligation for Gratuity		
Present Value of Obligation at beginning of the year	19,045,701	14,398,610
Current Service Cost	1,819,225	1,468,317
Interest Cost	1,485,565	1,295,875
Benefits paid	(1,835,635)	(709,323)
Actuarial (Gain)/Loss on Obligations	511,724	2,592,222
Present Value of Obligation at end of the year	21,026,580	19,045,701
Reconciliation of Opening and Closing Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of the year	15,398,570	12,179,568
Expected Return on Plan Assets	1,408,969	1,114,430
Contributions	2,000,000	2,966,138
Benefit Paid	(1,835,635)	(709,323)
Actuarial Gain / (Loss) on Plan Assets	26,917	(152,243)
Fair Value of Plan Assets at end of the year	16,998,821	15,398,570
Reconciliation of Present Value of Obligations and Fair Value of Plan Assets		
Fair Value of Plan Assets at end of the year	16,998,821	15,398,570
Present Value of Obligation at end of the year	21,026,580	19,045,701
Asset/(Liability) recognised in the Balance Sheet	(4,027,759)	(3,647,131)
Expenses recognised during the year		
Current Service Cost	1,819,225	1,468,317
Interest Cost	1,485,565	1,295,875
Expected Return on Plan Assets	(1,408,969)	(1,114,430)
Total Actuarial Loss/(Gain) recognised during the year	484,807	2,744,465
Net Cost recognised in Statement of Profit and Loss	2,380,628	4,394,227
Assumptions		
Discount Rate (p.a.)	7.85%	7.80%
Expected Rate of increase in Salary (p.a.)	5.00%	5.00%
Expected Rate of return on Plan Assets (p.a.)	9.15%	9.15%
Mortality	IALM 06-08 ultimate	IALM 06-08 ultimate
Withdrawal Rate (p.a.)	2.00%	2.00%
Expected Employers' contribution for the next year	6,340,842	6,812,205

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

Disclosure as required under Para 120 (n) of AS-15:

Amount in ₹

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
(i) Present Value of the Obligation	21,026,580	19,045,701	14,398,610	12,713,222	11,107,797
Fair Value of Plan Assets	16,998,821	15,398,570	12,179,568	9,048,573	7,665,198
Net Asset/(Liability)	(4,027,759)	(3,647,131)	(2,219,042)	(3,664,649)	(3,442,599)
(ii) Experience Adjustment on present value of benefit obligation and plan asset					
(Gain)/Loss on Plan Liabilities	595,181	692,043	1,118,721	774,543	637,622
(Gain)/Loss on Plan Assets	26,917	(152,243)	-	(14,539)	55,106
Particulars	2015-16	2014-15			
b. Defined Contribution Plan					
Employers Contribution to PF and FPF	6,194,869	5,727,107			

34. The related party disclosure in accordance with AS 18 'Related Party Disclosures' issued by ICAI, is given below:

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

- i. Key management personnel and relatives:
 - (a) Mr Ved Krishna, Managing Director (Promoter)
 - (b) Mrs Manjula Jhunjhunwala, Director (Promoter)
 - (c) Mr N. K. Agrawal, Director Works
 - (d) Mr Anil Kumar Gupta, Chief Financial Officer (appointed with effect from 02.05.2015)
 - (e) Ms Kimberly Ann McArthur, Director (Promoter)
 - (f) Mr Sachin Kumar Srivastava, Company Secretary (appointed with effect from 28.03.2016)
 - (g) M/s Ved Krishna, HUF
- ii. Entities over which KMP or relatives of KMP are able to exercise significant influence:
 - (a) Yash Agro Products Limited
 - (b) Satori Global Limited
 - (c) Yash Skills Limited
 - (d) M/s Jingle Bell Nursery School Society
 - (e) M/s K K Charitable Foundation

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

34 b. Transactions with related parties during the year in ordinary course of business at arm length price:

Amount in ₹

Particulars	2015-16	2014-15
i. Key management personnel and their relatives		
– Remuneration		
(a) Mr Ved Krishna	4,207,636	3,580,471
(b) Mr N. K. Agrawal	2,221,211	2,071,711
(c) Mr Anil Kumar Gupta	1,195,720	1,181,419
(d) Mr Sachin Kumar Srivastava	772,289	680,015
(e) Mrs Manjula Jhunjhunwala	480,000	480,000
– Sitting Fee		
(a) Mrs Manjula Jhunjhunwala	45,000	42,500
(b) Ms Kimberly Ann McArthur	30,000	59,500
– Unsecured Loans received during the year		
(a) Mr Ved Krishna	5,200,000	NIL
– Unsecured Loans at the Balance Sheet date		
(a) Mr Ved Krishna	15,325,000	10,125,000
(b) M/s Ved Krishna HUF	2,500,000	2,500,000
– Proceeds of Preferential issue of Warrants/Equity Shares during the year		
(a) Mr Ved Krishna	80,137,500	NIL
ii. With related entities & associates		
(a) Satori Global Limited		
– Rent received	12,000	24,000
(b) Yash Agro Products Limited		
– Rent received	10,000	7,500
– Received for services & others	10,338	26,281
– Interest on unsecured loan for the year	80,137	NIL
– Unsecured Loan Received	7,500,000	NIL
– Unsecured Loans at the Balance Sheet date	7,500,000	NIL
– Interest payable on unsecured loans	80,137	NIL
(c) Yash Skills Limited		
– Rent received	6,000	13,500
– Paid for services	182,000	2,233,550
– Purchases	350,250	180,576
(d) M/s Jingle Bell Nursery School Society		
– Fixed deposits repaid	3,367,396	NIL
– Received for services & others	61,751	77,384
– Interest paid on fixed deposits	667,228	801,453
– Fixed deposits at the Balance Sheet date	3,311,340	6,678,736
– Accrued interest at the Balance Sheet date	NIL	721,303
(e) M/s K K Charitable Foundation		
– Donation paid	630,000	582,000

c. No amount has been written off/back or provided as doubtful debts during the year in respect of related parties.

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

35. CAPITAL AND OTHER COMMITMENTS

Amount in ₹

Particulars	2015-16	2014-15
Estimated value of contracts remaining to be executed on capital account (net of advances)	94,746,164	5,448,545
Other Commitments	NIL	NIL

36. CONTINGENT LIABILITIES

Particulars	2015-16	2014-15
Claim against the company not acknowledged as debt (net of amounts paid):		
- Excise duty	30,128,372	30,128,372
- Income Tax	2,543,300	2,543,300
- Others	24,977,539	24,954,695
Guarantee given by Banks	6,200,000	5,700,000
Letter of Credits	37,525,441	4,015,484

36.1 Above claims are likely to be decided in favour of the company, hence not provided for.

37. FOREIGN CURRENCY EXPOSURE OUTSTANDING (HEDGED AND UN-HEDGED) AS AT THE YEAR END:

a) Foreign Currency Exposure hedged by Forward Exchange Contract

Nature of Exposure	Underlying Risk Coverage	Currency	2015-16	2014-15
FCNR (B) Demand Loan	USD/INR	USD	753,297	1,506,263
Buyers Credit	USD/INR	USD	NIL	348,780

b) Un-hedged Foreign Currency Exposure

Nature of Exposure	Underlying Risk	Currency	2015-16	2014-15
Trade Receivable	USD/INR	USD	187,912	161,992
Trade Receivable	AUD / INR	AUD	39,137	21,716
Trade Receivable	EURO / INR	EURO	27,452	13,258
Other Payable	EURO / INR	EURO	3,007	NIL
Other Payable	USD / INR	USD	11,524	NIL
Trade Payable	USD / INR	USD	261,679	200,523
FCNR (B) Demand Loan	USD / INR	USD	753,297	NIL
Letter of Credit	USD / INR	USD	566,379	64,439

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

- 38.** As the Company's business activity falls within a single segment viz. 'Paper', the disclosure requirements of Accounting Standard 17 "Segment Reporting" is not applicable.
- 39.** A sum of ₹15,47,59,000 had been recognised as income accrued during the period from April, 2007 to December, 2012 based on the Emission Reduction Purchase Agreement (ERPA) with Belgian State for sale of CERs (Certified Emission Reductions) generated from the 6 MW Co-generation Power Plant Project registered as CDM (Clean Development Mechanism) with UNFCCC (The United Nations Framework Convention on Climate Change). The Belgian State has terminated the ERPA due to non delivery of CERs. Consequently, the receivable aggregating to ₹15,47,59,000 as recognised in earlier years in this regard was written off in the financial year 2014-15 and the same was disclosed as "Extraordinary Item" in the Statement of Profit and Loss.

40. EXPENDITURE ON RESEARCH AND DEVELOPMENT

Amount in ₹

Particulars	2015-16	2014-15
Capital Expenditure	NIL	NIL
Revenue Expenditure	1,771,827	1,032,806

41. Disclosure in terms of AS 28 (Impairment of Assets)

Recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belongs is not less than the carrying amount; hence no provision is required on account of impairment of assets as on the date of Balance Sheet.

42. Disclosure in terms of AS 29 (Provisions, Contingent Liabilities and Contingent Assets)

The Company has recognised contingent liabilities as disclosed in Note no 36 above and as such no provision is required to be made. No provision was outstanding as at the beginning and at the end of the period.

43. Confirmation of balances with sundry debtors/creditors, loans and advances and other parties have not been received in few cases.

44. Trade Receivables and Capital Advance include ₹198,81,621 and ₹54,47,521 respectively outstanding for more than three years and/or under litigation. Management is confident that entire amount is realisable hence the same has been considered as good and no provision is required.

45. The company has implemented ERP-SAP, accounting software during the year. During the course of implementation of SAP-ERP, the cost formula used in valuation of inventories of stores and spares (excepting paddy husk) has been changed from FIFO method as followed in earlier years to Weighted Average Cost method to follow the uniform cost formula across all the inventories of Raw material, stores and Spares. Out of total inventories of ₹49,24,06,677 as at 31st March, 2016, such inventories aggregate to ₹8,05,01,645. The impact of such change on inventories could not ascertained due to large number of items in such inventories.

46. The Company has not accepted any deposit under Section 73 or Section 76 of the Companies Act, 2013 (the Act) read with the Companies (Acceptance of Deposit) Rules, 2014 during the year. However, the Company had accepted deposits in earlier years in compliance of provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 which, pursuant to Section 74 (1)(b) of the Companies Act, 2013, need to be repaid within one year from April 1, 2014 (i.e. by March 31, 2015) or on the date on which such payments are due, whichever is earlier. On application by the company, the Company Law Board, vide its Order dated 27.05.2015, has extended the time for repayment of such deposit till due date, in terms of Section 74 (2) of the Act. The company has paid the deposits matured during the year.

47. The details of proceeds and utilisation of preferential issue of warrant/equity share, issued during the year, is as under:

		Amount in ₹
Proceed of preferential issue	(A)	80,137,500
Utilisation:		
- Investment in CDR Project		22,671,917
- Investment in Tableware Project		15,552,140
Total Utilisation	(B)	38,224,057
Unutilised Balance as at the Balance Sheet date	(A - B)	41,913,443

48. Previous year's figures have been reclassified / regrouped wherever required in order to make them comparable with those of current year.

As per our report of even date

For **Kapoor Tandon & Co.,**

Chartered Accountants

Firm Reg. No. 000952C



Devendra Swaroop Mathur

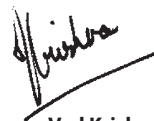
Partner

M. No. 082570

Camp: Faizabad

Dated: 23.04.2016

For and on behalf of the Board of Directors



Ved Krishna
Managing Director
DIN: 00182260



Anil Kumar Gupta
Chief Financial Officer



N K Agrawal
Director Works
DIN: 05281887



Sachin Kumar Srivastava
Company Secretary



ATTENDANCE SLIP

YASH PAPERS LIMITED

Regd. Office: - 13/65, Parmat, Civil Lines, Kanpur – 208001, Uttar Pradesh
 Corp. Office : Yash Nagar, Faizabad – 224135, Uttar Pradesh
 CIN – L24231UP1981PLC005294 | T: +91 5278 326611 - 12 | F: +91 5278 258062
 E: info@yash-papers.com | Website: www.yash-papers.com

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
 Joint shareholders may obtain additional Slip at the venue of the meeting.

DP ID*		Client ID*		Folio No.		No. of Shares	
--------	--	------------	--	-----------	--	---------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 36th ANNUAL GENERAL MEETING of the Company held on Saturday, the 30th day of July, 2016 at 9:00 A.M. at Hotel Little Chef, 15/198 - A, Civil Lines, Kanpur – 208 001, Uttar Pradesh.

* Applicable for investors holding shares in electronic form.

 Signature of the Shareholder / proxy



Form No. MGT - 11

PROXY FORM

YASH PAPERS LIMITED

Regd. Office: - 13/65, Parmat, Civil Lines, Kanpur – 208001, Uttar Pradesh
 Corp. Office : Yash Nagar, Faizabad – 224135, Uttar Pradesh
 CIN – L24231UP1981PLC005294 | T: +91 5278 326611 - 12 | F: +91 5278 258062
 E: info@yash-papers.com | Website: www.yash-papers.com

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

Name of the member(s): Registered address:		E-mail ID: Folio No./ *Client ID: *DP ID:	
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I/We, being the member(s) of shares of Yash Papers Limited, hereby appoint:

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th ANNUAL GENERAL MEETING of the Company held on Saturday, the 30th day of July, 2016 at 9:00 A.M. at Hotel Little Chef, 15/198 - A, Civil Lines, Kanpur – 208 001, Uttar Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Optional*	
		For	Against
Ordinary Business			
1	Consider and adopt Audited Financial Statements, Report of the Board of Directors and Auditors (Ordinary Resolution)		
2	Re-appointment of Ms. Kimberly Ann McArthur (DIN: 05206436), Director who retires by rotation (Ordinary Resolution)		
3	Ratification of appointment of M/s Kapoor Tandon & Co., Chartered Accountants, Kanpur (Firm Registration No.000952C) as Statutory Auditor of the Company and fix their remuneration (Ordinary Resolution)		
Special Business			
4	Appointment of Mr. Imanul Haque (DIN: 00001284) as an Independent Director of the Company for a term of 5 (five) years (Ordinary Resolution)		
5	Approval of Remuneration of Mr. Rakesh Mishra, Cost Auditor (Ordinary Resolution)		
6	Re-appointment of Mr. Narendra Kumar Agrawal, Director Works of the Company (Special Resolution)		
7	Ratification of Resolution for allotment of 75,40,000 warrants of ₹15 each convertible into 75,40,000 equity shares of ₹10 each at a Securities Premium of ₹ 5 per equity shares to Promoters on preferential basis (Special Resolution)		
8	Service of document under Section 20 of the Companies Act, 2013 for delivery of documents in particular mode (Special Resolutions)		

I hereby record my presence at the 36th ANNUAL GENERAL MEETING of the Company held on Saturday, the 30th day of July, 2016 at 9:00 A.M. at Hotel Little Chef, 15/198 - A, Civil Lines, Kanpur – 208 001, Uttar Pradesh.

Signed this _____ day of _____ 2016

Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of Shareholder

Notes:

- (1) This form of proxy in order to be elective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- *(4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.



YASH PAPERS LIMITED

CIN: L24231UP1981PLC005294

Registered Office: 13/65, Parmat, Civil Lines, Kanpur – 208001, Uttar Pradesh

Website: www.yash-papers.com; Email ID: scn@yash-papers.com; Ph: 05278-326611/12; Fax: 05278-258062

SHAREHOLDERS PARTICULARS

1.	Name(s) of Shareholder(s) (in block letter) (including joint holders, if any)	
2.	Registered address of the sole/first named shareholder	
3.	Registered folio no./ DP ID No./ Client ID No.* (Applicable to investors holding shares in dematerialized form)	
4.	Number of shares held	

ELECTRONIC VOTING PARTICULARS

Even (E Voting Event No.)	User ID	Password/Pin

Wherever the shareholder is already registered for electronic voting, no password has been provided above. They may kindly use their existing Password. For assistance contact: NSDL@ 022-2499 4800 or email @evoting@nsdl.co.in

Note: Please read the instructions carefully printed herein below, before exercising your vote through Electronic Voting.

Instructions for Electronic Voting

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with National Securities Depository Limited (NSDL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the general meeting.

The Benpos date for sending e-voting form through email / physically to Shareholders is Friday, 1st July, 2016. The cut-off date for voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Monday, 25th July, 2016.

The process and instructions for e-voting are as under:

A. A shareholder who receives email from NSDL [for shareholders whose email IDs are registered with the STA/Depository Participant (s)] is requested to:

- Open email and open PDF file viz: "YPL e-voting.pdf" with his/her Client ID or Folio No. as password. The said PDF file contains his/her user ID and password/PIN for e-voting. Shareholders may please note that the password is an initial password.
- Launch Internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- Click on Shareholder-Login
- Put userID and initial password/PIN noted in step (i) above. Click Login.

v. Password change menu appears. Change the password/PIN with new password of his/her choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.

vi. Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

vii. Select "EVEN" of Yash Papers Limited.

viii. Now the shareholder is ready for e-voting as Cast Vote page opens.

ix. Shareholder may cast his/her vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x. Upon confirmation, the message "Vote cast successfully" will be displayed.

xi. Once the shareholder has voted on the resolution, he/she will not be allowed to modify his/her vote.

xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to adesh.tandon11@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a shareholder receives physical copy of the Notice of AGM [for shareholders whose email IDs are not registered with the STA/ Depository Participant(s) or requesting physical copy]:

- Initial password is provided hereinabove.
- Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of item (A) above, to cast vote.
- In case of any queries, the shareholder may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of URL: <https://www.evoting.nsdl.com/>
- If the shareholder is already registered with NSDL for e-voting then

he/she can use his/her existing user ID and password/PIN for casting his/her vote.

v. Shareholder can also update his/her mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

vi. The e-voting period commences on 27.07.2016 (9:00 am) and ends on 29.07.2016 (5:00 pm). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

vii. The Shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholder opts for e-voting, he/she will not be eligible to vote physically in AGM.

viii. Mr. Adesh Tandon, Practicing Company Secretary (Membership No. F2253 and Certificate of Practice No. 1121) of M/s Adesh Tandon & Associates has been appointed as the Scrutinizer by the Company to scrutinize the e-voting process in a fair and transparent manner.

ix. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and submit Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.

x. The Results shall be declared at the Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company' website: www.yash-papers.com and on the website of NSDL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges.

NOTES

CORPORATE INFORMATION

Board of Directors

Mr. Kaikobad Dorab Pudumjee, *Chairman (Independent)*
Mr. Ved Krishna, *Managing Director (Promoter & KMP)*
Mr. Narendra Kumar Agrawal, *Director Works*
Ms. Kimberly Ann McArthur, *Non-Independent Director (Promoter)*
Mrs. Manjula Jhunjunwala, *Non-Independent Director (Promoter)*
Dr. Indroneel Banerjee, *Independent Director*
Mr. Gyanendra Nath Gupta, *Independent Director*
Mr. Jaideep Narain Mathur, *Independent Director*
Mr. Atul Kumar Gupta, *Independent Director*
Mr. Imanul Haque, *Independent Director*

Chief Financial Officer

Mr. Anil Kumar Gupta

Company Secretary

Mr. Sachin K. Srivastava

Bankers

State Bank of India
United Bank of India
Oriental Bank of Commerce
Union Bank of India
UCO Bank

Statutory Auditors

Kapoor Tandon & Co.
Chartered Accountants
24/57, Birhana Road,
Kanpur – 208 001

Secretarial Auditor

Mr. Adesh Tandon
Company Secretary
M/s Adesh Tandon & Associates
'Kan Chambers', Room No. 811
14/113, Civil Lines,
Kanpur - 208 001

Cost Auditors

Mr. Rakesh Misra
Cost Accountant
122/314, Shastri Nagar,
Kanpur – 208 005

Internal Auditors

U Nagar & Co.
Chartered Accountants
1st Floor, 6/207, Vipul Khand,
Gomti Nagar, Lucknow 226010

Legal Advisor

Mr. Madan Mohan Pandey
Advocate
Balrampur House, Rekabganj,
Faizabad 224001

Registered Office

13/65, Parmat, Civil Lines, Kanpur –
208001, Uttar Pradesh

Works and Corporate Office

Yash Nagar,
Faizabad 224135, Uttar Pradesh
Phone: 05278 326611-12
Fax No: 05278- 258062
Website: www.yash-papers.com
Email: info@yash-papers.com

Registrar and Share Transfer Agent

Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor
Okhla Industrial Place Phase – 1,
New Delhi 110020
Phone: 011-226292682/ 83 / 84
Fax: 011-26292681
Email: admin@skylinerta.com



Yash Nagar, Faizabad 224135, Uttar Pradesh

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