

# FORM B

(Clause 31(a) of the Listing Agreement)

1.	Name of the Company	Yash Papers Limited
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	Repetitive
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	<b>Notes in Annual Report</b> Refer Note No.39, (Page No.84 of Annual Report)  <b>Management Response</b> Refer Point No.16 of Directors' Report, (Page No.32 of Annual Report)
	Additional comments from the board/audit committee chair:	As per disclosures made in the Annual Report.
5.	To be signed by-	
	• CEO/Managing Director	 (Ved Krishna)
	• CFO	 (Nikhil Gupta)
	• Auditor of the Company	For KAPOOR TANDON & CO., Chartered Accountants Firm Registration No.000952C   (Rajesh Parasramka) PARTNER Membership No.074192
	• Audit Committee Chairman	 (Mr. G. N. Gupta)

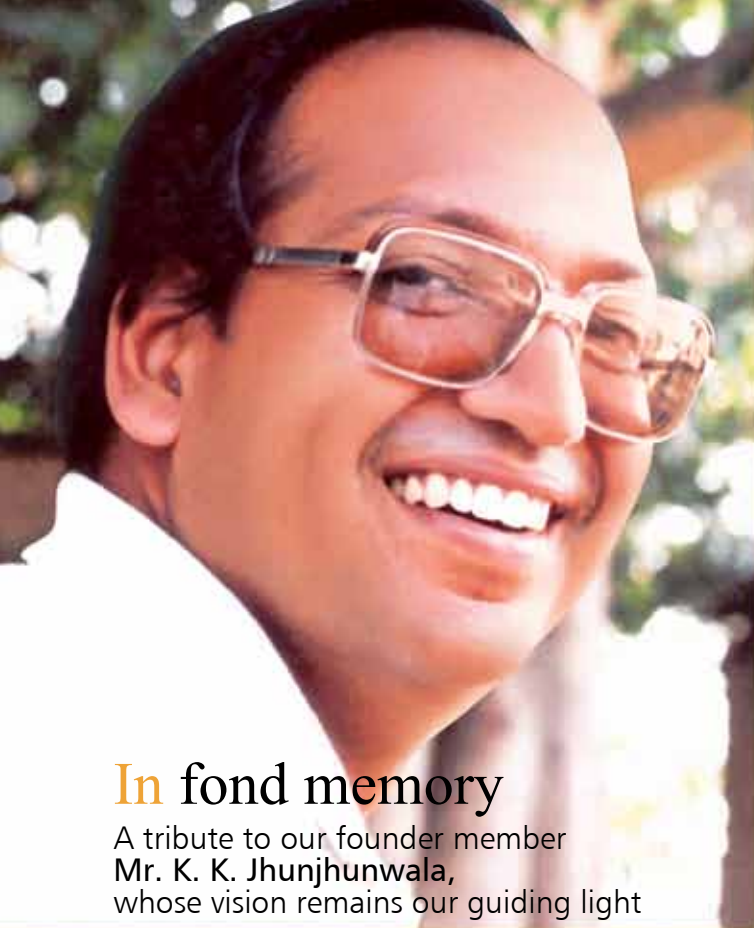




We have come a  
**long way...**

Yash Papers Limited | Annual report, 2013-14





# ...but it is just the beginning

At Yash Papers, we leveraged three decades of rich manufacturing experience, extensive planning and strategic decision making to enhance product quality and operational efficiency, secure raw material availability, focus on value-added products, improve balance sheet, spread marketing network globally, strengthen intellectual capital and reduce carbon footprint.

**The result:** We have evolved into a leading specialised paper manufacturer with 341 employees and presence across 22 countries.

However, this is just the beginning as we intend to further strengthen our competitive position by focusing on product and process streamlining, upgrading technology and enhancing manufacturing capabilities – for achieving our triple bottomline objective.

Our triple bottomline objective focuses on caring for people in the company and nearby areas, investing in technology for reducing environmental impact and creating a sustainable business through enhancing performance.

## In fond memory

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

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## YASH PAPERS LIMITED

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# Notice

NOTICE is hereby given that the 34th Annual General Meeting of the Members of Yash Papers Limited will be held on Saturday, the 9th day of August, 2014 at 09:00 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 Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss Account for the year ended on that date and the reports of the Board of Directors ("the Board") and the Auditors thereon.
2. To appoint a Director in place of Mrs. Manjula Jhunjhunwala (DIN: 00192901), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.
3. To appoint 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 retiring Auditors who have furnished the eligibility certificate under Section 141 of the Companies Act, 2013 be and are hereby re-appointed as the Statutory Auditor of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of next three consecutive Annual General Meeting subject to ratification of appointment by the Members of the Company at every Annual General Meeting at remuneration of Rs.3,00,000 per annum 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. Atul Kumar Gupta (DIN: 01734070) 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 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 Clause 49 of the Listing Agreement, Mr. Atul Kumar Gupta (DIN No.01734070), who was appointed as an Additional Director on May 15, 2014, 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 May 14, 2019."

5. To appoint Mr. Kaikobad Dorab Pudumjee (DIN: 01594401) 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 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 Clause 49 of the Listing Agreement, Mr. Kaikobad Dorab Pudumjee (DIN: 01594401), who was appointed as a Director liable to retire by rotation and whose term expires at 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 March 31, 2019."

6. To appoint Mr. Gyanendra Nath Gupta (DIN: 00027502) 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 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 Clause 49 of the Listing Agreement, Mr. Gyanendra Nath Gupta (DIN: 00027502), who was appointed as a Director liable to retire by rotation and whose term expires at 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 March 31, 2019."

7. To appoint Mr. Ramesh Narayan (DIN: 01072468) 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 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 Clause 49 of the Listing Agreement, Mr. Ramesh Narayan (DIN: 01072468), who was appointed as a Director liable to retire by rotation and whose term expires at 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 March 31, 2019."

8. To appoint Ms. Kimberly Ann McArthur (DIN: 05206436) 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 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 Clause 49 of the Listing Agreement, Ms. Kimberly Ann McArthur (DIN: 05206436), who was appointed as a Director liable to retire by rotation and whose term expires at 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 her 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 March 31, 2019."

9. To appoint Dr. Indroneel Banerjee (DIN: 06404397) 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 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 Clause 49 of the Listing Agreement, Dr. Indroneel Banerjee (DIN: 06404397), who was appointed as a Director liable to retire by rotation and whose term expires at 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 March 31, 2019."

10. To appoint Mr. Jaideep Narain Mathur (DIN: 06560639) 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 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 Clause 49 of the Listing Agreement, Mr. Jaideep Narain Mathur (DIN: 06560639), who was appointed as a Director liable to retire by rotation and whose term expires at 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 March 31, 2019."

11. To appoint Mr. Mudar Patherya (DIN: 01377691) 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 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 Clause 49 of the Listing Agreement, Mr. Mudar Patherya (DIN: 01377691), who was appointed as a Director liable to retire by rotation and whose term expires at 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 March 31, 2019."

12. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 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 all other applicable provisions 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 Misra, 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 March 31, 2015, be paid the remuneration of Rs.40,000/- plus out of pocket expenses incurred for traveling, lodging and other expenses in connection with conducting the cost audit as recommended by the audit committee be and is hereby ratified and confirmed.

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."

13. To approve the re-appointment of the Managing Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), following resolution as an **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196 and 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 (including any statutory modification(s) or re-enactment thereof for the time being in force) and recommendation of Nomination and Remuneration Committee, approval of the Company be and is hereby accorded to the re-appointment of Mr. Ved Krishna (DIN: 00182260) as Managing Director of the Company for a period of 3 years with effect from August 1, 2014 upto July 31, 2017 on the following terms & conditions be and is hereby reappointed on fresh terms & conditions as stipulated below:

- (a) **Salary:** Rs.2,50,000/- per month in the grade of Rs.2,50,000 – 1,00,000 - 5,50,000 Increment will be effective from 1st June each year.
- (b) **Variable Dearness Allowance (V.D.A.):** As applicable from time to time.
- (c) **Production Incentive:** As per applicable scheme for the employees, as amended from time to time.
- (d) **Bonus:** As per applicable scheme for the employees, as amended from time to time.
- (e) **Perquisites :** In addition to the above, Mr. Ved Krishna, shall be entitled to perquisites like accommodation (furnished or otherwise)

or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for himself and his family, club fees, medical insurance etc.; in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Ved Krishna, such perquisites shall however be paid as per applicable provisions of Income Tax Act and rules and in the absence of any such Rules, perquisites shall be evaluated at actual cost to the Company.

Provision for use of the Company's car and telephone at residence (including payment for local calls and long distance official calls) for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceilings.

- (f) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together 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.
- (g) **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.
- (h) **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.

- (i) **Other Expenditure:** Mr. Ved Krishna 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.
- (j) **Other Benefits:** Any other benefits, facilities, allowances and expenses may be allowed under Company rules/schemes and available to other employees.
- (k) **Sitting Fees:** No sitting fees will be paid for attending the meetings of the Board of Directors of the Company or Committees thereof.
- (l) **Allowance:** Payment of all the allowances including production incentive shall be limited to Rs.2,50,000/- p.m.
- (m) **Commission on Net Profit:** In addition to the above, Mr. Ved Krishna, subject to approval of Board of Directors, shall also be entitled to a commission upto 1% of the net profit as permitted under Section 197 of the Companies Act, 2013, in case of adequacy of profit.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to vary, modify or alter the terms and conditions of said reappointment as it may deem fit and as may be acceptable to Mr. Ved Krishna in compliance with Schedule V of the Companies Act, 2013 and other applicable provisions and laws, if any. However in case of loss or inadequacy of profit the minimum

remuneration as per Schedule V of the Companies Act, 2013 shall be paid.

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

- 14. To approve the appointment of the Wholtime Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), following resolution as an **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149 and all other applicable 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 the Article of Association of the Company, Mr. Girish Kumar (DIN: 06917725), CEO (Key Managerial Person) who was appointed as an Additional Director of the Company by the Board of Directors with effect from July 4, 2014 and who holds office until the date of the Annual General Meeting, in terms of Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing 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 a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197 and 203 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 (including any statutory modification(s) or re-enactment thereof for the time being in force) and recommendation of Nomination and Remuneration Committee, approval of the Company be and is hereby accorded for the appointment of Mr. Girish Kumar (DIN: 06917725) as a Wholetime Director of the Company for a period of 3 years with effect from July 4, 2014 upto July 3, 2017 on the following terms & conditions:

- (a) **Salary:** Rs.2,14,841/- per month in the grade of Rs.2,14,841 – 25,000 – 4,00,000. Increment will be effective from 1st June each year.
- (b) **Variable Dearness Allowance (V.D.A.):** As applicable from time to time.
- (c) **Production Incentive:** As per applicable scheme for the employees, as amended from time to time.
- (d) **Special Allowance:** 13% of Basic Salary as applicable from time to time.
- (e) **Bonus:** As per applicable scheme for the employees, as amended from time to time.
- (f) **Perquisites:** In addition to the above, Mr. Girish Kumar, shall be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for himself and his family, club fees, medical insurance etc.; in accordance with the rules of the Company or as may be agreed to

by the Board of Directors and Mr. Girish Kumar, such perquisites shall however be paid as per applicable provisions of Income Tax Act and rules and in the absence of any such Rules, perquisites shall be evaluated at actual cost to the Company.

Provision for use of the Company's car and telephone at residence (including payment for local calls and long distance official calls) for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceilings.

- (g) **Company's Contribution:** Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together 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) **Other Expenditure:** Mr. Girish Kumar 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) **Other Benefits:** Any other benefits, facilities, allowances and expenses may be allowed under Company rules/schemes and available to other employees.
- (l) **Sitting Fees:** No sitting fees will be paid for attending the meetings of the Board of Directors of the Company or Committees thereof.
- (m) **Allowance:** Payment of all the allowances including production incentive shall be limited to Rs.2,00,000/- p.m.
- (n) **Commission on Net Profit:** In addition to the above, Mr. Girish Kumar, subject to approval of Board of Directors, shall also be entitled to a commission upto 1% of the net profit as permitted under Section 197 of the Companies Act, 2013, in case of adequacy of profit.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to vary, modify or alter the terms and conditions of said reappointment as it may deem fit and as may be acceptable to Mr. Girish Kumar in compliance with Schedule V of the Companies Act, 2013 and other applicable provisions and laws, if any. However in case of loss or inadequacy of profit the minimum remuneration as per Schedule V of the Companies Act, 2013 shall be paid.

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

- 15. To adopt new Article of Association of the Company



containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass, with or without modification(s), following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

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.”

16. To increase the borrowing limits of Company beyond the Paid-up Capital and Free Reserves of the Company, and in this regard to consider and, if thought fit, to pass, with or without modification(s), following resolution as **Special Resolution:-**

“RESOLVED THAT in the supersession of the earlier resolution passed by shareholders in 29th Annual General Meeting of the Company held on 29th day of September, 2009 under Section 293(1)(d) of the Companies Act, 1956 to the extent same as already acted upon, consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and (2) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings and Powers of Board) Rules, 2014, (including any statutory

modifications, amendments or re-enactments thereto for the time being in force) to the Board of Directors of the Company (hereinafter referred to as “the Board”) for borrowing any sum or sums of monies from time to time for the purpose of the Company’s business on such terms and conditions and with or without security from any Bank, financial institution or any other lending institutions, firms, bodies corporate or persons, as may be considered suitable by the Board notwithstanding that the sum or sums of monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs.300 crores over and above the paid-up capital of the Company and its free Reserves.

17. To get consent to hypothecate and mortgage the movable and immovable properties of the Company pursuant to Section 180(1) (a) of Companies Act, 2013 and in this regard to consider and, if thought fit, to pass, with or without modification(s), following resolution as **Special Resolution:**

“RESOLVED THAT in terms of Section 180(1) ( a) of the Companies Act, 2013 and the Companies (Meetings and Powers of Board) Rules, 2014, (including any statutory modifications, amendments or re-enactments thereto for the time being in force), the consent of the Company in General Meeting be and is hereby accorded by special resolution to the Board of Directors to mortgage in future all or any of the movable or immovable property of the Company wherever situated, both present and the future and

whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events in favour of any Banks and/or financial institutions and/or any lending institution and/or any person, in consideration of and to secure the term loan/credit facilities and/or financial assistance of any manner upto Rs.300 crores in the aggregate from the said institutions lent and /or to be lent to the Company together with the interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, premia on repayment, cost charges, expenses and the monies payable by the Company to the Banks and/or financial institutions under the loan agreement, letters of sanction , memorandum of terms and conditions entered into or to be entered into by the Company in respect of the financial assistance.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to finalize the documents to be executed in favour of the banks and/or financial institutions and/or any lending institution and/or any person, and to do all such acts and deeds, things as may be necessary or incidental thereto to give effect to this resolution.”

18. To get consent to do transaction with Related Parties pursuant to Section 188 of Companies Act, 2013 Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), following resolution as **Special Resolution:**

“RESOLVED THAT consent of the shareholders be and is hereby accorded to enter into related party transactions under Section 188 of Companies Act, 2013 read with Rule 15(3)(i) of Companies (Meetings of Board and Its Power Rules) 2014, as detailed below, w.e.f. 01.10.2014:-

S. No.	Name of the related party	Nature of transaction	Period of contract	Monetary Limits per year	Name of the director interested	Nature of interest
1.	M/s Yash Agro Products Limited	Trading of Goods & Services	5 Years	50 Lacs	Mr. Ved Krishna and Mrs. Manjula Jhunhunwala	Director & Shareholder
2.	M/s Yash Skills Limited	Technical Services	5 Years	40 Lacs	Mr. Ved Krishna and Mrs. Manjula Jhunhunwala	Director & Shareholder
3.	M/s Yash Ecoenergy Limited	Technical Services	5 Years	20 Lacs	Mr. Ved Krishna and Mrs. Manjula Jhunhunwala	Director & Shareholder
4.	M/s Satori Global Limited	Trading of Goods, Services and Rent	5 Years	25 Lacs	Mr. Ved Krishna and Mrs. Manjula Jhunhunwala	Director & Shareholder
5.	M/s Jingle Bell Nursery School Society	School Fees and Other Services	5 Years	25 Lacs	Mr. Ved Krishna and Mrs. Manjula Jhunhunwala	Director & Shareholder
6.	M/s K. K. Charitable Foundation	Donation	5 Years	60 Lacs	Mr. Ved Krishna and Mrs. Manjula Jhunhunwala	Director & Shareholder

RESOLVED FURTHER THAT the transactions shall be in its ordinary course of business and at arms length basis.

RESOLVED FURTHER THAT Mr. Ved Krishna, Managing Director / Mr. Girish Kumar, Chief Executive Officer and Wholetime Director of the Company be and is hereby severally authorized to enter into the proposed contract as placed before the meeting and signed by the Chairman for identification

RESOLVED FURTHER THAT necessary filing with the office of Registrar of Companies, Uttar Pradesh and Uttarakhand be made under the digital signatures of Mr. Ved Krishna, Managing Director of the Company.

RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to do all such acts, deeds and things as may be necessary and incidental in this regard.

By Order of the Board



Sachin K. Srivastava  
Head of Legal & Secretarial

Camp: Faizabad  
Date: 4th July, 2014

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE 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 Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts is annexed hereto.
3. 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 [adeshtandon11@gmail.com](mailto:adeshtandon11@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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 middle of the e-voting sheet.
- ii) Please follow all steps from Sl.No. (ii) to Sl. No. (xii) above, to cast vote.

4. 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](http://www.evoting.nsdl.com).

5. 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.

6. 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 3rd August, 2014

**End of e-voting:** Upto 6.00 p.m. IST on 5th August, 2014.

E-Voting shall not be allowed beyond 6.00 p.m. of 5th August, 2014. During the e-voting period, Shareholders of the Company, holding shares as on the cut-off date (record date) July 4, 2014 either in physical form or in dematerialized form may cast their vote electronically.

7. 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.
8. 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.
9. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on July 4, 2014.
10. The results declared alongwith Scrutinizer's Report shall be placed on the Company's website [www.yash-papers.com](http://www.yash-papers.com) and on the website of NSDL within two

days of passing of the resolutions at the 34th Annual General Meeting of the Company on August 9, 2014 and communicate to the Bombay Stock Exchange Limited, Mumbai.

11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at AGM.
12. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email IDs are registered with the Company or Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participants(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend AGM.
13. 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.
14. 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.

15. The Register of Members and the Share Transfer Books of the Company shall remain closed from 2nd August, 2014 to 9th August, 2014 (both days inclusive).

16. 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 246, 1st Floor, Sant Nagar, East of Kailash, New Delhi – 110 065 by quoting their folio number.
17. 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.
18. 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.
19. All the 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

during business hours on all working days up to the date of declaration of the result of 34th Annual General Meeting of the Company.

20. scn@yash-papers.com has been designated for the purpose of registering complaints by investor, pursuant to clause 47(f) of the Listing Agreement.
21. 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.

22. 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.

By Order of the Board



**Sachin K. Srivastava**  
Head of Legal & Secretarial

Camp: Faizabad  
Date: 4th July, 2014

## 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. Atul Kumar Gupta as an Additional Director of the Company with effect from May 15, 2014. In terms of the provisions of Section 161(1) of the Act Mr. Atul Kumar Gupta 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 Rs.1,00,000/- (Rupees One Lac only) under Section 160 of the Act proposing the candidature of Mr. Atul Kumar Gupta for the office of Director of the Company.

Mr. Atul Kumar Gupta 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 liable for retirement by rotation.

The Company has received a declaration from Mr. Atul Kumar Gupta that he meets with the criteria of independence as prescribed both under sub-Section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. Atul Kumar Gupta possesses appropriate skills, experience and knowledge, inter alia, in the field of finance.

In the opinion of the Board, Mr. Atul Kumar Gupta fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Atul Kumar Gupta is independent of the management.

Mr. Atul Kumar Gupta aged 63 years has done M.Sc.

(Physics) from Allahabad University and M. Social Sciences in Development Administration from University of Birmingham, United Kingdom. Mr. Atul Kumar Gupta is a Senior I.A.S. from 1974 Batch and retired on March 31, 2011 as Chief Secretary to the Government of Uttar Pradesh. Mr. Atul Kumar Gupta has worked in different capacities in various sectors in the State Government.

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

Copy of the draft letter for appointment of Mr. Atul Kumar Gupta 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 Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Atul Kumar Gupta 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 to 11

Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya are Independent Directors of the Company who are liable for retire by rotation as per old Companies Act, 1956.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed Company.

It is proposed to appoint Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya as Independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to March 31, 2019.

Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidatures of each of Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya for the office of Directors of the Company.

The Company has also received declarations from Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya that they meet with the criteria of independence as prescribed both under sub-Section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya are independent of the management.

Brief resume of Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees,

shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya are interested in the resolutions set out respectively at Item Nos. 5 to 11 of the Notice with regard to their respective appointments.

The relatives of Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 to 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out



at Item Nos. 5 to 11 of the Notice for approval by the shareholders.

#### **ITEM NO . 12**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Rakesh Misra, Cost Accountant, of Kanpur as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of Rs.40,000/- 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. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

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. 12 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

#### **ITEM NO. 13**

Mr. Ved Krishna was appointed as the Managing Director of the Company on August 1, 2012. The earlier tenure

of Managing Director stands determined with mutual consent. In appreciation of the dedicated services and having regard to the increased responsibilities shouldered and rich and diversified experience in the industry and improved performance of the Company Board of Directors at its meeting held on May 15, 2014, approved the re-appointment on enhanced remuneration of the Managing Director of the Company as recommended by Nomination and Remuneration Committee on fresh terms and conditions in accordance with Board decision in earlier Board Meeting for a period of three years w.e.f 01.08.2014 subject to approval of the Members of the Company. The services of highly educated Managing Director with rich experience of corporate working will be in the best interest of the Company.

Approval of the Members under Sections 196 and 197 read with Schedule V and all other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required for the reappointment on enhanced remuneration of Managing Director for payment of remuneration but in no circumstances the remuneration shall exceed the remuneration as laid down in Schedule V of Companies Act, 2013. The additional disclosure as required in Section II of Part II of Schedule V are provided elsewhere in the Annual Report.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 13 of the Notice except Mr. Ved Krishna, Managing Director and Mrs. Manjula Jhunjhunwala, Director.

The Board recommends the Special Resolution set out at

Item No. 13 of the Notice for approval by the Shareholders.

#### **ITEM NO. 14**

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. Girish Kumar, CEO (Key Managerial Person) of the Company as an Additional Director of the Company with effect from July 4, 2014. In terms of the provisions of Section 161(1) of the Act, Mr. Girish Kumar 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 Rs.1,00,000/- (Rupees One Lac only) under Section 160 of the Act proposing the candidature of Mr. Girish Kumar for the office of Director of the Company.

Mr. Girish Kumar 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.

After twenty-five years experience in customer process optimization, Mr. Girish Kumar joins Yash Papers to offer his mature guidance and drive to perform. Previously, Mr. Girish Kumar has worked in both domestic and MNC Companies with extensive international experience and is now looking to take Yash Papers to the next level. His education qualifications are a Bachelor of Engineering (Chemical) from IIT – Roorkee in first class with distinction in 1981. His personal interests include reading, yoga, music, multimedia, and is a foodie!"

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Girish Kumar is appointed as a Wholetime Director.

Copy of the draft letter for appointment of Mr. Girish Kumar as a Wholetime 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 Clause 49 of the Listing Agreement with the Stock Exchanges.

Approval of the Members u/s 196 and 197 read with Schedule V and all other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required for the appointment of Wholetime Director for payment of remuneration but in no circumstances the remuneration shall exceed the remuneration as laid down in Schedule V of Companies Act, 2013. The additional disclosure as required in Section II of Part II of Schedule V are provided elsewhere in the Annual Report.

Save and except Mr. Girish Kumar 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 Special Resolution set out at Item No. 14 of the Notice.

The Board commends the Special Resolution set out at Item No. 14 of the Notice for approval by the shareholders.

#### ITEM NO. 15

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

The Companies Act, 2013 is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive Sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a Company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special

Resolution set out at Item No. 15 of the Notice.

None of the other Company is interested in the said Special Resolution.

The Board commends the Special Resolution set out at Item No. 15 of the Notice for approval by the shareholders.

#### ITEM NO. 16

It may be mentioned here that the Companies Act, 2013 has been notified in the Official Gazette and is being implemented by the Ministry of Corporate Affairs in phases. On implementation of the provision of Section 180, approval of the shareholders shall be deemed to be in accordance with the relevant corresponding provisions of the Companies Act, 2013 subject to compliance of any transitional provisions prescribed by the Companies Act, 2013.

However, Section 180(1) (a) of the Companies Act, 2013 provides that the Board of Directors of a Company shall exercise the power to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company only with the consent of the Company by a special resolution.

Hence, the Special Resolution at Item No. 16 is intended for this purpose. The Board commends the passing of Special Resolution at Item No. 16 of the Notice to authorize the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding Rs. 300 crores over and above the paid-up capital of the Company and its free reserves for the business of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 16 of the Notice.

None of the other Company is interested in the said Special Resolution.

The Board commends the Special Resolution set out at Item No. 16 of the Notice for approval by the shareholders.

#### **ITEM No. 17**

The Companies Act, 2013 has come into force partially w.e.f. 12th September, 2013 and almost fully w.e.f. 1st April, 2014 barring certain Sections relating to Company Law Tribunal amalgamation, merger, sickness of the Company etc. The Section 180(1)(c) of Companies Act, 2013 contemplates that sale lease or otherwise dispose of whole or substantially the whole of the undertaking of the Company can be done after obtaining approval of shareholder in the general Meeting by way of Special resolution. As a legal precaution the corporate sector is of the view that mortgage/ hypothecation of property of the Company including movable/immovable property of the Company for the financial assistance taken or to be taken from the bank /Financial Institution etc. for the purpose of business of the Company with the lender may amount to disposal of undertaking in terms of aforesaid Section. Therefore having regard to extension of the mortgage and hypothecation in future, It has become necessary to confer upon the board the power to do so. Therefore an enabling resolution being proposed at item No. 15 to be passed as special resolution .It is pertinent to mention here that this resolution is not intended to be passed for the purpose of sale of any of the undertaking but for the purpose of mortgage and hypothecation the property of

the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 17 of the Notice.

None of the other Company is interested in the said Special Resolution.

The Board commends the Special Resolution set out at Item No. 17 of the Notice for approval by the Shareholders.

#### **ITEM No. 18**

The Companies Act, 1956 contemplated under Section 297 certain transactions to be approved by Board of directors wherever the capital was Rs. 1 crore or more with the approval of Central Government. But now the Companies Act, 2013 has amended the entire provisions and certain Sections of the old Companies Act, 1956 have been combined. Therefore, list of the related party with respect to transactions falling from (a) to (g) under Section 188 of Companies Act, 2013 require the prior approval of shareholders by way of Special Resolution. It is also pertinent to mention that the transactions under Section 188 which are at arms length in ordinary course of business are exempted from the purview of Section 188 of Companies Act, 2013. Nevertheless, there can always be a controversy between the Company and the Ministry of Corporate Affairs whether the same is at arms length or not. Therefore it is necessary that the approval of shareholders by way of special resolution must be obtained having regard to provisions of the law. It is on record that the paid up capital of the company exceeds Rs. 10 crores, hence it mandates approval of shareholders by of special resolution. The Companies Act, 2013, on basis of legal

advice obtained, does not affect the existing contracts. However in order to put any show cause notice/litigation which may arise, it has been thought fit by the Board to seek the approval of shareholders for entering into fresh contracts which were falling in the ambit of Section 297 of the Companies Act, 1956 or which have now been added in purview of Section 188 of the Companies Act, 2013. Hence the Board recommends the resolution for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 18 of the Notice except Mr. Ved Krishna, Managing Director and Mrs. Manjula Jhunjhunwala, Director.

None of the other Company is interested in the said Special Resolution except Yash Agro Products Limited, Yash Skills Limited, Yash Ecoenergy Limited, Satori Global Limited and K. K. Charitable Foundation.

The Board commends the Special Resolution set out at Item No. 18 of the Notice for approval by the Shareholders.

**By Order of the Board**



**Sachin K. Srivastava**  
Head of Legal & Secretarial

Camp: Faizabad  
Date: 4th July, 2014



**YASH PAPERS IS ONE OF INDIA'S LEADING SPECIALTY PAPER MANUFACTURERS. TODAY, THE STRENGTH OF OUR BUSINESS IS GREATER THAN EVER BEFORE**

**WE FOCUS ON ENRICHING OUR BUSINESS FURTHER THROUGH FOCUS ON RIGHT PRODUCTS, RIGHT PROCESSES, RIGHT SECTORS, RIGHT REGIONS AND RIGHT PEOPLE.**

### About us

- Yash Papers, one of the largest manufacturers of low grammage kraft grade paper in India, was promoted in 1981 by Mr. K. K. Jhunjhunwala.
- The Company is headquartered in Faizabad, Uttar Pradesh (the largest sugarcane producing state in India).
- It has an installed capacity of 39,100 metric tonnes (MT) as against 1,940 MT in 1983.
- It's assets include:
  - Three paper machines (PM 1, 2 and 3) manufacturing MG industrial bleached and unbleached grades within a range of 28-80 GSM.
  - Two power plants of 2.5 MW (extraction-cum-condensing turbines) and 6 MW (rice husk-based FBC boilers).

### Clientele



- An integrated pulp mill with a capacity of 130 tonnes per day (TPD) for producing bleached and unbleached pulp grades from agro-based raw materials.
- A 145 MT chemical recovery unit.

### Certifications

ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environmental Management System), OHSAS 18001:2007 (Occupation Health & Safety Assessment Series) and ISO 22000:2005 (Food Safety Management System) certified.

### Global network

A widespread distribution network of 30 dealers in India and 10 international dealers spread across 12 countries globally.

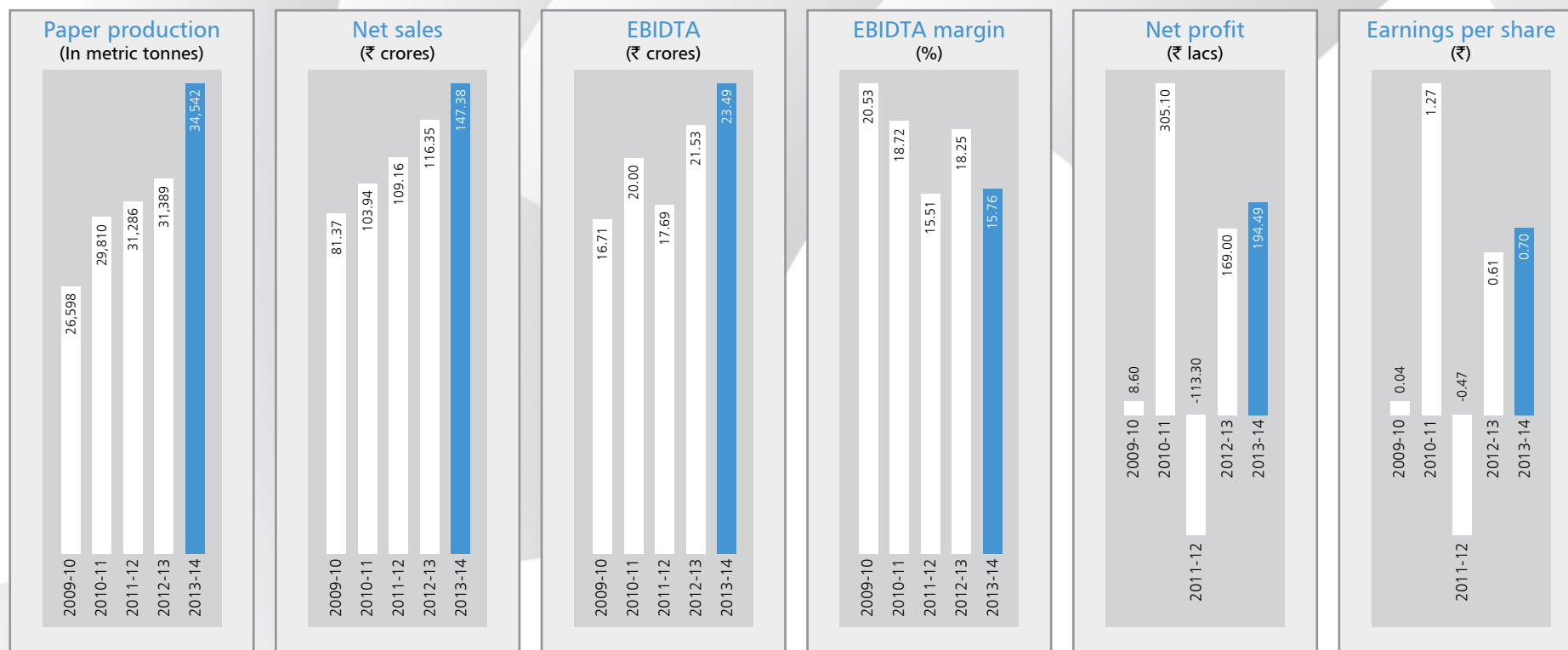
### Innovations

- One of the smallest paper units in the world to possess a conventional chemical recovery system.
- Amongst the few and earliest players in the domestic paper industry:
  - to have established a captive cogeneration facility
  - to invest in AC variable frequency drives (VFD) on rewinders and paper machines
  - to install a single centrally-located command system to control the entire operations
  - to use rice husk as fuel and agro-residue as raw material and to implement a voluntary emission reduction programme through our recovery boilers
- One of the earliest paper mills to have a CDM registered project

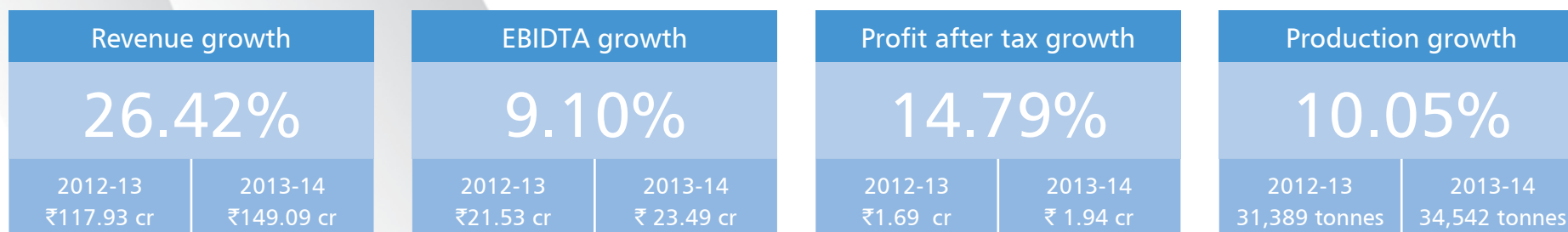
### Product portfolio

Paper grades	Grammage	Uses
Unbleached kraft	30-60 GSM	Beedi wrapping, matchboxes, tobacco pouches, PE coating, wax coating, bituminisation, bangles, glassware, brassware, gum tape and interleaving
Packaging/stationery	60-80 GSM	Grocery bags, envelopes, book covers, gift wrappers and metallised paper
Bleached MG poster	30-80 GSM	Pharmaceutical industry and FMCG products (soaps, detergents, food packaging, tea, sugar and salt sachets, cigarette packet inner liners and tube light packaging)
Coloured kraft	30-80 GSM	Envelopes, food packaging, gift wrappers and book covers

# Results of our perseverance. Reflected in our numbers.



## Key financials, 2013-14



# Chairman's review



## Dear Stakeholders,

This has been a year of wild swings in the Indian Paper Industry.

We have seen a large amount of volatility in the raw materials. Waste paper prices have been increasing due to rupee/ dollar parity, transportation costs and availability. Wood prices have been on the increase mainly on account of availability. We are seeing the quality of timber being used by the industry deteriorate and that is mainly due to the lack of focus in the plantation activities. Some companies have focused on the same and shall benefit in the coming times as fibre shall remain in short supply. There has also been an increase in the agri residue prices

again due to availability and competition from the power sector.

It is clear that raw material shall remain a challenge and each company shall have to work on a long term strategy for the same.

Your company has been planting trees for over 5 years through its sister company Yash Agro and shall be providing further focus on the same. We have also entered new tie ups with sugar mills for procurement of bagasse and should be able to sustain the current year as well. We have stocked bagasse for the entire year and that should help us with stabilizing our costs.

Fuel availability and prices have also been a source of worry for many mills. Coal prices have been rising and quality of domestic coal has always been poor. We see many companies shift to pet coke, however, the same shall also be limited by supply and technologies.

We are again able to sustain this trend by adequately storing rice husk during the season. Adequate stocks provide us with cushioning for the year in regards to fuel availability and prices.

The domestic markets have supported the passing on of the cost increases but there seems to be a dip in the demand toward the end of the year. The industry will have to continue to balance the export and domestic equation to avoid predatory pricing.

Our quality standards have improved and we have done better with exports which enable us to sustain pricing pressures. Our teams are focusing on specific markets to develop and provide specialized products and we shall continue to work towards the same in the current year. Our customers have been supporting us with consistent

orders and we are looking to continuously improve on our quality standards as well as increase production, market reach and segments.

We are building our teams further. I am proud to welcome fresh faces in the management team. This would provide fresh energy and ideas to the company. We have also been working on numerous initiatives on training, development and systems and the same shall provide further impetus to our functioning.

We have now made numerous changes to increase productivity and quality in our machines and we look forward to maximizing potential from our facilities this year in our effort to improve on our performance and create shareholder value.

We have undertaken improvements in all of our machines in the preceding year, results of which in terms of quality and quantity should be visible in the current year. Our teams are working towards optimizing our productivity levels which would enable us to overcome the challenges faced in the preceding years.

We are sure our planned performance would enable us to reward our shareholders in the coming years.

We thank you for your support and encouragement.

Warm regards,

K. D. Pudumjee  
Chairman



# Managing director's review



It gives me immense pleasure to present to you the 33<sup>rd</sup> annual report of the Company. I am happy to state that we have come a long way as years of patience and hard work has finally transpired into encouraging business growth. Through our triple bottomline objective (enriching people's life, protecting environment and continuous improvement in performance), we have been successful in creating a strong foundation for Yash Papers.

However, this is just a beginning as we intend to leverage on this foundation with the objective of emerging as the largest specialty paper manufacturer and delivering outstanding performances in the years to come. Your Company has undertaken various strategic decisions during the year in review that shall contribute towards this goal.

## Strategic decision making for the next stage of growth

- Your Company plans to standardise its product range by concentrating on manufacture of specialty papers that command better margins. This shall reduce plant downtime due to switchover and enable us to achieve economies of scale. Moreover, the marketing teams would be able to channel their efforts into fewer options; thereby concentrating only on those efforts bring real benefits.
- Your Company focuses to increase export sales through making entry in the Middle-east region and Europe.
- Your Company is looking forward to achieve better job clarity in the organisation by identifying key work areas and appointing heads to manage the same. Moreover, individuals are provided continuous training and skilling programmes with the objective of enhancing job skills and clarity.
- Undertook a major strategic decision to identify the key position of Chief Executive Officer (CEO), who shall look after the day-to-day operations. Mr. Girish Kumar was appointed for the same. Post this my role in the Company shall be more of a strategic decision maker.
- Appointed a senior Human Resources (HR) head with the objective of channelising various HR initiatives.
- Reduce and subsequently phase out wheat consumption as a raw material for manufacturing paper due to non-availability and finished product quality issues. Your Company intends to focus on bagasse as the primary raw material followed by imported soft wood pulp. We have also entered into tie-ups with sugar mills for bagasse supply.

## Message to shareholders

I would like to thank all our shareholders for constantly supporting and trusting us. Your Company has been performing well at the operational level as we have consistently delivered EBITDA margins in a range of 15-20%. However, at PAT level we have suffered due to heavy leverage as a result of which your Company was unable to enhance shareholders' value. Having said that, it is very important to note that this increase in leverage in the past few years was primarily in regards to our constant efforts towards capacity enhancement and technological upgradation for improving product quality, reducing costs and enhancing production efficiency. The result of all these can be seen in our strengthening operations, market goodwill and operational cash flows.

We look forward to sweat our assets to the maximum with the objective of doubling our topline in the next three years without increasing leverage. Moreover, we are steadily repaying our debts and in the near future we intend to emerge as a relatively stable, profitable and deleveraged Company with the objective of maximising shareholder value.

Regards,

Ved Krishna  
Managing Director

# CEO's review



The year 2013-14 has been another successful year for Yash Papers as we witnessed record performance (in terms of growth in numbers and improvements in operational front). Today, the Company's competitive position is stronger than ever. We have grown in scale, developed manufacturing capabilities, created strong intellectual capital and reduced environmental impact. We shall continue to focus on our triple bottomline principles that have driven our business since the earliest days – caring for people, caring for environment and focus on performance.

In numbers, our topline grew 26.42% to ₹149.09 cr (₹117.93 cr in 2012-13), EBITDA grew 9.10% to ₹ 23.49 cr (₹21.53 cr in 2012-13) and PAT grew 14.79% to ₹1.94 cr (₹1.69 cr in 2012-13).

## On operational front:

- Our efforts to primarily concentrate on manufacturing papers catering to packaging applications in pharma, food and FMCG sectors paid well as demand from these sectors were relatively unaffected by economic downturns. As a result of which our sales increased 9.74% from 31,729 tonnes in 2012-13 to 34,818 tonnes.
- Timely interest payments and strengthening balance sheet has enhanced the Company's credibility resulting in a 36.92% increase in working capital loans available from bankers.
- We utilised the additional working capital facility from banks and cash flows generated during the year in procuring 97,181 tonnes (70,522 tonnes in 2012-13) of bagasse for pulp production and 80,817 tonnes (77,691 tonnes in 2012-13) of rice husk for power generation. This shall ensure continuous production cycle for the next 10 months. Moreover, we timed our raw material procurement during the sugarcane season enabling us to enjoy a 10% cost advantage over the last year.
- We successfully completed all critical part replacements and modifications in our PM 1 & 2 which shall enhance its productivity by atleast 5%. In PM 3, all major issues are resolved and we expect to enhance its productivity by atleast 20%.
- We aggressively started selling surplus pulp in the open market to the tune of 4,050 tonnes in 2013-14, adding ₹10.79 cr to our topline.

## Our social responsibilities

- Ensured career growth of employees through necessary training (for skill enhancement) and performance based incentives. Also, focussed on enhancing employee motivation through:
  - Providing health care facilities for employees and their families
  - Subsidising tuition fees for education of employees' children at best institution
  - Offering financial assistance in times of need through a "family needs fund"

- Enriched lives of individuals in the vicinity by providing basic education, employment training courses and means of employment.

## Our environmental responsibilities

We took forward our concern for environment one step further through making investments in:

- **Decanter:** For removing solid waste
- **Filtration system:** For cleaning waste water released during pulp production and reusing the same.
- **Wet washing system:** For reducing water usage that goes into effluent treatment.
- **Wet scrubber:** As a replacement for an old boiler for removing pollutants from steam and gases released.
- **Diffuser system:** For treating sewage water with oxygen so that it can be cleaned and use for agricultural purposes.

## Road ahead

We intend to stabilise operations across all the plants and streamline all processes and systems to achieve better efficiency levels. We look forward to constantly add values to product by improving its gloss or by adding special coating, to create a niche market and earn higher margins. We have made investments in SAP to enable faster turnaround of operations and better accountability. The basic objective henceforth shall be to achieve constant improvement in plant uptime through regular monitoring and maintenance – to enhance product quality and production efficiency.

Regards,

Mr. Girish Kumar  
Chief Executive Officer

# CFO's review



The year 2013-14 has been a remarkable and eventful one for Yash Papers. Our performance reflects a combination of our manufacturing excellence, business expansion and growth.

The year was marked with severe challenges as most paper manufacturers suffered losses due to high inflation, rising interest rates, rising raw material prices and tough macro-economic scenario. Despite this, our team at Yash Papers managed to grow business, keep costs under control and deliver positive results.

## Financial performance

During the year 2013-14, we achieved a topline of ₹149.09cr, up 26.42% over our previous years' topline of ₹117.93 cr. Our EBITDA increased to ₹ 23.49 cr, a growth of 9.10% and net profit grew 1.15 times to ₹1.94 cr.

Despite rising numbers, a primary area of concern for the Company has been its high leverage. The Company's debt:equity stood at 3:1 as on 31st March, 2014. However, it is important to note that the increase in debt was on account of expansion and modification projects undertaken by the Company; which is nearing completion. The partial impact of this can be witnessed in our growing topline and bottomline in the last two years. Upon completion of all these projects, we look forward

to sweating our assets to the maximum which shall result in higher productivity. This would not only enhance our bottomline in absolute terms but also in terms of margins.

We intend to utilize the additional cash flows generated to repay our debts and emerge as a significantly low leveraged company in the next 3 years.

## Road ahead

In the coming years, we intend to enhance the profitability by focusing on export markets and increasing the sales realisation. This would boost our profitability and also increase our market share.

Our team would continue to focus on optimal utilisation of resources and streamlining of process to achieve breakeven at lower level of production and keep costs under control.

Regards,

**Mr. Nikhil Gupta**  
Chief Financial Officer

## Some important financial indicators of growth:

	2013-14	2012-13	2011-12	2010-11	2009-10
Average return on capital employed (%)	12.80	12.43	11.16	13.25	11.85
Net worth (₹ Cr.)	45.85	43.91	42.22	39.29	36.23



# Success drivers

## Success driver 1

### RAW MATERIAL MANAGEMENT

RAW MATERIAL MANAGEMENT IS OF UTMOST IMPORTANCE IN THE PAPER MANUFACTURING INDUSTRY AS ITS PRIMARY RAW MATERIAL BEING AGRO-BASED IS SEASONAL IN NATURE, RESULTING IN SHORTAGE IN ITS AVAILABILITY ALONG WITH SIGNIFICANT PRICE HIKES DURING OFF-SEASON.

At Yash Papers, we have strengthened our procurement team who solely focus on procuring raw materials at cost-effective prices and stocking them to ensure continuous production cycle.

### Major initiatives 2013-14

- Increased focus on bagasse as the primary raw material for manufacturing pulp owing to its better availability, cost-effectiveness and higher yield as compared to wheat.
- Procured bagasse in the form of bales, rather than loose, and stacking them upto a height of 70 feet to reduce damage over time.
- Entered into tie-ups with sugar mills from Bihar and Uttar Pradesh for procurement of bagasse.

### Highlights 2013-14

- Procured 97,181 MT of bagasse used for paper production during the season as compared to 70,522 MT in 2012-13 to ensure 12 months of continuous production.

- Procured 80,817 MT of rice-husk used for power generation as compared to 77,691 MT in 2012-13 to ensure continuous supply of power.
- The average cost of raw material per tonne reduced by 10% as a result of proper planning and timely procurement during the season.

### Road ahead

The Company plans to strengthen tie-ups with sugar mills to enhance bagasse availability during the season at cost-effective rates and over the time reduce dependence on wheat for pulp production.





## Success driver 2

### OPERATIONS

OPERATIONAL EFFICIENCY IN A MANUFACTURING CONCERN LEADS TO MAXIMISATION IN OUTPUT AND REDUCTION IN COSTS WHICH IN TURN ENHANCES CASH FLOWS, AN IMPORTANT FUNDAMENTAL IN A CAPITAL INTENSIVE INDUSTRY.

At Yash Papers, we regularly make investments in plant modification, maintenance and technological upgradation to eradicate bottlenecks and achieve highest capacity utilisation.

### Major initiatives 2013-14

- Successfully completed modifications (changing head boxes, MG grinding, heating arrangement and press configuration) at PM 1 & 2 with the objective of enhancing production, reducing rejections and improving product quality.
- Resolved all primary issues at PM 3 along with installation of MG surface coating for manufacturing value added paper with smooth surface.
- Focus on manufacturing value added products (for packaging applications in pharma, food and FMCG sectors) rather than all grades to reduce switching costs and enhance operational efficiency through process streamlining.
- Conducted power audit during the year with the objective of identifying areas where energy can be saved.
- Installed additional mould machine for pulp drying.
- Installed thermal imaging system as a tool for preventive measurement. The device can detect abnormalities in equipment so that advance actions can be taken before the equipment breaks down and results in plant shutdown.

- Deploy separate teams of condition monitoring and preventive control. The condition monitoring team will undertake regular check-ups at plant and rate equipments based on its criticality. Whereas the preventive control team will take necessary actions to prevent any equipment breakdown.

### Highlights, 2013-14

- Enhanced capacity utilisation from 80.28% in 2012-13 to 88.34% resulting in highest ever production of 34,542 MT.
- Increased efficiency of chemical recovery from 93.5% in 2012-13 to 93.6%
- Finished stock inventory reduced to 6.45 days from 11.05 days in 2012-13 resulting in faster turnaround
- Increase gloss in coated paper from 22% in 2012-13 to 32%
- Installed a new packaging machine that shall use stretch strap for product packaging to reduce damage during storage and transit.

### Road ahead

- Stabilisation of all paper machines along with system and process improvement through streamlining operations.
- Undertake depithing (removal of dust) of bagasse before stock piling to reduce its dust emissions and water holding capacity. This would increase fibre strength of bagasse making it less prone to damage and increase pulp yield. Moreover, the pith, which is otherwise a waste, can be utilised in the power plant as a substitute of rice husk resulting in cost savings to an extent of ₹1.25 cr.
- Install filtration system for recycling waste water and using it in production. The Company targets to reduce specific water consumption from 85 m<sup>3</sup> per tonne to 65 m<sup>3</sup> per tonne.
- Install heat exchanger to capture excess steam that is released in air and use the same for process heating resulting in energy savings.
- Automate refining process, previously done through manual labour, of imported soft wood pulp for enhancing productivity.
- Install aeration system (to chemically treat waste water before discharging for reducing its harmful effects to environment), waste water system (for safe disposal of treated water) and centrifuge machine (for sludge removal).
- Make investments in electrostatic precipitator (ESP) to enhance chemical recovery.





### Success driver 3

#### MARKETING

IN A PAPER MANUFACTURING BUSINESS IT IS IMPORTANT TO HAVE AN EXTENSIVE DISTRIBUTION NETWORK FOR MARKETING PRODUCTS MEETING THE VARYING CUSTOMERS' NEEDS.

At Yash Papers, we have a robust network of dealers across India and 12 countries globally to market innovative eco-friendly packaging products.

#### Major initiatives 2013-14

- Increased focus on manufacturing paper grades used by food chains, FMCG and pharma companies for packaging, making pouches, carry bags and grocery bags.
- Increased marketing activities outside India to enhance the proportion of export sales from 19.44% to 22.52%.
- Enhance proportion of value-added and coated papers that command higher margins.

#### Highlights, 2013-14

- Paper sales increased 9.74% to 34,818 MT
- Sold surplus pulp to an extent of 4,050 tonnes as compared to 547 tonnes in 2012-13

#### Road ahead

- Target new countries in Middle-east region and Europe.
- Manufacture new grade of release base paper that finds application as a base paper for stickers.



#### Success driver 4

### RESEARCH AND DEVELOPMENT

IN THE SPECIALITY PAPER MANUFACTURING BUSINESS THAT IS CONSTANTLY MARKED BY STRINGENT QUALITY CONTROL NORMS IT IS ESSENTIAL TO ENHANCE PRODUCT QUALITY, ENRICH PRODUCT PORTFOLIO AND FOCUS ON COST REDUCTION.

At Yash Papers, we have constantly made investments in R&D to focus on manufacturing innovative and customised products that meet customers' requirements.

#### Major initiatives 2013-14

- Utilized rice husk ash and secondary sludge from effluent treatment plant as a fertilizer.
- Optimized refining disc patterns for different grade of pulps.
- Successful trial of banana pseudo stem as a blend to develop an alternative raw material and enhancement of paper properties for specific grades.
- Reduced usage of imported soft wood for paper production.

#### Highlights, 2013-14

- Successfully managed to enhance product quality, reduce long fibre consumption and keep costs under control through use of alternative cooking aid, resins and special chemicals.
- Installed mould machine to produce the sheet form of pulp.

#### Road ahead

- To develop technology for colour removal of ETP effluent.
- To manufacture grease proof and release base paper
- Undertake trial of pigment dyes to enhance the optical, surface and printing properties.
- Enhance set up of R&D laboratory with improved facilities like PFI Mill and Autoclave Bomb Digester technologies.
- Optimize curling in paper by different process modifications.
- Usage of fines as a tool for development of high strength paper.



## Success driver 5

## HUMAN RESOURCE MANAGEMENT

IN A GROWING CONCERN ENGAGED IN MANUFACTURING SPECIALTY PAPERS IT IS VERY IMPORTANT TO HAVE SKILLED INTELLECTUAL CAPITAL, HAVING JOB CLARITY, TO ENABLE FASTER TURNAROUND OF PROCESSES.

As Yash Papers, we have drafted strong human resource policies whereby individuals are trained, motivated and offered attractive rewards based on performance. During the year, the HR team was further strengthened with the appointment of Mr. Sumant Rai, head of HR, who ensures that these initiatives are actually channelised for the betterment of the employees and the Company.

**Manpower planning:** The Company targets to recruit and retain quality individuals in the organisation. It aims to cap the number of employees required in the organisation with the objective to reduce cost to the Company. But, at the same time target maximising employee output through proper training and skill development.

The Company also targets to implement contractor management whereby the number of contractors required by the Company shall be capped. These contractors shall be provided guidelines in regards to the services required from them and the norms they need to follow. This would expedite the work flow and at the same be cost-effective.

**Training:** The Company conducted induction training, management development programmes, seminars, safety workshops and technical training programmes through internal and external training programmes. The Company follows a grading system for employees to plan their career path in the organisation based on the understanding of the required skill sets of each job or area of work.

The Company is also in process of developing a training manual for workshop employees that shall cover each and every aspect of work.

**Performance appraisal:** The Company follows a bi-annual appraisal system whereby the employees need to specify the KRAs and targets achieved by them.

**Motivation:** The Company believes that happy and motivated human resources lead to profitability. The employees are motivated through attractive compensation, appreciation boards, recreational activities (birthday

and festival celebrations), health check programmes, reimbursement of medical expenses and children's education facilities.

**Channelising initiatives:** The HR team conducts regular meetings with head of the department to identify employee training needs. Feedbacks from employees and plant visits are regularly undertaken by the team to ensure that all guidelines are being followed. The team conducts an open hour session every morning where all employees are encouraged to present their point of view.





# Management discussion and analysis

## Global economy

The global economy grew at 3% in 2013 as the global activity started strengthening in the second half of 2013. This momentum is expected to continue with expected growth rates of 3.7% in 2014 and 3.9% in 2015. The growth was primarily on account of revival in the advanced economy. The United States is projected to grow at 2.8% in 2014 (1.9% in 2013), the Eurozone to grow at 1% in 2014 (-0.4% in 2013) and the emerging markets is expected to grow at 5.1% in 2014 (4.7% in 2013). (Source: IMF, World Economic Outlook)

## Indian economy

The growth in the Indian economy is expected to slightly

improve from 4.5% in 2012-13 to 4.9% in 2013-14. The growth shall be primarily boosted by the agriculture sector which is expected to grow at 4.6% in 2013-14 (1.4% in 2012-13). The manufacturing sector is expected to decline 0.2% in 2013-14 against a growth of 1.1% in 2012-13. The services sector is expected to grow at 6.9% in 2013-14 (7% in 2012-13). (Source: CSO, Ministry of Statistics & Programme Implementation)

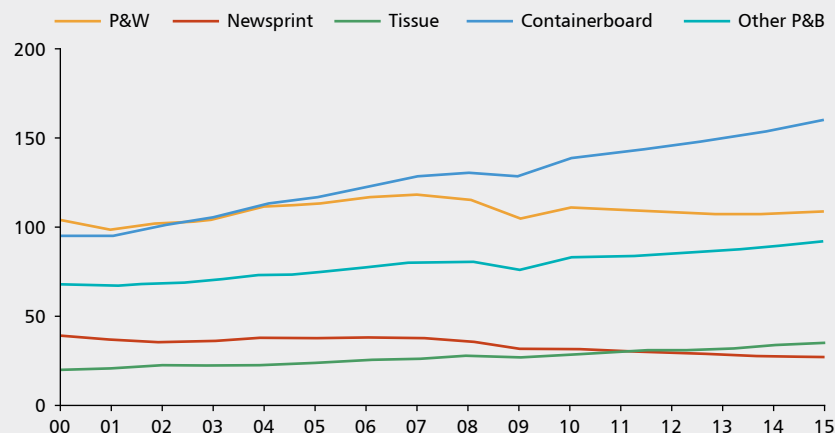
## Global paper industry

The global paper industry continues its underperformance for the third consecutive year as the paper demand grew by only 1% in 2013 over 2012. The slowdown was primarily on account of global economic turmoil and more so due

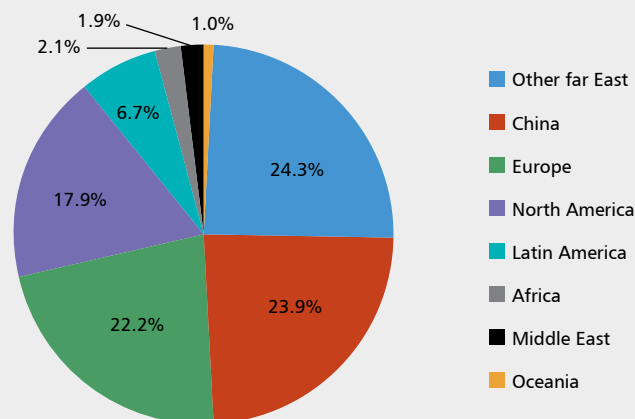
to a significant slowdown in the Chinese paper demand. China witnessed a flat paper demand in the first three quarters of 2013. However, with signs of improvement in the global economy (especially Europe and USA) it is estimated that the paper demand will grow by 2.4% in 2014 to reach a level of 415 million tonnes. The global demand for sack kraft and wrapping paper is estimated to increase by 504,000 tonnes in 2014. (Source: RISI)

According to Standard & Poor's Rating Services, Asia (with India and China being leading contributors) is likely to dominate the global paper market and would account for one-half of the global paper production and consumption in the next five years leading to 2018.

World Paper and Board Demand by major Grade  
Million tonnes



Regional Shares of the World Paper and Board Market, 2013



### Indian paper industry

The paper consumption in India has recorded a growth of 8% in the last five years to reach annual turnover of ₹40,000 cr. Despite this, the country's per capita paper consumption is abysmally low at 10 kgs compared to 55 kgs globally accounting for only 3% of the global paper consumption. However, with increase in literacy levels the country's paper consumption, growing at 6-8% annually, is expected to double from the current levels of 12 million tonnes by 2020. (Source: *Indian Paper Manufacturers Association*). According to a research report by Techsci India's revenues from paper industry is expected to reach USD 11.83 billion by 2017.

The continuously growing demand of paper in the country resulted in companies investing a sum of ₹20,000 cr in the last five years towards capacity addition, technological upgradation and acquisitions. The country's manufacturing capacity has witnessed a compounded growth of 11% in the past five years with 1 million tonnes being added during 2013-14. Despite this, the demand-supply shortfall in 2012-13 was 0.23 million tonne (MT) and is expected to reach 1.25 MT in 2013-14 and 2 MT, which is met through exports.

### Demand drivers

**Growing packaging industry:** The Indian packaging industry is witnessing an annual growth of 15% and is expected to reach an annual turnover of USD 32 billion by 2025 from the current levels of USD 24.6 billion. (Source: *E M Sudarsana Natchiappan, Union Minister for State for Commerce and Industry*). Whereas globally the industry is expected to grow from USD 797 billion in 2013 to USD 975 billion by 2018.

**Growing thrust on education:** The Government of India focuses to enhance literacy rates in India and has allocated a sum of ₹65,867 cr to the education sector, an increase of 17% over the last year. Various literacy programs like Sarva Shiksha Abhiyan and Right to Education target to enhance literacy levels in the rural as well as urban areas thereby adding to the demand of writing and printing paper.

**Rising population:** The global population is expected to reach 9.7 billion by 2050 with India emerging as the most populous nation with a population of 1.53 billion. This is expected to drive the demand for paper globally.

**Rising affluence:** According to a report by McKinsey the middle class Indian population will increase 10 times by 2025 triggering the consumption of packaging material.



# Corporate social responsibility

AT YASH PAPERS, WE FOCUS ON TOUCHING PEOPLE'S LIFE THROUGH OUR CONSTANT ENDEAVORS TOWARDS UPGRADING THE WAY OF LIFE OF PEOPLE LIVING NEAR THE PLANT'S VICINITY. WE BELIEVE THAT BUSINESS GROWTH AND VALUE CREATION FOR THE SOCIETY GOES HAND-IN-HAND AND BOTH ARE NECESSARY FOR CREATING A LONG-TERM SUSTAINABLE BUSINESS MODEL. IN FAIZABAD DISTRICT, YASH PAPERS IS NOT ONLY RECOGNISED AS ONE OF THE LARGEST PAPER MANUFACTURERS BUT ALSO FOR ITS EFFECTIVE DEVELOPMENTAL WORKS FOR THE COMMUNITY AND THEIR ENVIRONMENT. THE COMPANY MAKES A CONTRIBUTION OF 10% OF ITS NET PROFIT TOWARDS COMMUNITY DEVELOPMENT WORK.

THE COMPANY ADOPTS A COMPREHENSIVE PLANNING PROCESS TO CARRY OUT CSR WORKS IN THE AREAS OF EDUCATION AND EMPLOYMENT ESPECIALLY FOR WOMEN AND CHILDREN.





## Education

At Yash Papers, we believe that providing individuals necessary education is an important step towards harmonious development. Education is important as it creates awareness, provides self-confidence and makes the individuals self-dependent.

The Company currently provides education through two institutions in the plant's vicinity – Yash Technical Institute (for vocational training) and Yash Vidya Mandir (school for children of factory workers and villagers). The Company also offers short term teacher training program to educated youths in the area at free of cost with the objective of encouraging them to teach in the village and spread literacy.. Yash papers also practices the policy of providing employment to deserving individuals within the organisation.

We look forward to take a step ahead by opening schools near our villages so that we can promote education in the region.

## Employment

At Yash Papers, we believe in empowering men and women through giving them necessary trainings required for employment and developing entrepreneurship skills to enable them earn livelihood. The areas of work include:

- Providing individuals training, equipments and loans for setting up tailoring, knitting and hosiery centers. Moreover, we have also worked towards providing them business through tie-ups with merchants.
- Offering short term courses for technical and vocational education in welding, fitting, electrician, plumbing and carpentry among others.





# Directors' report

## TO THE MEMBERS OF YASH PAPERS LIMITED

Your Directors have pleasure in presenting the 33rd Annual Report and Audited Statement of Accounts of your Company for the financial year ended 31st March, 2014.

### 1. Financial Results:

The summary of operating results of your Company for the financial year 2013-14 and 2012-13 is given below:

(Rs. In lacs)

Particulars	Current Year ended 31.03.2014	Previous Year ended 31.03.2013
Net Sales	14,738.11	11634.95
Other Income	170.63	158.19
Decrease / (Increase) in Stocks	75.16	(153.45)
Total Expenditure	12484.94	9793.97
Finance Cost	1403.92	1282.71
Depreciation	640.28	615.81
Profit Before Tax	304.44	254.10
Provision for taxation		
- Current Tax	60.00	51.00
- Deferred Tax	55.00	34.00
-Tax adjustments relating to earlier years	(5.05)	0.10
<b>Net Profit (Net Loss)</b>	<b>194.49</b>	<b>169.00</b>

### 2. Dividend

The Company had undergone Corporate Debt Restructuring (CDR) from 1st of July, 2011 as per the CDR package. The Company is required to take prior approval from the Lenders for distribution of dividend. The repayments of the Company started from 30th June,

2013 and the Company has been regular in making the repayment upto 31st March, 2014. As one year has not elapsed from the date of start of repayment, the Bankers were reluctant to give approval for distribution of dividend. Therefore, the Board regrets their inability to recommend any dividend for this year.

### 3. Transfer to Statement of Profit & Loss

The Company proposes to retain Rs.1,94,48,846 in the Statement of Profit and Loss.

#### 4. Operating results and business operations

The Company has continued its growth story during fiscal 2014, the income from sales grew by 26.60% to 154.98 crores crossing Rs. 150 crores for the first time as compared to Rs. 122.41 crores in fiscal 2013.

Your Company has achieved a growth of 16% in production of paper to 34542 MT (Kraft Paper 20,556 MT, Poster Paper 13,986 MT) and growth of 132.39% in salable pulp to 3,595 MT in fiscal 2014 compared to a production of paper 31389 MT (Kraft Paper 19,277 MT and Poster Paper 12,112 MT) and saleable pulp of 1,547 MT in fiscal 2013.

The Company has achieved a growth of 9.46% sales of paper 34818 MT (Kraft Paper of 20,663 MT, Poster Paper of 14,155 MT) and a growth of 640.40% in salable pulp of 4,050 MT in fiscal 2014 compared to a sales of paper of 31,810 MT (Kraft Paper of 19,277 MT, Poster Paper of 12,533 MT) and salable pulp of 547 MT in fiscal 2013.

Reserves as on 31st March, 2014 stood at Rs. 18.15 crores as compared to Rs. 16.21 crores of the preceding year i.e. 31st March, 2013.

#### 5. Export

The Company has achieved a growth of 23.05% in export of Kraft and Poster Paper to 5,536 MT in fiscal 2014 from 4,260 MT in fiscal 2013.

#### 6. Insurance

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

#### 7. Credit Rating

Your Directors have pleasure in informing you that ICRA

Limited has upgraded the rating of your Company for long term exposure (fund based) to [ICRA]B+ from [ICRA] B- for a total amount Rs.120.18 crore. ICRA has also reaffirmed [ICRA]A4 rating for short term exposure of the Company for a total amount Rs. 6 crores. Improvement in Credit Rating of your Company will help in reducing the borrowing cost marginally.

#### 8. Outlook

The organization has increased focus on cost reduction measures as well as production of value added products. It is expected that in the current year 2014-15, the Company shall improve the bottom line which will in turn enhance the value of 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 motivation and commitment has improved with the introduction of Sangh Level interactions & small group activities. Focused employee development through regular training interventions and counselling is a continuing process.

#### 10. Fixed Deposits

The Company was holding an aggregate sum of Rs. 134.89 lacs on account of deposits from the public, employees and shareholders as on March 31, 2014. No unclaimed matured deposit was pending as on March 31, 2014.

#### 11. Directors

Mr. Atul Kumar Gupta was appointed as Additional Director in the meeting of Board of Director held on May 15, 2014 and who shall hold office up to the date of ensuing Annual General Meeting. The Company has

received a notice in writing proposing his candidature for appointment as an Independent Director for a term of 5 (five) consecutive years up to 14th May, 2019. The necessary resolutions for the regularization as Independent Director and shareholders' approval in terms of Section 161 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Article of Association of the Company are contained in the notice for your approval.

Mr. Kaikobad Dorab Pudumjee, Mr. Gyanendra Nath Gupta, Mr. Ramesh Narayan, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee, Mr. Jaideep Narain Mathur and Mr. Mudar Patherya are Independent Directors of the Company who are liable for retire by rotation as per old Companies Act, 1956. The necessary resolutions for their appointment as Independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for a term of 5 (five) consecutive years up to 31st March, 2019 are contained in the notice for your approval.

Mrs. Manjula Jhunjhunwala is the Director, retiring by rotation in pursuance of Section 152 of the Companies Act, 2013 and, being eligible, offer herself for re-appointment.

#### 12. Directors' Responsibility Statement

In terms of Section 217 (2AA) of the Companies Act, 1956, in relation to the financial statement of the Company for the year 2013-14, the Board of Directors hereby state and confirm:

1. That in the preparation of annual accounts, applicable Accounting Standards have been followed;
2. That the Directors have selected such accounting policies and applied them consistently and made

judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the Profit of the Company for the period ended on that date;

3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the annual accounts on a going concern basis.

### 13. Statement Pursuant to Listing

The equity shares of the Company are listed with the Bombay Stock Exchange Limited, Mumbai. The Listing fees have been paid for the Financial Year 2014-2015.

### 14. Corporate Governance

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report. During the year, Secretarial Audits and Secretarial Standards Audit were carried out and the detailed Reports as obtained from Secretarial Auditors are published elsewhere in the Annual Report.

Your Company has always practiced sound corporate governance and takes necessary actions at appropriate times for meeting stakeholders' expectations while continuing to comply with the mandatory provisions of corporate governance. The Corporate Governance practices of Your Company are benchmarked with the

best in class.

### 15. Particulars of Employees

The particulars under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in Annexure and form part of this report.

None of the employees covered under Section 217 (2A) of the Companies Act, 1956 has gross receipt of Rs.60,00,000/- per annum or Rs.5,00,000/- per month.

### 16. Auditors' Observations

The observations in the Auditor's Report are based on the following Notes:-

1. Note no. 36 regarding pending litigation in respect of Excise Duty, Trade Tax, Income Tax, others, guarantee given by Banks, Letter of Credit and non provision of demands in respect thereof.
2. A sum of Rs. 15,47,59,000 has been recognised as income accrued for 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). Total amount receivable as at the year ended Rs.15,47,59,000 has been disclosed as Other Current Assets. Though The accounting treatment is not in conformity with the "Guidance Note on Accounting of self-generated Certified Emission Reductions (CERs)" issued by the Institute of Chartered Accountants of India (the Guidance Note), made effective from accounting

periods beginning on or after April 01, 2012, but the revenue has been recognised in the accounts on the basis of ERPA for the period covered in ERPA only. The audit for the period April, 2007 to August, 2008 has already been completed and the no. of CER's accounted for in the books of accounts for the period have been verified by the UNFCCC appointed auditors. We are expecting to the receipt of CER's within next quarter.

The replies to the above qualifications by the Board of Directors are as below:

1. The Company is confident of favourable disposals of pending appeals, hence no provision is required at this stage.
2. The Company has installed a '6 MW Biomass Co-generation Power Plant' for captive consumption (the project). The project has already been registered with UNFCCC (The United Nations Framework Convention on Climate Change) on 01.04.07. The project is under CDM (Clean Development Mechanism) verification and final report is awaited. The Company has entered into an Agreement (Emission Reduction Purchase Agreement) with the Belgian State for sale of CERs (Certified Emission Reductions) generated on account of GHG (Green House Gasses) Emission Reduction. In view of forgoing a sum of Rs.15.48 crores has been recognised as income towards CERs accrued from April, 2007 to 31st December, 2012 and disclosed as Other Current Assets in Balance Sheet. The audit for the period April, 2007 to August, 2008 has already been completed and the no. of CER's accounted for in the books of accounts for the periods have been verified by the UNFCCC appointed auditors. We are expecting to the receipt of CER's within next quarter.

## 17. Auditors

M/s Kapoor Tandon & Co., Chartered Accountants, Kanpur, who retire at the conclusion of ensuing Annual General Meeting, have consented to continue in office, if appointed from the conclusion of ensuing Annual General Meeting till the conclusion of next three consecutive Annual General Meeting subject to ratification of appointment by the Members of the Company at every Annual General Meeting. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 for their appointment as Auditors of the Company.

## 18. Cost Auditors

In pursuance to Section 233-B of the Companies Act, 1956 read with the directions issued by the MCA, Mr. Rakesh Misra, Cost Accountant, was appointed as the Cost Auditor to conduct the Cost Audit of the Company for the financial year 2014-2015. The Cost Audit Report for the financial year 2012-13 was filed by the Cost Auditor with respect to the Company.

## 19. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars required under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors), Rules, 1988 are provided in Annexure 'A' to this Report.

## 20. Appreciations and Acknowledgements

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain as industry leaders.

Your Directors would also like to acknowledge the excellent contribution by Yash Team to your Company in providing the latest innovations, technological improvements and marketing inputs across almost all categories, in which it operates. This has enabled the Company to provide higher levels of consumer delight through continuous

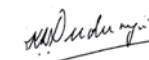
improvement in existing products and introduction of new products.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, dealers, business partners and others associated with the Company as its trading partners.

Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be the Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

We look forward to their continued support and encouragement.

For and on Behalf of the Board



K. D. Pudumjee  
Chairman

Camp : New Delhi  
Date: May 15, 2014



# Annexure “A” to Directors’ report

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

## 1. Conservation of Energy

### (A) Energy Conservation Measures Taken

- 1) Installation of AC Drive in Pulp Mill-3 Alkali MC Pump motor.
- 2) Installation of AC Drive in PM-1 & PM-2 Fan Pump motor.
- 3) PM-3 pressure screen motor replaced with 55 KW instead of 75 KW.
- 4) Installation of LP Heater for Boiler feed water preheating utilization vented steam during low load condition.
- 5) Installation of AC Drive in Process, WBL feed, and Product Pump motor.
- 6) PM-3 Vacuum pump no - 1 replaced with Energy efficient Vacuum pump.
- 7) Vacuum Optimisation and shutting down one Vacuum pump (132 KW Power Rating) at PM-3.
- 8) Installation of Thermo compressor at Power Plant - 2 for converting LP steam to MP steam for process requirement.
- 9) Modification of PM-3 Press part for reducing ingoing moisture of web in to the dryer, reducing specific steam consumption on PM-3.

### (B) Additional Investment and Proposals, If Any, Being Implemented for Reduction of Consumption Of Energy

- 1) Installation of AC Drive in Dearator feed pump at Power Plant – 2.
- 2) APFC for Re-caustisizer for power factor correction.

- 3) APFC for Pulp Mill-3 for power factor correction.
- 4) Installation of 250 KW AC Drive for Soft wood Pulper.
- 5) Implementation of CII suggestion given after Energy audit.
- 6) Arrangement of control valves in Boiler no 3 & 4 for steam bypass line.
- 7) Steam Radiator arrangement in SA fan circuit.
- 8) Arrangement of Heat exchanger in White liquor circuit.
- 9) Heat exchanger arrangement in black liquor circuit for

blow heat recovery.

- 10) Installation of Thermo compressor in PM-1.

### (C) Impact of the Measures of the above

- 1) Reduction of power from 1152 KWH to 1100 KWH/ MT of paper.
- 2) Reduction of steam from 12.00 MT to 10 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
<b>(a) Electricity</b>		
(i) Purchased Unit (lacs)	Nil	Nil
Total Amount (Rs.in lacs)	Nil	Nil
Rate / Unit (Rs.)	Nil	Nil
(ii) Own generation		
Through Diesel Generator		
Unit (lacs)	0.97	0.47
Unit per litre of Diesel Oil	3.31	3.46
Cost / Unit (Rs.)	17.16	12.41
Through Steam Turbine		
Unit (lacs)	438.47	388.13
Unit per MT of fuel (Outer Covering of Paddy)	1,370.00*	1,168.00*
Cost / Unit (Rs.)	2.12	2.37

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

Particulars	Current Year	Previous Year
(b) Coal Quantity (MT)	Nil	Nil
(c) Furnace Oil Quantity (Kilo litre)	Nil	Nil
b. Others		
(i) Outer Covering of Paddy Quantity (MT)	78083.36	74793.81
Total Cost (Rs.in lacs)	2271.34	2068.26
Average Rate (Rs.)	2908.87	2765.29
(ii) Bagasse/ Pith Quantity (MT)	12027.14	6469.15
Total Cost (Rs. in lacs)	223.82	71.19
Average Rate (Rs.)	1861.00	1100.41

## II Consumption Per Unit of Production of Pulp and Paper

Particulars	UOM	Current Year	Previous Year
Electricity	Units	1152*	1180*
Furnace Oil	Litre	Nil	Nil
Coal	MT	Nil	Nil
Outer Covering of Paddy	MT	1.35**	1.35**
Bagasse Pith	MT	3.00**	3.00**

\* Inclusive of consumption for operation of turbine equipments.

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

## 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. Utilization of Rice Husk ash in agricultural field.
2. E.T.P. secondary sludge used as a fertilizer.
3. R&D centre is in progress for colour removal of ETP effluent.

4. Developments of new grades of Paper.
5. Replacement of pressure screen of PM 1.
6. PM2 MG grinding for quality enhancements i.e. gloss.
7. Replacement of Head box at PM1 & PM2 to enhance production and Product quality i.e. paper formation & uniformity.
8. Successful trial of banana pseudo stem as a blend to develop an alternative raw material & paper properties enhancement for specific grades.
9. Installations of Deipither in bagasse storage area for

better storage & preservation of bagasse.

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

By the evaluation & use of alternative Cooking aid, resins & speciality chemicals, the quality of product improved & reduced long fiber consumption resulting reduced cost of production. Paper formation & uniformity improved by changing of Head box in paper machine 1 & 2.

#### (C) Future plan of action

1. Continuous improvement in quality by improving process parameters & increasing equipment/machine availability.
2. To develop new grade of paper i.e. grease proof & release base paper.
3. Two stage Filtration for waste water recovery & reutilization to reduce fresh water consumption at PM-2.
4. Conversion to multifuel for Boiler no. 3 ( Pith +ETP sludge + RDF).
5. Increase rate of production 70 ton to 90 ton at PM3 by separation of felts simulating PM2 design.
6. Trial of Pigment dyes to enhance the optical, surface & printing properties.
7. New Lab set up of R&D laboratory.
8. To Modify & Increase the R&D facilities i.e. PFI Mill, Autoclave Bomb Digester etc.
9. Optimization of curling in paper by different process modifications.
10. Usage of fines as a tool for development of high strength paper.

**(D) Expenditure on R & D**

	(Rs. in lacs)	
Particulars	Current Year	Previous Year
<b>Year</b>		
(i) Capital	-	-
(ii) Recurring	12.15	7.05
(iii) Total	12.15	7.05
(iv) Total R & D Expenditure as a percentage of total turnover	0.08	0.06

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

1. Installation of twin roll pressurized head boxes in PM-1 and PM-2.
2. Replacement of Slotted pressure screen in PM-1 Approach flow system.
3. Use of Multi grade sand filter in back water filtration to reutilize it in machine low pressure showers.
4. Optimization of refining disc patterns for different grade of pulp.
5. We conducted successful trial for banana pseudo stem as a mix to develop specialty grade of paper. This year we are planning to produce ~ 100 tons of banana fiber pulp to replace imported softwood pulp.

6. Installation of Mould m/c to produce the sheet form of pulp.

**(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, Lower variation, improved performance, 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)**

Installation of Head boxes on PM-1 and PM-2 and Depither in bagasse storage area for better storage & preservation of raw material.

**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 increased market penetration in existing market by aggressive push through Dealers. The Company has also started exploring new geography to give further boost to export. The said new geography is in Middle East Asia and Europe. The Company is also coming out with additional range of products being demanded from these markets especially Europe.

**(B) Total foreign exchange used and earned**

i. Used	Rs.4,48,16,904/-
ii. Earned	Rs.26,43,17,800/-

For and on Behalf of the Board



**K. D. Pudumjee**  
Chairman

Camp: New Delhi  
Date: May 15, 2014

# Corporate governance

## Corporate Governance Compliance Report

In terms of Clause 49 of the Listing Agreement (Clause 49) entered into with the Stock Exchange, the Corporate Governance Compliance Report is provided hereunder:

### 1. Company's Philosophy on Code of Governance

Your Company is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself against each such practice in the industry. Your Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity.

Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all. The Company has always strived to prove Good Governance practices which ensure that a competent management team at the helm of affairs and employees has a stable environment and Board is strong enough with good combination of Executive and Non-Executive, including Independent Directors who represent the interest of all stakeholders.

Your Company believes in optimum utilization of the resources and ethical behavior of the enterprise to enhance the stakeholders' value with strong emphasis on transparency, accountability, integrity, equity, fairness and commitment to values. The Corporate Governance practices have not only assisted our Company to achieve its goals in most prudent and sustainable manner but also

have helped in maximizing the wealth of shareholders.

The Company has a mission to provide sustainable advanced solutions and services to our global customers, long term partnership with its investors, maximizing value to the stakeholders and communities we serve. The Company works with the mission of becoming a vibrant organization, where openness, trust, teamwork, simplicity, responsibility and innovation are valued and promoted. The Company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources.

The Company not only adheres to the prescribed governance practices as per Clause 49 of the Listing Agreement but is constantly striving to adopt emerging best practices worldwide. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives. The core values viz. ethical practices, concern for people at work, delight of customers are imbibed in the employees. It relentlessly strives to promote highest levels of safety in its operations, maintain better health of its employees and provide a clean and green environment for sustainable development.

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the

communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

### 2. Board of Directors:

The Company is managed and guided by the Board of Directors ("Board"). The Board formulate 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 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 Annexure-IA to Clause 49 of the Listing Agreement 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 ten Non-Executive Directors out of which two Directors are Lady Directors including one Lady Director as an

Independent Director. 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 2013-14.

The Company has a Non-Executive Chairman. The Company is having 8 Independent Directors which is about 66.67% 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 Clause 49 of the Listing Agreement executed with the stock exchanges. 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 Clause 49 of the Listing Agreement.

**c) Non-Executive Directors' compensation and disclosures:**

The Non-Executive Directors are paid sitting fees within the limits prescribed under the Companies Act, 1956. 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 2013-14, 05 meeting of the Board of Directors were held 25th May, 2013, 12th August, 2013, 21st September, 2013, 9th November, 2013 and 7th February, 2014. 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 21st September, 2013, with particulars of their other Directorships and Chairman/ Membership of Board Committees of other Companies showing the position as on March 31, 2014 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	Yes	Nil	4	Nil	Nil
Mr. Narendra Kumar Agrawal DIN-05281887	Director Works	Non-Promoter, Executive, Non-Independent	3	Yes	Nil	Nil	Nil	Nil
Mr. R. N. Chakraborty DIN-00192797	Director	Non-Promoter, Non-Executive, Non-Independent	5	Yes	Nil	Nil	Nil	Nil

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
Mrs. Manjula Jhunjunwala DIN-00192901	Director	Promoter, Non-Executive, Non-Independent	2	Yes	2	Nil	Nil	Nil
Mr. G. N. Gupta DIN-00027502	Director	Non-Promoter, Non-Executive, Independent	5	Yes	3	1	1	1
Mr. Ramesh Narayan DIN-01072468	Director	Non-Promoter, Non-Executive, Independent	3	Yes	Nil	Nil	Nil	Nil
Mr. Basant Kumar Khaitan* DIN-00459514	Director	Non-Promoter, Non-Executive, Independent	1	No	N.A.	N.A.	N.A.	N.A.
Ms. Kimberly Ann McArthur DIN-05206436	Director	Non-Promoter, Non-Executive, Independent	4	Yes	1	Nil	Nil	Nil
Dr. Indroneel Banerjee DIN-06404397	Director	Non-Promoter, Non-Executive, Independent	4	Yes	Nil	Nil	Nil	Nil
Mr. Jaideep Narain Mathur DIN-06560639	Director	Non-Promoter, Non-Executive, Independent	0	No	Nil	Nil	Nil	Nil
Mr. Mudar Patherya DIN-01377691	Director	Non-Promoter, Non-Executive, Independent	2	Yes	Nil	Nil	Nil	Nil
Mr. Atul Kumar Gupta** DIN- 01734070	Director	Non-Promoter, Non-Executive, Independent	-	-	1	Nil	Nil	Nil

\* Resigned from Director w.e.f. September 19, 2013.

\*\* Appointed as Additional Director w.e.f. May 15, 2014.

Other directorships do not include alternate directorships, directorships of Private Limited Companies, Section 25 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 and Promoter of the Company is son of Mrs. Manjula Jhunjunwala, Director and Promoter 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 Directors who are retiring by rotation and eligible for re-appointment have been given in the attachment to the Notice and their profile is also appearing elsewhere in the Report.

**e) Board Meeting And Procedures:**  
**Scheduling and selection of Agenda Items for Board**

#### meetings

- i) Minimum four Board meetings are held in each year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- ii) All divisions/departments of the Company are

encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval / decision at the Board / Committee meetings. All such matters are communicated to the Compliance Officer in advance so that the same could be included in the Agenda for the Board/Committee meetings.

iii) The Board has complete access to any information within the Company and with the employee of the Company. The information placed before the Board includes:

- 1) Annual operating plans and budgets and any updates.
- 2) Capital budgets and any updates.
- 3) Quarterly results for the Company and its operating divisions or business segments
- 4) The information on recruitment and remuneration of senior management personnel just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- 5) Show cause, demand, prosecution notices and penalty notices which are materially important.
- 6) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- 7) Any material default in financial obligations to and by the Company, or substantial non-payment of goods sold by the Company.
- 8) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- 9) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

10) Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

- 11) Sale of material nature, investments, subsidiaries, assets, which is not in normal course of business.
- 12) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- 13) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- 14) The Managing Director and the Compliance Officer in consultation with other concerned team members of the senior management, finalise the agenda papers for the Board meetings.

#### **Board Material distributed in advance**

- (i) Agenda and Notes on Agenda are circulated to the Directors, in advance. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda.
- (ii) In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.

#### **Recording Minutes of proceedings at Board and Committee meetings**

The Compliance Officer records the minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to all the members of the Board /

Committee for their comments.

#### **Post Meeting Follow-up Mechanism**

Action taken report on the decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Committee for noting by the Board/Committee.

#### **Compliance**

The Compliance officer while preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act read with the Rules issued there under and to the extent feasible, the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

#### **Board Meetings**

There were 5 Board meetings held during the financial year 2013-14 on 25th May, 2013, 12th August, 2013, 21st September, 2013, 9th November, 2013, and 7th February, 2014. The gap between any two Board Meetings did not exceed four months. Leave of absence was granted to the non-attending directors on their request and noted in the attendance register.

#### **(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](http://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 March 31, 2014. 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 Section 292A of the Companies Act, 1956 as well as requirements under the listing agreement pertaining to the Audit Committee. Its functioning is as under:

- (i) The Audit Committee presently consists of 4 Non-Executive Directors and Independent Directors.

- (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 September 21, 2013.

- (v) M/s Kapoor Tandon & Co. has audited the accounts of the Company for the financial year 2013-14 will continue to audit in future for consecutive 3 years up to 31st March, 2017.
- (vi) Compliance Officer to act as the Secretary of the Committee.

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

##### Meetings of the Audit Committee

The Chairman of the Audit Committee is Mr. Gyanendra Nath Gupta. During the year, 4 Audit Committee meetings were held on 24th May, 2013, 12th August, 2013, 9th November, 2013 and 7th February, 2014.

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 2013-14	Meeting Attended
Mr. G. N. Gupta	Independent Non-Executive	4	4
Mr. Ramesh Narayan	Independent Non-Executive		2
Mr. K. D. Pudumjee	Independent Non-Executive		3
Mr. Basant Kumar Khaitan*	Independent Non-Executive		1
Dr. Indroneel Banerjee	Independent Non-Executive		3

\* Resigned from Director w.e.f. September 19, 2013.

The Committee meetings are attended by invitation by the Managing Director, Chief Financial Officer, Chief Executive Officer, the representatives of Statutory Auditors and representatives of the Internal Auditors. Mr. Sachin K. Srivastava, Head of Legal & Secretarial acts as the Secretary of the Audit Committee.

The internal and statutory auditors of the Company discuss their audit findings thoroughly 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 Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956. The broad terms of reference of the Committee include:-

- a) **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.
- b) **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.
- c) **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.
- d) **Review Financial Statements**
1. Reviewing, with the management, the quarterly / annual financial statements before submission to the Board for approval, with particular reference to:
    - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
    - b) Changes, if any, in accounting policies and practices and reasons for the same



- c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications, if any in the drafted audit report.
2. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- e) **Review of other Information**

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operation.
2. Statement of significant related party transaction submitted by the management.
3. To look into the reasons for substantial defaults in the payment to the creditors.
4. To review the functioning of the Whistle Blower mechanism.
5. Seek legal or professional advice, if any

#### 4. Remuneration Committee

The Company has constituted a Remuneration Committee of the Board to consider the remuneration of Executive Directors and Key Managerial Person which is a part of non-mandatory requirement of the code. The Remuneration Committee comprises of 3 Independent Directors, namely:

1. Mr. G. N. Gupta (Chairman of the committee)
2. Dr. I. Banerjee (Member of the committee)
3. Mr. Ramesh Narayan (Member of the committee)

During the year only one remuneration committee meeting was held on November 9, 2013. The Composition of 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	
		Held	Attended
Mr. G. N. Gupta	Chairman	1	1
Mr. Ramesh Narayan	Member		1
Dr. Indroneel Banerjee	Member		0

**Function and term of reference:** The broad terms of reference of the Committee are to evaluate performance, determine & recommend to the Board on specific remuneration packages for the Executive Directors (EDs) including pension rights and any compensation payment to them. The Remuneration Committee also recommends the annual increments within the salary scale approved by the Members as also the Performance Bonus payable to EDs, within the ceilings on net profits prescribed under Section 198 and 309 of the Companies Act, 1956.

**Remuneration Policy:** The Remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendation of the Remuneration Committee. The Remuneration Committee makes annual appraisal of the performance of the Executive Directors based on a detailed performance evaluation and recommends the compensation payable to them, to the Board for their approval.

#### 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 March 31, 2014 are as follows:

Name of Directors	Service Contract/ Notice period	Remuneration Paid (in Rs.)		
		Sitting Fees	Salaries, perquisites and contribution to Provident Fund	Total
Mr. K. D. Pudumjee PAN No.- ABKPP5506D	Appointment made for 5 years	28,000	Nil	28,000
Mr. Ved Krishna PAN No.- AJRKP1551C	Appointment made for 3 years	Nil	23,33,442	23,33,442
Mr. Narendra Kumar Agrawal PAN No.- ABQPA2664M	Appointment made for 3 years	-	16,38,247	16,38,247

Name of Directors	Service Contract/ Notice period	Remuneration Paid (in Rs.)		
		Sitting Fees	Salaries, perquisites and contribution to Provident Fund	Total
Mrs. Manjula Jhunjhunwala <sup>1</sup> PAN No.- ABSPJ4695H	Retire by rotation	16,000	4,80,000*	4,96,000
Mr. R. N. Chakraborty PAN No.- ABJPC5469P	Retire by rotation	26,000	3,60,000	3,86,000
Mr. G. N. Gupta PAN No.- AAGPG2885F	Appointment made for 5 years	36,000	-	36,000
Mr. Ramesh Narayan PAN No.- ADGPN4260J	Appointment made for 5 years	20,000	-	20,000
Mr. Basant Kumar Khaitan <sup>2</sup> PAN No.- AFWPK4313D	Retire by rotation	8,000	-	8,000
Ms. Kimberly Ann McArthur PAN No.- BYEPM4617C	Appointment made for 5 years	16,000	-	16,000
Dr. Indroneel Banerjee PAN No.- AISPB1599B	Appointment made for 5 years	36,000	-	36,000
Mr. Jaideep Narain Mathur PAN No.- AEPMP1275P	Appointment made for 5 years	0	-	0
Mr. Mudar Patherya PAN No.- AFLPP0747F	Appointment made for 5 years	8,000	-	8,000
Mr. Atul Kumar Gupta <sup>3</sup> PAN No.- ACNPG5646B	Appointed till ensuing AGM	-	-	-
	<b>Total</b>	<b>2,26,000</b>	<b>48,11,689</b>	<b>50,37,689</b>

1. Being wife of Late Mr. K. K. Jhunjhunwala, Vice-Chairman of the Company, amount paid as pension in the event of his death.
2. Resigned from Director w.e.f. September 19, 2013.
3. Appointed as Additional Director w.e.f. May 15, 2014.

## 5. Shareholders'/Investors' Grievance Committee

The Board has constituted a Shareholders / Investors' Grievance Committee with Dr. Indroneel Banerjee as Chairman of the Committee with Mrs. Manjula Jhunjhunwala and Mr. R. N. Chakraborty as Members of the Committee. The Committee is set up to oversee the performance of the Registrars and Share Transfer Agents with respect to redressal of Shareholders grievances etc. 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 Shareholders/Investor Grievance Committee.

The Board has delegated the powers to the Registrar and Transfer Agents (RTA) to attend to Share Transfer formalities thrice in months in accordance with Clause 49(IV)(G) and the RTA has convened 23 concall meetings with the Compliance Officer during the year under review for the purpose.

During the year 2013-14, 4 meetings of the Shareholders/ Investors Grievance Committee were held on 12th April, 2013, 6th August, 2013, 5th November, 2013 and 1st March, 2014.

The composition of the Shareholders/Investors Grievance Committee and number of meetings attended by the Members are given below:

Name of Members	Category	Number of meetings held during 2013-14	Number of Meetings attended
Dr. Indroneel Banerjee	Independent Non-Executive	4	4
Mrs. Manjula Jhunjhunwala	Non-Independent Non-Executive	4	4
Mr. R. N. Chakraborty	Non-Independent Non-Executive	4	3

#### B) Name and Designation of the Compliance Officer

Mr. Sachin Kumar Srivastava, Head of Legal & Secretarial 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

#### (c) Number of complaints received and redressed during the year 2013-14

Opening Balance	Received during the year 2013-14	Resolved during the year	Closing Balance
0	6	6	0

As required under Clause 47 C of the Listing Agreement, 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.

#### (d) Suspense Account for the Unclaimed Shares

Pursuant to Clause 5A of the Listing Agreement, 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.

No. of Shareholders as on 01.04.2013	Opening Balance of Shares in Suspense Account	Requests received during the year 2013-14	Shares transferred during the year	No. of Shareholders as on 31.03.2014	Closing Balance of Shares in Suspense Account
19	12,921	0	0	19	12,921

## 6. Disclosures

### (A) Basis of related party transactions

- The statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- There are no related party transactions that may have potential conflict with the interest of the Company at large.
- 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.
- 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 Audit Committee and Board of Directors review these procedures periodically.

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

The Company did not have any of the above issues during the year under review.

### (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 Managing Director and CEO of the Company. The whistle blowers may also have direct access to the Chairman of Audit Committee. The Company has provided a dedicated e-mail address [whistleblower@yash-papers.com](mailto:whistleblower@yash-papers.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, Listing Agreement, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the said Report is annexed elsewhere.

#### **(G) Secretarial Standard Report**

The Company during the year under review as a Good corporate governance practice has undertaken the audit for compliance with Secretarial Standards on Annual General meeting and Board Meeting issued by the Institute of Company Secretaries of India. The Secretarial Standards Report is published elsewhere forming a part of this Report.

#### **(H) Management Discussion and Analysis Report**

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

#### **(I) 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.html>.
- (ii) The Company has also send Annual Report through email to those Shareholders who have registered their email ids with Depository Participants.
- (iii) Mrs. Manjula Jhunjhunwala is retiring by rotation at the ensuing Annual General Meeting and, being eligible, offer herself for re-appointment as Non-Executive Director.
- (iv) Mr. Atul Kumar Gupta, Additional Director is being appointed as Independent Directors not liable to retire by rotation for a term of 5 years up to May 14, 2019.
- (v) Mr. K. D. Pudumjee, Mr. G. N. Gupta, Mr. Ramesh Narayan, Mr. Jaideep Narain Mathur, Ms. Kimberly Ann McArthur, Dr. Indroneel Banerjee and Mr. Mudar Patherya are being appointed as Independent Directors not liable to retire by rotation for a term of 5 years up to 31st March, 2019.

- (J) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the stock exchange or SEBI of or any statutory authority, on any matter relating to capital market, during the last three years : NIL

#### **7. CEO/CFO Certification**

The Managing Director and Chief Financial Officer have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO Certification for the financial year ended March 31, 2014, published elsewhere in the Annual Report.

#### **8. 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 the Clause 49 of the Listing Agreement, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.



## 9. General Body Meetings

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

Year	Date & Day	Location	Time	Whether any Special Resolution passed in previous AGM
2012-13	21/09/2013, Saturday	Hotel Little Chef, 15/198-A, Civil Lines, Kanpur - 208 001	1:30 P.M.	No
2011-12	29/09/2012, Saturday	Hotel Little Chef, 15/198-A, Civil Lines, Kanpur - 208 001	1:00 P.M.	Yes
2010-11	24/09/2011, Saturday	Hotel Little Chef, 15/198-A, Civil Lines, Kanpur - 208 001	1:00 P.M.	No

### (B) Postal Ballot

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

During the financial year 2013-14 ended on March 31, 2014, 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.

## 10. Means of Communication

The Company's website is a comprehensive reference on YPL's management, vision, mission, policies, corporate governance, corporate social responsibility, investor relations, sales network, updates and news. The section on Investor serves to inform the shareholders by giving complete financial details, Shareholding Patterns, Dividend Policy, information relating to Stock Exchanges, Registrars & Share Transfer Agents and frequently asked questions. The website covers all major press reports, releases, awards and campaigns.

The Company regularly interacts with the shareholders through the multiple channels of communications such as publication of results, Annual Report, Press Releases and the Company's website. The Company also inform to Stock Exchange in a prompt manner, all price sensitive information and all such other matters which in its opinion are material and relevant for shareholders.

**(a) Quarterly Results:** Unaudited quarterly financial results and the annual audited financial results of the Company are sent to all the Stock Exchanges 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](http://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](mailto:scn@yash-papers.com) exclusively for investor servicing and the same is prominently displayed on the Company's website [www.yash-papers.com](http://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](http://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.

**(h) CEO/CFO certification:** A prescribed certificate as stipulated in clause 49(V) of the listing agreement duly signed by the Managing Director and Vice President Finance was placed before the Board along with the financial statements for the year ended March 31, 2014. The said certificate is provided elsewhere in the Annual Report.

### Financial calendar for the financial year 2014-15 (tentative)

Financial Reporting for the quarter/ three months ending 30th June, 2014	By mid of August 2014
Financial Reporting for the quarter/ half year ending 30th September, 2014	By mid of November 2014
Financial Reporting for the quarter/ nine months ending 31st December, 2014	By mid of February 2015
Financial Reporting for the annual audited accounts for the financial year ending 31st March, 2015	By the end of May 2015

## 11. General Shareholder Information

### (i) Annual General Meeting

Date & Day	9th August, 2014,
Time	9.00 A. M.
Venue	Hotel "Little Chef", 15/198-A, Civil Lines, Kanpur – 208 001, Uttar Pradesh
Date of Book Closure	2nd August, 2014 to 9th August, 2014 (both days inclusive)
Dividend Payment Date	Dividend has not been recommended by the Board.
Financial Year	1st April to 31st March

### (ii) 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.

### (iii) Listing on Stock Exchange

The Company's entire equity share capital comprising of 2,77,00,000 equity shares of Rs.10 each is listed at the following Stock Exchange:

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

### (iv) Listing and Custodian Fees

The Company has paid listing fees for the Financial Year 2014-15 to the Bombay Stock Exchange. The Company has also paid the annual custodial fee for the year 2014-15 to both the depositories namely NSDL and CDSL.

### (v) Shareholding as on 31 March, 2014

#### (a) Distribution of Equity Shareholding as on March 31, 2014

No. of equity share held of nominal value of Rs.	Shareholders		Equity share amount	
	Number	% to total	Total Amount	% to total
Upto - 2500	7,354	50.52	85,82,660	3.10
2501 - 5000	3,435	23.60	1,56,35,100	5.64
5001 - 10000	2,226	15.29	1,85,36,360	6.69
10001 - 20000	775	5.32	1,22,94,410	4.44
20001 - 30000	228	1.57	59,34,050	2.14
30001 - 40000	97	0.67	35,64,020	1.29
40001 - 50000	104	0.71	49,53,940	1.79
50001 - 100000	174	1.20	1,29,88,590	4.69
100001 & Above	163	1.12	19,45,10,870	70.22
Total	14,556	100	27,70,00,000	100

## (b) Shareholding Pattern of Equity Shares as on March 31, 2014

S. No.	Categories of Shareholders	As on 31-03-2014		As on 31-03-2013	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1.	Promoters	83,37,456	30.10	82,64,892	29.84
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	0.76	2,11,121	0.76
5.	Bodies Corporate	43,46,838	15.69	6,30,919	2.28
6.	Individuals	1,36,87,098	49.41	17517010	63.24
7.	Directors' Relatives	1,15,119	0.42	1,15,119	0.42
8.	NRIs / OCBs	1,59,258	0.57	1,53,703	0.55
9.	HUF	8,10,591	2.93	791108	2.86
10.	Foreign Nationals	12,600	0.05	12600	0.04
11.	Clearing Members/Public Trust	18,919	0.07	2528	0.01
	<b>Total</b>	<b>2,77,00,000</b>	<b>100</b>	<b>2,77,00,000</b>	<b>100</b>

## (c) Promoters' Group Shareholding as on March 31, 2014

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.	Ved Krishna	24,71,865	8.92	23,37,240	94.56
2.	Yash Krishna	9,56,865	3.45	9,56,865	100.00
3.	Manjula Jhunjhunwala	5,83,366	2.11	5,83,366	100.00
4.	Shailja Krishna	6,400	0.02	6,400	100.00
5.	Satori Global Limited	33,34,500	12.04	33,34,500	100.00
6.	Yash Agro Products Limited	9,68,640	3.50	9,68,640	100.00
7.	K. K. Jhunjhunwala (H.U.F.) – Ved Krishna (Karta)	16,000	0.06	16,000	100.00
	<b>TOTAL</b>	<b>83,37,456</b>	<b>30.10</b>	<b>82,03,011</b>	<b>98.39</b>

**(d) Capital of the Company**

The Authorized and paid-up capital of your Company are 60 crores and 27.70 crores respectively as on March 31, 2014. The Company has not changed its share capital (due to right, bonus, preferential issue, IPO, buyback, capital reduction, amalgamation, de-merger etc.) during the year under review.

**(e) Top ten shareholders as on 31 march,2014**

Sl. No.	Name of Shareholders	No. of Equity Shares held	% of Total Equity Shares held
1.	Sangeetha S	10,65,560	3.85
2.	Dipak Kanayalal Shah	5,00,000	1.81
3.	S Sathya	3,85,990	1.39
4.	Damodar Prasad Agarwal	3,68,163	1.33
5.	Renu Devi Patni	3,36,716	1.22
6.	Kishore Kumar Patni	3,15,654	1.14
7.	Savitha S	2,84,290	1.03
8.	Karan Patni	2,80,597	1.01
9.	United India Insurance Company Limited	2,11,121	0.76
10.	Kishore Kumar Nadhani	1,97,418	0.71
	<b>TOTAL</b>	<b>39,45,509</b>	<b>14.25</b>

**(vi) Stock Price Data/ Stock Performance: Year 2013-14**

a. During the year under report, the trading in the Company's equity shares was from April 1, 2013 to March 31, 2014. The high and low price during the period on the Bombay Stock Exchange Limited was as under:-

Month	High (Rs.)	Low (Rs.)	High	Low
	BSE		BSE SENSEX	
April 2013	5.93	3.76	19,622.68	18,144.22
May 2013	5.04	3.63	20,443.62	19,451.26
June 2013	4.85	4.03	19,860.19	18,467.16
July 2013	4.96	4.11	20,351.06	19,126.82
August 2013	4.18	3.52	19,569.20	17,448.71
September 2013	4.67	3.62	20,739.69	18,166.17
October 2013	4.50	3.63	21,205.44	19,264.72
November 2013	5.22	4.08	21,321.53	20,137.67
December 2013	5.79	4.76	21,483.74	20,568.70
January 2014	5.45	4.65	21,409.66	20,343.78
February 2014	5.08	4.00	21,140.51	19,963.12
March 2014	5.00	3.95	22,467.21	20,920.98



**b. Performance in comparison to BSE Sensex**

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

	01 April, 2013	31 March, 2014	% CHANGE
Company Share Price (High)	Rs.4.42	Rs.4.60	4.07
SENSEX (High)	18,959.48	22,467.21	18.50

**(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 March 31, 2014, 97.82% 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 March 31, 2014 was carried out by Mr. Adesh Tandon, a qualified Practicing Company Secretary. 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  
47/81, Hatia Bazar  
Kanpur – 208001,  
Uttar Pradesh, India  
E-mail : info@yash-papers.com

**(xii) Plant Locations**

Yash Papers Limited  
Yash Nagar, Darshan 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 K. Srivastava  
Head of Legal & Secretarial  
Yash Papers Limited  
Yash Nagar, Darshan 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 May 15, 2014 from Statutory Auditors of the Company, M/s Kapoor Tandon & Co. confirming compliance with the Corporate Governance requirements as stipulated under Clause 49 of the Listing Agreement is annexed hereto.

The above report has been adopted by the Board of Directors at their meeting held on May 15, 2014.

**(xv) Brief Profile of Board of Directors****Mr. K. D. Pudumjee**

Chairman

Mr. Pudumjee is one of the most inquisitive minds you will ever meet. He is our guiding light.

Mr. Pudumjee owned and built Pudumjee Pulp and Paper Mills in Pune, India. Pudumjee Mills became the frontrunner for specialty paper in the country and brought in numerous path breaking technologies and developments. Mr Pudumjee was in the forefront of the growth. He is well known as a maverick and is extremely particular about details. We say in the board that nothing escapes KDP he keeps us on track.

Mr. Pudumjee chairs our board and pushes us for growth and better governance.

Director in Other Companies	Amasht Paper Hygiene Products Private Limited
Shareholding in Yash Papers Limited	NIL
Relationship with other Directors	No

**Mr. Ved Krishna**

Managing Director

Our Managing Director is our eternal optimist. Nothing seems to bring him down. We have faced numerous hurdles during his stewardship and he just keeps going. He has a keen strategic mind and is always in search for innovative ways for building business. He has been with the organization for over 14 years and has grown the company over 4 times. We continue to have great plans for the future that are drawn with his guidance and he continuously enthuses the team to achieve more and more.

Director in Other Companies	1. Yash Agro Products Limited 2. Yash Skills Limited 3. Yash Ecoenergy Limited 4. Satori Global Limited 5. Artech Infosystems Private Limited
Shareholding in Yash Papers Limited	24,71,685 equity shares
Relationship with other Directors	Son of Mrs. Manjula Jhunjunwala, Promoter, Director and Shareholder of the Company

**Mr. Narendra Kumar Agrawal**

Director Works

Yash Papers is blessed to benefit from Narendra's eighteen years 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.

Director in Other Companies	NIL
Shareholding in Yash Papers Limited	683 equity shares
Relationship with other Directors	No

**Ms. Manjula Jhunjunwala**

Director

Ms. Jhunjunwala is our founder director. As our founder Mr. K K Jhunjunwala always said 'the business is here

because of her. She sold her jewellery to provide the seed capital to her husband to establish the business'.

Ms. Jhunjunwala is a revered educationist and philanthropist. She has built a great name in the field of early education through Jingle Bells Nursery Schools Society. Her passion is to build a better nation for the future generations and works tirelessly towards the same.

Director in Other Companies	1. Yash Agro Products Limited 2. Yash Skills Limited
Shareholding in Yash Papers Limited	5,83,366 equity shares
Relationship with other Directors	Mother of Mr. Ved Krishna, Promoter, Managing Director and Shareholder of the Company

**Mr. Ramesh Narayan**

Director

Mr. Ramesh Narayan is a thorough professional who runs an accounting firm from Kolkata.

Mr. Narayan is passionate and vociferous about his ideas and activates our board like no other. He is able to see issues from angles that escape others. His passion enables the board to have effective discussions and reach innovative conclusions.

Director in Other Companies	Sixty Four Squares Advisory Private Limited
Shareholding in Yash Papers Limited	Nil
Relationship with other Directors	No

**Ms. Kimberly Ann McArthur**

Director

Ms. Kimberly Ann McArthur is the international perspective on the board.

She 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.

She 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.

Director in Other Companies	Yash Ecoenergy Limited
Shareholding in Yash Papers Limited	NIL
Relationship with other Directors	No

**Mr. G. N. Gupta**

Director

Mr. GN Gupta is our senior citizen. He is the most active octogenarian we know.

Mr. Gupta was the chairman of the Central Board of Direct Taxes in India and he continues to have a thriving practice which he keeps pursuing.

He is also an impeccable gentleman always dressed

appropriately with a suit and tie. He leads our audit committee and ensures that due attention is paid towards compliance and governance.

Director in Other Companies	1. Hiranyamai Investments Pvt. Ltd. 2. Asian Fertilizers Limited 3. Flex Engineering Limited 4. Flex Foods Limited 5. Micro Venture Holdings Pvt. Ltd. 6. Artisans Micro Finance Pvt. Ltd. 7. Rivi Fire Fighting Private Limited
Shareholding in Yash Papers Limited	NIL
Relationship with other Directors	No

**Mr. R. N. Chakraborty**

Director

Mr. Chakraborty is universally known as Dada.

He spent over 30 years as an executive in the organization before retirement and was well known for feats that were found impossible. He just does not understand the word and continues to bring the same spirit to the board.

Director in Other Companies	Nil
Shareholding in Yash Papers Limited	500 equity shares
Relationship with other Directors	No

**Dr. Indroneel Banerjee**

Director

Indroneel is our resident doctor. He makes sure that the board remains fit!

Indroneel is a compassionate individual and the same is displayed with his presence in the board. He brings numerous non business perspectives that tend to escape most of us.

Director in Other Companies	Nil
Shareholding in Yash Papers Limited	Nil
Relationship with other Directors	No

**Mr. Mudar Patherya**

Director

Mudar's mind is precious. It works differently. He sees the world from very different eyes. He can be a conscience keeper along with being deeply analytical about each situation.

Mudar began his career as a sports journalist because of his passion for cricket and followed the Indian team around. He then was a financial analyst in the next avatar. He then became a designer and businessman by starting and building his company Trisys Communications and now is working towards numerous social causes to improve the city of Kolkata.

**Director in Other Companies**

1. Trisys Communications Pvt. Ltd.
2. Trisys On-The-Net Private Limited
3. Olympic Vincom Private Limited
4. Kolkata Rising Publications Pvt. Ltd
5. Rashidhan Exports Private Limited

**Shareholding in Yash Papers Limited**

Nil

**Relationship with other Directors**

No

**Mr. Jaideep Narain Mathur**  
Director

Jaideep ensures that we understand legal implications of each decision.

He is a senior counsel in the Lucknow High Court and has represented the state as the Additional Advocate General for many years.

Apart from various other things, he has a passion for horses and remains active with his studs winning the Lucknow Derby regularly.

**Director in Other Companies**

Nil

**Shareholding in Yash Papers Limited**

Nil

**Relationship with other Directors**

No

**Mr. Atul Kumar Gupta**  
Additional Director

Atul ji is one of the brightest minds we know. As an officer in the Indian Administrative Services, he spent many years of his life providing the state with good governance and rose to become the Chief Secretary of the largest state in the country.

He left a legacy of being an impeccable officer and a gentleman.

He now wishes to spend his time reading and writing books and we await the same. We are fortunate to have him mentor and guide our company.

**Director in Other Companies**

The Pradeshia Industrial and Investment Corporation Uttar Pradesh Limited

**Shareholding in Yash Papers Limited**

Nil

**Relationship with other Directors**

No

On Behalf of the Board


**Ved Krishna**

Managing Director

Camp: New Delhi  
Date: May 15, 2014

## CEO and CFO Certification

We, Ved Krishna, Managing Director and Nikhil Gupta, Chief Financial Officer responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) That are, to the best of our knowledge and belief, no transactions entered into by the Company during the year

ended 31st March, 2014 which are fraudulent, illegal or violative of the Company's code of conduct.

- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - i) That, there has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) That, there has not been any significant change

in accounting policies during the year requiring disclosure in the notes to the financial statements; and

- iii) That, we are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

for Yash Papers Limited


**Ved Krishna**  
Managing Director

Camp: New Delhi  
Date: May 15, 2014

for Yash Papers Limited


**Nikhil Gupta**  
Chief Financial Officer



## Auditors' certificate regarding compliance of conditions of corporate governance

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 on March 31, 2014 as stipulated in Clause 49 of the Listing Agreement 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 carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the listing Agreement) issued by the Institute of Chartered Accountant of India and limited to

procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions 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 above mentioned Listing Agreement.

We state that no investor grievances pending for a period of one month against the Company as per the records maintained by the Company and presented to the

Shareholder's/Investor Grievance Committee.

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

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



**Rajesh Parasramka**

Partner

Camp: New Delhi  
Date: May 15, 2014

Membership No.74192

## Secretarial Standards Report

The Board of Directors,  
Yash Papers Limited  
47/81, Hatia Bazar,  
Kanpur – 208001  
Uttar Pradesh

I have examined the relevant registers, records and documents maintained and made available to us by Yash Papers Limited ["the Company"] for the period commencing from 1st April, 2013 to 31st March, 2014 for compliances of Secretarial Standards issued by the Institute of Company Secretarial of India (ICSI) relating to Meeting of the Board of Directors (SS1) and General

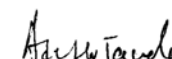
Meetings (SS2) as applicable during the financial year 2013-14.

Secretarial Standards SS1 and SS2 issued by ICSI were recommendatory in nature for the period commencing from 1st April, 2013 to 31st March, 2014. The management has voluntarily decided to adhere to these Secretarial Standards and comply with the same. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the above said Secretarial Standards.

In our opinion and to the best our information and according to the explanation given and documents /

papers furnished to us, I report that the Company has complied with all material aspects of applicable Secretarial Standards relating to Meetings of the Board of Directors (SS1) and General Meetings (SS2) issued by ICSI.

**Adesh Tandon & Associates**  
Company Secretaries



**Adesh Tandon**

FCS No. 2253  
CP No. 1121

Camp – New Delhi  
Date – 15th May, 2014

## Secretarial Audit Report

CIN : L24231UP1981PLC005294  
 Nominal Capital : Rs. 60,00,00,000/-  
 Paid-up Capital : Rs. 27,70,00,000/-

To,  
 The Shareholders of Yash Papers Limited

We have audited the relevant books and records of Yash Papers Limited having its Registered Office at 47/81, Hatia Bazar, Kanpur – 208 001 (Uttar Pradesh) and Corporate Office at, Yash Papers Limited, Yash Nagar, Faizabad – 224 135 (Uttar Pradesh) produced before us by the Company and by their registrar and share transfer agents M/s. Skyline Financial Services Private Limited, for the purpose of our Secretarial Audit Report for the financial year ended on 31.03.2014 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers and records as per the provisions of the Companies Act, 1956 and the Companies Act, 2013 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has duly filed the forms and returns with the Registrar of Companies and the rules made there under during the year.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meeting during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.

5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has complied with the provisions of section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has complied with the provisions of section 154 of the Act during the year.
9. The Company has delivered all the certificates on lodgment thereof for transfer or any other purpose in accordance with the provisions of the Act during the year.
10. The Company has not declared any dividend during the year.
11. There was no unclaimed/unpaid dividend due to be transferred Investor Education and Protection Fund in compliance with the provisions of section 205C of the Act during the year.
12. The Company has paid remuneration to the Managing Director and Director Works and sitting fees to the Directors of the Company in terms of section 198, 269,309 read with Schedule XIII of the Act.
13. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
14. The Company has not given any loan in terms of section 295 of the Act during the year.
15. The Company has not entered into any transactions, which falls under section 297 of the Act during the

year.

16. The Directors have disclosed their interest in terms of section 299 of the Act.
17. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
18. The Company has complied with the provisions of section 372A of the Act.
19. The Company has complied with the applicable provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 during the year.
20. The Company has complied with the applicable provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 during the year.
21. The Company has complied with the applicable provisions of SEBI (Depositories and Participants) Regulations, 1996 during the year.
22. The Company has received 6 investor's complaints/ queries during the year under review and no complaints/ queries were pending for redressal as on 31.03.2014.

**Adesh Tandon & Associates**  
 Company Secretaries



**Adesh Tandon**  
 FCS No. 2253  
 CP No. 1121

Camp – New Delhi  
 Date – 15th May, 2014

## 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 March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of matter:**

Without qualifying our opinion, we draw attention to the note no. 39 relating to recognition of CERs (Certified Emission Reductions) amounting to ₹15,47,59,000 for the period from April 2007 to December 2012.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge

and belief were necessary for the purpose of our audit;

- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of

clause (g) of sub-section (1) of Section 274 of the Act; and

- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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



Rajesh Parasramka

Partner

Camp: New Delhi  
Date: May 15, 2014

Membership No. 074192



## Annexure to the Auditors' Report

(Referred to in our report of even date on the financial statements for the financial year ended 31st March, 2014 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:

- |   |   |  |
|---|---|--|
| <p>i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.</p> <p>(b) All the fixed assets have not been physically verified by the management during the year but there is regular programme 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.</p> <p>(c) The Company has not disposed off substantial part of fixed assets during the year.</p> | <p>(b) Accordingly, the provisions of clause (iii). (b), (c) and (d) of the Order are not applicable to the Company.</p> <p>(c) The Company has taken interest free unsecured loan from a Director and other party listed in the register maintained under Section 301 of the Act. The maximum amount and year-end balance of such loan was ₹126.25 Lacs. Further to aforesaid the Company has accepted deposits (deposit under Section 58A &amp; 58AA of the Act) from Director(s) and other parties listed in the register maintained under Section 301 of the Act. The year-end balance was ₹17.46 Lacs from 7 such parties.</p> <p>(d) In our opinion, the terms and conditions on which loans have been taken are, prima facie, not prejudicial to the interest of the Company.</p> <p>(e) The Company is regular in repaying the principal amount and interest.</p> | <p>(b) In our opinion, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.</p>  |
| <p>ii. (a) 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.</p> <p>(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.</p> <p>(c) The Company is maintaining proper records of inventories. As explained to us, the discrepancies noticed on verification were not material in relation to the operations of the Company.</p>                        | <p>iv. In our opinion, there is adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.</p>  | <p>vi. In our opinion, the Company has complied with the provisions of Section 58A and 58AA of the Act and the rules framed there under for the deposits accepted from the public.</p> <p>vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.</p> <p>viii. 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 Section 209(1) (d) of the Act 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.</p> |
| <p>iii. (a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act.</p>  | <p>v. (a) In our opinion, particulars of contracts or arrangements referred in Section 301 of the Act have been entered in the register required to be maintained under that section.</p>   | <p>ix. (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, Investors Education and Protection Fund, Income Tax, Sales/Trade Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, 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 2014 for a period of more than six months from the date they become payable.</p>  |

- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and Service 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	
	Disallowance of CENVAT Credit	0.73	2007-08	CESTAT, New Delhi
The Income Tax Act, 1961	Penalty u/s 271(1)(c)	22.61	2006-07	CIT Appeals - I, Kanpur
		2.82	2009-10	
The UP Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	2.30	2008-09	Addl Commissioner Appeal, Faizabad
		0.41	2009-10	

- |   |   |  |
|---|---|--|
| <p>x. The Company does not have accumulated losses of as at the end of the financial year. The Company has not incurred any cash loss in the current financial year as well as in the immediately preceding financial year.</p> <p>xi. According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders during the year.</p> <p>xii. The Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>xiii. In our opinion, the Company is not a chit fund and nidhi / mutual benefit fund / society. Accordingly, the provisions of clause xiii of the Order are not applicable to the Company.</p> | <p>xiv. The Company is not a dealer or trader in securities. Accordingly, the provisions of clause xiv of the Order are not applicable to the Company.</p> <p>xv. The Company has not given any guarantees for loans taken by others from banks or financial institution.</p> <p>xvi. In our opinion, the term loans have been applied for the purposes for which they were obtained.</p> <p>xvii. According to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.</p> <p>xviii. As the company has not made any preferential allotment of shares during the year, clause (xviii) of the Order is not applicable to the Company.</p> <p>xix. The Company has not issued any debentures during the year.</p> | <p>xx. As the company has not raised any money by way of public issue during the year, clause (xx) of the Order is not applicable to the Company.</p> <p>xxi. Based on the audit procedures performed and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.</p> |
|---|---|--|

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



Rajesh Parasramka

Partner

Camp: New Delhi  
Date: May 15, 2014

Membership No. 074192

# Balance Sheet as at 31st March, 2014

Amount in ₹

Particulars		Note No.	As at 31st March, 2014		As at 31st March, 2013	
I. EQUITY AND LIABILITIES						
1. Shareholders' Funds						
a) Share Capital		2	277,000,000		277,000,000	
b) Reserves and Surplus		3	181,543,012		162,094,166	
				458,543,012		439,094,166
2. Non Current Liabilities						
a) Long Term Borrowings		4	670,079,227		682,506,720	
b) Deferred Tax Liabilities (Net)		5	11,655,000		6,155,000	
				681,734,227		688,661,720
3. Current Liabilities						
a) Short Term Borrowings		6	406,116,795		296,591,283	
b) Trade Payables		7	121,253,169		89,944,711	
c) Other Current Liabilities		8	160,217,935		129,411,537	
d) Short Term Provisions		9	7,337,154		11,594,112	
				694,925,053		527,541,643
TOTAL				1,835,202,292		1,655,297,529
II. ASSETS						
1. Non Current Assets						
a) Fixed Assets						
(i) Tangible Assets:		10	941,798,808		895,064,527	
(ii) Intangible Assets		10	575,218		589,478	
(iii) Intangible Assets under development			1,500,000		-	
b) Non Current Investments		11	5,935		5,935	
c) Long Term Loans and Advances		12	16,577,045		14,643,163	
d) Other Non Current Assets		13	1,506,000		1,506,000	
				961,963,006		911,809,103
2. Current Assets						
a) Inventories		14	513,930,168		400,006,605	
b) Trade Receivables		15	141,082,472		147,646,934	
c) Cash and Bank Balances		16	14,890,763		13,484,780	
d) Short Term Loans and Advances		17	43,974,732		22,211,996	
e) Other Current Assets		18	159,361,151		160,138,111	
				873,239,286		743,488,426
TOTAL				1,835,202,292		1,655,297,529
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



(Rajesh Parasramka)  
Partner  
M. No. 074192  
Camp: New Delhi  
Dated: May 15, 2014

For and on behalf of the Board of Directors



Ved Krishna  
Managing Director



Nikhil Gupta  
Chief Financial Officer



N K Agrawal  
Director Works

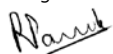
## Statement of Profit and Loss for the year ended 31st March, 2014

		Amount in ₹	
Particulars	Note No.	2013-14	2012-13
<b>REVENUE</b>			
Revenue from operations (gross)	19	1,549,764,924	1,224,156,520
Less : Excise Duty		75,953,899	60,661,893
Revenue from operations (net)		1,473,811,025	1,163,494,627
Other Income	20	17,063,098	15,818,973
<b>Total Revenue</b>		<b>1,490,874,123</b>	<b>1,179,313,600</b>
<b>EXPENSES</b>			
Cost of Material consumed	21	731,646,977	564,941,380
Decrease/(Increase) in Inventories of Finished Goods and Work-in-Process	22	7,515,590	(15,345,388)
Employee Benefits Expense	23	97,890,304	79,187,115
Finance Costs	24	140,391,935	128,271,106
Depreciation and Amortisation Expense	25	64,028,081	61,580,937
Other Expenses	26	418,957,585	335,268,679
<b>Total Expenses</b>		<b>1,460,430,472</b>	<b>1,153,903,829</b>
<b>Profit Before Tax</b>		<b>30,443,651</b>	<b>25,409,771</b>
<b>Tax Expenses</b>			
- Current Tax		6,000,000	5,100,000
- Deferred Tax		5,500,000	3,400,000
- Tax adjustments relating to earlier years		(505,195)	9,502
<b>Profit for the year</b>		<b>19,448,846</b>	<b>16,900,269</b>
<b>Earning per Equity Share (EPS)</b>	27		
(Face value of ₹10 each)			
Basic		0.70	0.61
Diluted		0.70	0.61
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



(Rajesh Parasramka)  
Partner  
M. No. 074192  
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Dated: May 15, 2014

For and on behalf of the Board of Directors



Ved Krishna  
Managing Director



Nikhil Gupta  
Chief Financial Officer



N K Agrawal  
Director Works

## Cash Flow Statement for the year ended 31st March, 2014

Amount in ₹

Particulars	2013-14		2012-13	
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit/(loss) before tax		30,443,651		25,409,771
Adjustment for:-				
Depreciation/amortisation	64,028,081		61,580,937	
Profit on Sale of Fixed Assets	(488,969)		(182,236)	
Interest Income	(7,355,606)		(9,293,344)	
Interest Expenses	129,985,365		118,563,971	
Loss on Sale of Fixed Assets	541,908	186,710,779	155,258	170,824,586
Operating Profit before Working Capital changes		217,154,430		196,234,357
Adjustment for:-				
Inventories	(113,923,563)		(127,743,856)	
Trade and Other Receivables	(17,132,156)		(22,284,678)	
Other Assets	776,960		(27,367,515)	
Trade Payable and Other Liabilities	39,625,449		1,657,365	
Income Tax Paid	(8,349,836)	(99,003,146)	(2,584,820)	(178,323,504)
Cash generated from operations		118,151,284		17,910,853
Interest Received		7,355,606		9,293,344
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>125,506,890</b>		<b>27,204,197</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets (Including CWIP)		(113,763,755)		(35,916,905)
Sale of Fixed Assets		1,462,714		281,738
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(112,301,041)</b>		<b>(35,635,167)</b>



## Cash Flow Statement for the year ended 31st March, 2014

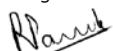
Amount in ₹

Particulars	2013-14		2012-13	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid		(129,985,365)		(118,563,971)
Increase/(Decrease) in Short Term Borrowings		109,525,512		43,120,429
Increase/(Decrease) in Long Term Borrowings		8,659,987		75,366,193
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>		<b>(11,799,866)</b>		<b>(77,349)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,405,983</b>		<b>(8,508,319)</b>
<b>CASH AND CASH EQUIVALENTS (Opening Balance)</b>		<b>13,484,780</b>		<b>21,993,099</b>
<b>CASH AND CASH EQUIVALENTS (Closing Balance)</b>		<b>14,890,763</b>		<b>13,484,780</b>
(refer Note 16, Cash and Bank Balances)				

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



(Rajesh Parasramka)  
Partner  
M. No. 074192  
Camp: New Delhi  
Dated: May 15, 2014

For and on behalf of the Board of Directors



Ved Krishna  
Managing Director



Nikhil Gupta  
Chief Financial Officer



N K Agrawal  
Director Works

## Notes to Financial Statements for the year ended 31st March, 2014

### 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 applicable accounting principles in India, the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 (AS) in India and the relevant provisions of the Companies Act, 1956 (the Act).

#### 1.2 Use of Estimates

The preparation of Financial Statements requires estimates and assumptions that affect the reported amount of assets and 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 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' at the rates specified under Schedule XIV to the Companies Act, 1956. 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 and paddy husk : 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
  - e. Stores (excepting paddy husk), spares and loose tools: FIFO method
- ii. Scraps and Import entitlements/licence (DEPB) are valued at estimated realisable value.

## Notes to Financial Statements for the year ended 31st March, 2014

### 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.
- ii. Export Incentives (DEPB etc.) 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) 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 Prior period items, if material, are shown separately.

## Notes to Financial Statements for the year ended 31st March, 2014

### 2. SHARE CAPITAL

Particulars	Amount in ₹	
	As at 31st March, 2014	As at 31st March, 2013
<b>AUTHORISED</b>		
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
	<b>600,000,000</b>	<b>600,000,000</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
2,77,00,000 Equity Shares of ₹10/- each fully paid up	277,000,000	277,000,000
<b>Total</b>	<b>277,000,000</b>	<b>277,000,000</b>

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

Equity shares	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	27,700,000	277,000,000	24,000,000	240,000,000
Shares allotted during the year	-	-	3,700,000	37,000,000
Outstanding at the end of the year	<b>27,700,000</b>	<b>277,000,000</b>	<b>27,700,000</b>	<b>277,000,000</b>

#### 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, 2014

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

Name of the Share Holder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Mr. Ved Krishna	2,471,865	8.92%	2,399,121	8.66%
Satori Global Limited	3,334,500	12.04%	3,334,500	12.04%
Mrs. Ranjini Poddar	-	-	3,700,000	13.36%

### 3. RESERVES AND SURPLUS

Amount in ₹

Particulars	As at 31st March, 2014		As at 31st March, 2013	
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		77,322,028	
Add: on Allotment of Shares during the year	-	81,022,028	3,700,000	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	19,252,588		2,352,319	
Profit for the year	19,448,846		16,900,269	
		38,701,434		19,252,588
<b>TOTAL</b>		<b>181,543,012</b>		<b>162,094,166</b>



## Notes to Financial Statements for the year ended 31st March, 2014

### 4. LONG TERM BORROWINGS

Particulars	Amount in ₹	
	As at 31st March, 2014	As at 31st March, 2013
<b>Secured</b>		
<b>Term Loans</b>		
Indian rupee loan (including FITL) from banks (refer Note 4.1 to 4.3)	645,617,991	674,205,497
<b>Unsecured</b>		
Fixed Deposit (please refer Note 34 for detail of related parties)	11,836,236	4,801,223
Loan from related parties		
from Directors	10,125,000	3,500,000
from Others (please refer Note 34 for detail of related parties)	2,500,000	-
<b>TOTAL</b>	<b>670,079,227</b>	<b>682,506,720</b>

- 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 98.39% equity share of the Company held by the promoters.
- Corporate Guarantee of Yash Agro Products Ltd. & Satori Global Ltd., the associates.
- Personal Guarantee of Promoter Directors of the Company, Mr Ved Krishna and Mrs. Manjula Jhunjunwala.
- 4.3 These Loans are repayable over a period of 8 years in structured thirty two quarterly installment commencing from September 2013 to June 2021.

## Notes to Financial Statements for the year ended 31st March, 2014

### 5. DEFERRED TAX LIABILITIES (NET)

Amount in ₹

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Deferred Tax Liability				
on account of				
Depreciation	150,580,000		142,700,000	
Gross deferred tax liability		150,580,000		142,700,000
Deferred Tax Assets				
on account of				
Unabsorbed Depreciation/Losses	69,901,000		77,551,000	
MAT Credit	15,409,000		9,494,000	
Other Timing Differences	53,615,000		49,500,000	
Gross deferred tax assets		138,925,000		136,545,000
Net Deferred Tax Liability @		11,655,000		6,155,000
Net Deferred Tax Liability for the year		5,500,000		3,400,000

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

### 6. SHORT TERM BORROWING

Amount in ₹

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured		
Working Capital Loans		
Indian rupee loan from bank(s)	311,602,546	213,436,188
Foreign currency loan from bank(s)	94,514,249	83,155,095
TOTAL	406,116,795	296,591,283

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.

## Notes to Financial Statements for the year ended 31st March, 2014

### 7. TRADE PAYABLES

	Amount in ₹	
Particulars	As at 31st March, 2014	As at 31st March, 2013
To Micro, Small and Medium Enterprises (refer Note 7.1)	-	-
Other Payable	121,253,169	89,944,711
<b>TOTAL</b>	<b>121,253,169</b>	<b>89,944,711</b>

7.1 The company has requested confirmation from Suppliers regarding their registration (filling 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

	Amount in ₹	
Particulars	As at 31st March, 2014	As at 31st March, 2013
Current maturity of long term borrowings - Secured	63,052,960	31,800,000
Current maturity of long term borrowings - Unsecured	1,652,512	11,817,992
Interest accrued but not due on borrowings	640,367	1,726,709
Security Deposit from Customers	13,200,000	10,900,000
Advance from Customers	34,888,388	37,151,463
Unpaid Matured Deposits (including Interest) (refer Note 8.1)	-	2,745,545
Payable for Capital Goods	17,671,368	9,938,292
Other Liabilities	29,112,340	23,331,536
<b>TOTAL</b>	<b>160,217,935</b>	<b>129,411,537</b>

8.1 No amount is due for payment to Investor Education & Protection Fund during the year.

## Notes to Financial Statements for the year ended 31st March, 2014

### 9. SHORT TERM PROVISIONS

Amount in ₹

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Provision for Tax	-		11,246,000	
Less: Advance Tax	-	-	8,390,969	2,855,031
Provision for Gratuity		2,219,042		3,664,649
Provision for Leave Encashment		3,747,710		3,490,221
Excise Duty on Finished Goods		1,370,402		1,584,211
<b>TOTAL</b>		<b>7,337,154</b>		<b>11,594,112</b>

### 10. FIXED ASSETS

Amount in ₹

S. No.	Description of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 31.03.2013	Additions	Sales/ discarded	As at 31.03.2014	Upto 31.03.2013	For the year	Deduction/ Adjustment	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
	<b>Tangible</b>										
a.	Land Free Hold	17,876,802	10,140,000	-	28,016,802	-	-	-	-	28,016,802	17,876,802
	(incl. Site Development)										
b.	Land Lease Hold	20,031,377	-	-	20,031,377	1,334,934	222,565	-	1,557,499	18,473,878	18,696,443
c.	Factory Building	182,576,023	14,349,473	-	196,925,496	46,117,937	6,075,126	-	52,193,063	144,732,433	136,458,086
d.	Non Factory Building	28,333,400	-	-	28,333,400	4,615,416	460,940	-	5,076,356	23,257,044	23,717,984
e.	Plant & Machinery	1,020,545,942	77,670,609	1,869,905	1,096,346,646	393,431,376	51,186,631	1,107,358	443,510,649	652,835,997	627,114,566
f.	Electric Installation & Fittings	100,638,815	3,633,801	-	104,272,616	38,000,547	4,484,967	-	42,485,514	61,787,102	62,638,268
g.	Furniture & Fittings	5,326,982	433,923	-	5,760,905	3,543,157	185,998	-	3,729,155	2,031,750	1,783,825
h.	Office Equipment	8,054,965	1,558,984	-	9,613,949	5,908,963	451,295	-	6,360,258	3,253,691	2,146,002
i.	Motor Car & Other Vehicles	10,232,518	4,293,365	2,027,570	12,498,313	5,599,967	762,699	1,274,464	5,088,202	7,410,111	4,632,551
	<b>Sub total</b>	<b>1,393,616,824</b>	<b>112,080,155</b>	<b>3,897,475</b>	<b>1,501,799,504</b>	<b>498,552,297</b>	<b>63,830,221</b>	<b>2,381,822</b>	<b>560,000,696</b>	<b>941,798,808</b>	<b>895,064,527</b>
	<b>Intangible</b>										
a.	Computer Software	3,937,117	183,600	-	4,120,717	3,347,639	197,860	-	3,545,499	575,218	589,478
	<b>Total</b>	<b>1,397,553,941</b>	<b>112,263,755</b>	<b>3,897,475</b>	<b>1,505,920,221</b>	<b>501,899,936</b>	<b>64,028,081</b>	<b>2,381,822</b>	<b>563,546,195</b>	<b>942,374,026</b>	<b>895,654,005</b>
	<b>Previous Year</b>	<b>1,362,644,359</b>	<b>35,916,905</b>	<b>1,007,323</b>	<b>1,397,553,941</b>	<b>441,071,562</b>	<b>61,580,937</b>	<b>752,563</b>	<b>501,899,936</b>	<b>895,654,005</b>	<b>-</b>

## Notes to Financial Statements for the year ended 31st March, 2014

### 11. NON CURRENT INVESTMENTS (Long Term Investments)

	Amount in ₹	
Particulars	As at 31st March, 2014	As at 31st March, 2013
Non trade (valued at cost unless stated otherwise)		
<b>EQUITY SHARES - FULLY PAID-UP</b>		
Pudumjee Pulp & Paper Mills Ltd.		
500 Equity Shares of ₹2/- each fully paid up	4,400	4,400
Rana Mohindra 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
	<b>5,935</b>	<b>5,935</b>
Total cost of quoted investments	5,935	5,935
Aggregate Market value of quoted investments	7,335	6,374

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

	Amount in ₹	
Particulars	As at 31st March, 2014	As at 31st March, 2013
Capital Advance	7,095,702	6,262,980
Security Deposit	249,255	249,255
Balance with Govt. Authorities	9,232,088	8,130,928
<b>TOTAL</b>	<b>16,577,045</b>	<b>14,643,163</b>

### 13. OTHER NON CURRENT ASSETS (Unsecured considered good)

	Amount in ₹	
Particulars	As at 31st March, 2014	As at 31st March, 2013
Miscellaneous Expenditure		
(to the extent not written off or adjusted)		
- Authorised Capital Increase Fee @	1,506,000	1,506,000
<b>TOTAL</b>	<b>1,506,000</b>	<b>1,506,000</b>

@ Fee paid to the Registrar of Companies for increasing the Authorised Capital of the company and the same will be transferred to Securities Premium Reserve on issue of shares.



## Notes to Financial Statements for the year ended 31st March, 2014

### 14. INVENTORIES (As taken, valued and certified by the management)

	Amount in ₹	
Particulars	As at 31st March, 2014	As at 31st March, 2013
Raw Materials	203,100,609	123,567,946
Work in Progress	20,690,907	11,762,086
Finished Goods - Kraft & poster paper	21,045,380	28,332,204
Pulp	25,442,777	34,600,364
Store and Spares	235,089,852	193,911,934
Import Entitlements/Licenses in hand	685,962	478,417
Scrap	7,500,000	7,000,000
Loose Tools	374,681	353,654
<b>TOTAL</b>	<b>513,930,168</b>	<b>400,006,605</b>

### 15. TRADE RECEIVABLES (Unsecured considered good)

	Amount in ₹	
Particulars	As at 31st March, 2014	As at 31st March, 2013
Outstanding for a period exceeding six months from the date they are due for payment	32,715,855	16,984,554
Others	108,366,617	130,662,380
<b>TOTAL</b>	<b>141,082,472</b>	<b>147,646,934</b>

### 16. CASH AND BANK BALANCES

	Amount in ₹	
Particulars	As at 31st March, 2014	As at 31st March, 2013
Cash and cash equivalents		
Balances with Banks on:		
Current Accounts	1,213,307	1,809,541
Stamps/Cheques in hand	-	14,117
Cash on Hand (as Certified by the Management)	965,090	2,640,621
	2,178,397	4,464,279
Other bank balances		
Margin Money Deposit (including Fixed Deposit)	12,712,366	9,020,501
	12,712,366	9,020,501
<b>TOTAL</b>	<b>14,890,763</b>	<b>13,484,780</b>

## Notes to Financial Statements for the year ended 31st March, 2014

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

Amount in ₹

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Excise Duty Advance/CENVAT Receivable		11,493,235		8,449,466
VAT Credit Receivable		11,351,366		4,235,872
Advances to Trade Creditors		14,661,340		5,670,016
Advance recoverable in cash or kind or for value to be received		6,455,127		3,856,642
Advance Tax	11,113,664		-	
Less: Provision for Tax	11,100,000	13,664	-	-
<b>TOTAL</b>		<b>43,974,732</b>		<b>22,211,996</b>

### 18. OTHER CURRENT ASSETS (Unsecured considered good)

Amount in ₹

Particulars	As at 31st March, 2014	As at 31st March, 2013
CERs (Certified Emission Reductions) Receivable	154,759,000	154,759,000
Interest accrued on Deposit	1,111,133	536,617
Export Incentive Receivable	3,491,018	4,842,494
<b>TOTAL</b>	<b>159,361,151</b>	<b>160,138,111</b>

### 19. REVENUE FROM OPERATIONS

Amount in ₹

Particulars	2013-14	2012-13
Revenue from operations		
Sale of products (refer Note 19.1)		
Sales (Export)	279,642,055	196,236,407
Sales (Indigenous)	1,265,381,084	997,926,313
	1,545,023,139	1,194,162,720
Other operating revenue	4,741,785	29,993,800
(refer Note 19.2)		
<b>Revenue from operations (gross)</b>	<b>1,549,764,924</b>	<b>1,224,156,520</b>

## Notes to Financial Statements for the year ended 31st March, 2014

### 19. REVENUE FROM OPERATIONS (Contd.)

	Amount in ₹	
Particulars	2013-14	2012-13
<b>19.1 Details of product sold</b>		
Kraft & Poster Paper	1,432,402,844	1,186,607,477
Pulp	112,620,295	7,555,243
<b>TOTAL</b>	<b>1,545,023,139</b>	<b>1,194,162,720</b>
<b>19.2 Details of other operating revenue</b>		
Income from CERs (Certified Emission Reductions) (refer Note 39) [including Exchange Fluctuation of ₹Nil (₹27,82,000)]	-	25,630,000
Export Incentives	4,741,785	4,363,800
<b>TOTAL</b>	<b>4,741,785</b>	<b>29,993,800</b>

### 20. OTHER INCOME

	Amount in ₹	
Particulars	2013-14	2012-13
Interest received on fixed deposit & others	7,355,606	9,293,344
Profit on Sale of Fixed Assets	488,969	182,236
Self Consumed	3,307,871	968,242
Miscellaneous Income	5,856,989	5,330,862
Rent	50,760	44,289
Exchange Fluctuation (net)	2,903	-
<b>TOTAL</b>	<b>17,063,098</b>	<b>15,818,973</b>

## Notes to Financial Statements for the year ended 31st March, 2014

### 21. COST OF MATERIAL CONSUMED

	Amount in ₹	
Particulars	2013-14	2012-13
Raw Material consumed		
Bagasse	227,393,445	160,011,667
Old Gunny / Jute Goods	24,569,981	23,005,454
Wheat Straw	75,149,481	89,476,021
Pulp - bleached/unbleached	125,257,267	87,082,627
Unfinished Bleached Paper	14,666,590	-
Re-pulping of Finished Goods	3,375,366	1,139,805
Raw Material consumed	470,412,130	360,715,574
Chemicals Consumed	168,503,013	132,226,344
Stores & Spares Consumed	55,854,558	44,005,265
Packing Material	36,877,276	27,994,197
Cost of material consumed	731,646,977	564,941,380

### 22. DECREASE/(INCREASE) IN INVENTORIES

	Amount in ₹			
Particulars	2013-14		2012-13	
Inventories at the beginning of the year				
Finished Goods	28,332,204		43,149,259	
Pulp	34,600,364		10,519,139	
Work in Progress	11,762,086		5,680,868	
TOTAL 'A'		74,694,654		59,349,266
Inventories at the end of the year				
Finished Goods	21,045,380		28,332,204	
Pulp	25,442,777		34,600,364	
Work in Progress	20,690,907		11,762,086	
TOTAL 'B'		67,179,064		74,694,654
		7,515,590		(15,345,388)

## Notes to Financial Statements for the year ended 31st March, 2014

### 23. EMPLOYEE BENEFITS EXPENSE

	Amount in ₹	
Particulars	2013-14	2012-13
Salary, Wages and Bonus	81,042,074	64,237,106
Contribution to Provident and other funds	4,577,832	4,466,952
Gratuity	2,392,692	1,778,409
Directors Remuneration	4,694,890	4,529,694
Workmen and Staff Welfare expenses	5,182,816	4,174,954
<b>TOTAL</b>	<b>97,890,304</b>	<b>79,187,115</b>

### 24. FINANCE COSTS

	Amount in ₹	
Particulars	2013-14	2012-13
Interest on		
- Term Loan & Fixed Deposits	97,226,518	89,507,221
- Others	32,758,847	29,056,750
	129,985,365	118,563,971
Bank Charges	4,334,156	4,852,976
Exchange Fluctuation	6,072,414	4,854,159
<b>TOTAL</b>	<b>140,391,935</b>	<b>128,271,106</b>

### 25. DEPRECIATION AND AMORTISATION EXPENSE

	Amount in ₹	
Particulars	2013-14	2012-13
Depreciation of tangible assets	63,830,221	61,419,797
Amortisation of intangible assets	197,860	161,140
<b>TOTAL</b>	<b>64,028,081</b>	<b>61,580,937</b>



## Notes to Financial Statements for the year ended 31st March, 2014

### 26. OTHER EXPENSES

Amount in ₹

Particulars	2013-14		2012-13	
Power and Fuel		274,210,152		231,202,284
Effluent Treatment Expenses		3,930,335		1,935,740
Repairs and Maintenance				
- Building	2,225,384		2,073,486	
- Machinery	18,240,512	20,465,896	17,003,795	19,077,281
Excise Duty provided on stock - increase/(decrease)		(213,809)		(1,188,226)
Freight, Handling and Other Sales & Distribution Expenses		45,963,535		33,128,012
Commission on Sale		25,060,192		15,799,914
Advertisement and Publicity		388,082		421,290
Rent		576,030		351,121
Rates and Taxes		1,690,735		1,668,083
Insurance		2,351,523		2,004,750
Communication cost		1,887,626		1,635,272
Travelling and Conveyance		11,049,818		9,548,797
Repairs and Maintenance - Others		11,285,677		6,821,712
Printing and Stationery		1,208,860		986,055
Legal and Professional Charges		4,535,409		6,417,434
Sitting Fee		194,000		226,000
Auditor's Remuneration (refer Note No. 26.1)		747,366		563,111
Cost Audit fee		35,000		35,000
Bad Debts Written off		7,850,356		-
Miscellaneous Expenses		4,255,762		3,167,153
Exchange Fluctuation (net)		-		150,259
Subscription and Donation		943,132		994,549
Loss on Sale of Fixed Assets		541,908		155,258
Loss on Sale of Raw Material				
Cost of Sales	-		691,916	
Less: Sales	-	-	524,086	167,830
<b>TOTAL</b>		<b>418,957,585</b>		<b>335,268,679</b>

## Notes to Financial Statements for the year ended 31st March, 2014

### 26.1 Payment to auditor

		Amount in ₹
Particulars	2013-14	2012-13
<b>As Auditor:</b>		
Audit Fees	300,000	300,000
Tax audit Fee	50,000	50,000
<b>In other capacity:</b>		
Taxation & other Management Services	203,000	48,000
<b>Reimbursement of Expenses</b>	194,366	165,111
<b>TOTAL</b>	<b>747,366</b>	<b>563,111</b>

### 27. Earning per share (EPS)

		Amount in ₹
Particulars	2013-14	2012-13
Profit for the year	19,448,846	16,900,269
Weighted average number of equity shares for the purpose of calculation of		
- Basic EPS	27,700,000	27,700,000
- Diluted EPS	27,700,000	27,700,000
Nominal value of equity shares (₹)	10.00	10.00
EPS- Basic (₹)	0.70	0.61
EPS- Diluted (₹)	0.70	0.61

### 28. Imported and indigenous raw materials, components and spare parts consumed

		Amount in ₹		
Particulars	2013-14		2012-13	
	Rupees	%	Rupees	%
Raw Material				
Imported	125,257,268	26.63%	87,082,626	24.14%
Indigenous	345,154,862	73.37%	273,632,948	75.86%
Chemicals, Stores & Spares				
Imported (Direct)	6,144,989	2.35%	6,920,454	3.39%
Indigenous	255,089,858	97.65%	197,305,352	96.61%

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, 2014

### 29. VALUE OF IMPORTS ON CIF BASIS (excluding purchases from canalising agencies and imported items purchased locally)

	Amount in ₹	
Particulars	2013-14	2012-13
Raw Materials	12,426,625	85,874,056
Chemicals, Stores and Spares	6,382,160	3,959,947
Capital Goods	15,751,815	7,866,659
<b>TOTAL</b>	<b>34,560,600</b>	<b>97,700,662</b>

### 30. EARNINGS IN FOREIGN EXCHANGE

	Amount in ₹	
Particulars	2013-14	2012-13
Export of goods calculated on FOB Basis	264,317,800	190,243,542

### 31. EXPENDITURE IN FOREIGN CURRENCY

	Amount in ₹	
Particulars	2013-14	2012-13
Travelling	167,697	250,121
Commission on Sales	3,764,255	3,278,631
Interest on Loans	5,726,832	7,139,630
Foreign Bank Charges	597,520	536,279

### 32. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

NIL

NIL

### 33. DEFINED BENEFIT PLAN

	Amount in ₹	
Particulars	2013-14	2012-13
The employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust maintained with LIC. The present value of obligation is determined based on actuarial valuation 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.		
<b>Reconciliation of Opening and Closing balance of present value of defined benefit obligation for Gratuity</b>		
Present Value of Obligation at beginning of the year	12,713,222	11,107,797
Current Service Cost	1,275,957	1,091,050
Interest Cost	1,144,190	916,393
Benefits paid	(1,535,248)	(859,811)
Actuarial (Gain)/Loss on Obligations	800,489	457,793
Present Value of Obligation at end of the year	14,398,610	12,713,222

## Notes to Financial Statements for the year ended 31st March, 2014

### 33. DEFINED BENEFIT PLAN (Contd.)

	Amount in ₹	
Particulars	2013-14	2012-13
<b>Reconciliation of Opening and Closing Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at beginning of the year	9,048,573	7,665,198
Expected Return on Plan Assets	827,944	701,366
Contributions	3,838,299	1,556,359
Benefit Paid	(1,535,248)	(859,811)
Actuarial Gain / (Loss) on Plan Assets	-	(14,539)
Fair Value of Plan Assets at end of the year	12,179,568	9,048,573
<b>Reconciliation of Present Value of Obligations and Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at end of the year	12,179,568	9,048,573
Present Value of Obligation at end of the year	14,398,610	12,713,222
Asset/(Liability) recognised in the Balance Sheet	(2,219,042)	(3,664,649)
<b>Expenses recognised during the year</b>		
Current Service Cost	1,275,957	1,091,050
Interest Cost	1,144,190	916,393
Expected Return on Plan Assets	(827,944)	(701,366)
Total Actuarial Loss/(Gain) recognised during the year	800,489	472,332
Net Cost recognised in Statement of Profit and Loss	2,392,692	1,778,409
<b>Assumptions</b>		
Discount Rate (p.a.)	9.00%	8.25%
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	LIC 94-96 ultimate
Withdrawal Rate (p.a.)	2.00%	2.00%
<b>Defined Contribution Plan</b>		
Employers Contribution to PF and FPF	4,577,832	4,466,952

### 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:

Mr. Ved Krishna (Managing Director), Mrs. Manjula Jhunjhunwala (Director), Mr. Narendra Agarwal (Director Works), Mr. R. N. Chakraborty (Director) and M/s Ved Krishna H.U.F.

##### ii. Entities & Associates

Yash Agro Products Limited, Satori Global Limited and M/s Jingle Bell Nursery School Society

## Notes to Financial Statements for the year ended 31st March, 2014

### b. Transactions with related parties during the year in ordinary course of business

	Amount in ₹	
Particulars	2013-14	2012-13
<b>i. Key management personnel and their relatives</b>		
- Remuneration	4,694,890	4,529,694
- Consultancy	360,000	360,000
- Sitting Fee	42,000	58,000
- Fixed deposits received	Nil	545,821
- Fixed deposits repaid	545,821	1,045,821
- Interest paid on fixed deposits	8,774	83,542
- Fixed deposits at the Balance Sheet date	Nil	545,821
- Accrued interest at the Balance Sheet date	Nil	344,647
- Unsecured loans received during the year	9,125,000	Nil
- Unsecured Loans at the Balance Sheet date	12,625,000	3,500,000
<b>ii. With related entities &amp; associates</b>		
Satori Global Limited		
- Rent received	24,000	24,000
- Payable at the Balance Sheet date	Nil	3,837,639
- Commission Paid on Sale	541,147	891,543
Yash Agro Products Limited		
- Paid for vehicle hire charges	28,000	144,000
- Received for services & others	18,407	25,612
- Receivable/(payable) at the Balance Sheet date	Nil	(140,065)
M/s Jingle Bell Nursery School Society		
- Fixed deposits received	5,144,481	1,530,084
- Fixed deposits repaid	9,037,624	3,512,058
- Interest paid on fixed deposits	905,242	1,371,377
- Fixed deposits at the Balance Sheet date	6,674,565	10,567,708
- Accrued interest at the Balance Sheet date	2,463,112	3,163,347

### c. No amount has been written off/back or provided as doubtful debt during the year in respected or related parties.

## Notes to Financial Statements for the year ended 31st March, 2014

### 35. CAPITAL AND OTHER COMMITMENTS

Amount in ₹		
Particulars	2013-14	2012-13
Estimated value of contracts remaining to be executed on capital account (net of advances)	6,979,132	1,697,500
Other Commitments	NIL	NIL

### 36. CONTINGENT LIABILITIES

Amount in ₹		
Particulars	2013-14	2012-13
Claim against the company not acknowledged as debt (refer Note 36.1)		
- Excise duty	30,128,372	35,834,606
- Trade Tax	270,957	138,209
- Income Tax	2,543,300	43,949
- Others	24,048,163	24,955,000
Guarantee given by Banks	5,400,000	5,000,000
Letter of Credits	23,825,200	18,877,395

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 is as under:

#### a) Exposure Hedged by Forward Exchange Contract

Nature of Exposure	Underlying Risk Coverage	Currency	2013-14	2012-13
FCNR (B) Demand Loan	USD/INR	USD	1,506,264	1,508,862

#### b) Un-hedged Foreign Currency Exposure

Nature of Exposure	Underlying Risk	Currency	2013-14	2012-13
Outstanding Export Bills	USD/INR	USD	369,344	437,140
Outstanding Export Bills	AUD / INR	AUD	27,728	30,526
Outstanding Import Bills	GBP / INR	GBP	NIL	23,729
Outstanding Import Bills	EURO / INR	EURO	818	NIL
Outstanding Import Bills	USD / INR	USD	236,418	229,398
Receivable of CERs	EURO / INR	EURO	2,226,498	2,226,498
Letter of Credit	USD / INR	USD	397,650	347,650



## Notes to Financial Statements for the year ended 31st March, 2014

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 has been recognised as income accrued for 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). Total amount receivable as at the year end ₹15,47,59,000 has been disclosed as Other Current Assets. Though The accounting treatment is not in conformity with the "Guidance Note on Accounting of self-generated Certified Emission Reductions (CERs)" issued by the Institute of Chartered Accountants of India (the Guidance Note), made effective from accounting periods beginning on or after April 01, 2012, but the revenue has been recognised in the accounts on the basis of ERPA for the period covered in ERPA only. The audit for the period April, 2007 to August, 2008 has already been completed and the no. of CER's accounted for in the books of accounts for the period have been verified by the UNFCCC appointed auditors. We are expecting to the receipt of CER's within next quarter.

### 40. EXPENDITURE ON RESEARCH AND DEVELOPMENT

Particulars	Amount in ₹	
	2013-14	2012-13
Capital Expenditure	NIL	NIL
Revenue Expenditure (included in Miscellaneous Expenses)	1,215,413	705,158

### 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. Figures for the previous year figures have been reclassified / regrouped wherever required. Figures in brackets pertain to previous year.

As per our report of even date

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



(Rajesh Parasramka)  
Partner  
M. No. 074192  
Camp: New Delhi  
Dated: May 15, 2014

For and on behalf of the Board of Directors



Ved Krishna  
Managing Director



Nikhil Gupta  
Chief Financial Officer



N K Agrawal  
Director Works



## ATTENDANCE SLIP

Yash Papers Limited

Regd. Office: - 47/81, Hatia Bazar, Kanpur – 208001, Uttar Pradesh

Corp. Office : Yash Nagar, Faizabad – 224001, 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 34th ANNUAL GENERAL MEETING of the Company held on Saturday, August 09, 2014 at 09:00 a.m. at Hotel Little Chef, 15/198, Civil Lines, Kanpur – 208 001 (Uttar Pradesh).

\* Applicable for investors holding shares in electronic form.

Signature of the Shareholder / proxy



Yash Papers Limited

Regd. Office: - 47/81, Hatia Bazar, Kanpur – 208001, Uttar Pradesh

Corp. Office : Yash Nagar, Faizabad – 224001, Uttar Pradesh

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

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

Form No. MGT - 11  
**PROXY FORM**

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

Name of the member(s):		e-mail Id:	
Registered address:		Folio No/ *Client Id:	
		*DP Id:	

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
- 3) .....of .....having e-mail id .....

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th ANNUAL GENERAL MEETING of the Company held on Saturday, August 09, 2014 at 09:00 a.m. at Hotel Little Chef, 15/198, Civil Lines, Kanpur – 208 001 (Uttar Pradesh) and at any adjournment thereof in respect of such resolutions as are indicated below:

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Resolutions:	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors (Ordinary Resolution)		
2. Re-appointment of Mrs. Manjula Jhunjhunwala, who retires by rotation (Ordinary Resolution)		
3. Appointment of Kapoor Tandon & Co. as Statutory Auditors for block of 3 consecutive years and fixing their Remuneration (Ordinary Resolution)		
4. Appointment of Mr. Atul Kumar Gupta as an Independent Director (Ordinary Resolution)		
5. Appointment of Mr. Kaikobad Dorab Pudumjee as an Independent Director (Ordinary Resolution)		
6. Appointment of Mr. Gyanendra Nath Gupta as an Independent Director (Ordinary Resolution)		
7. Appointment of Mr. Ramesh Narayan as an Independent Director (Ordinary Resolution)		
8. Appointment of Ms. Kimberly Ann McArthur as an Independent Director (Ordinary Resolution)		
9. Appointment of Dr. Indroneel Banerjee as an Independent Director (Ordinary Resolution)		
10. Appointment of Mr. Jaideep Narain Mathur as an Independent Director (Ordinary Resolution)		
11. Appointment of Mr. Mudar Patherya as an Independent Director (Ordinary Resolution)		
12. Approval of Remuneration of Mr. Rakesh Misra, Cost Auditors (Ordinary Resolution)		
13. Re-appointment of Mr. Ved Krishna, Managing Director on enhanced remuneration (Special Resolution)		
14. Appointment of Mr. Girish Kumar, CEO (Key Managerial Person) as Wholtime Director (Special Resolution)		
15. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 (Special Resolution)		
16. Approval for increase in the borrowing limits of Company beyond the Paid-up Capital and Free Reserves of the Company (Special Resolution)		
17. Approval for hypothecation and mortgage the movable and immovable properties (present and future) of the Company (Special Resolution)		
18. Approval for transactions with Related Parties (Special Resolution)		

I hereby record my presence at the 34th ANNUAL GENERAL MEETING of the Company held on Saturday, August 09, 2014 at 09:00 a.m. at Hotel Little Chef, 15/198, Civil Lines, Kanpur – 208 001 (Uttar Pradesh).

Signed this..... day of.....2014

.....  
Signature of Shareholder

.....  
Signature of first proxy holder

.....  
Signature of second proxy holder

.....  
Signature of third proxy holder

#### 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.

## Notes

# CORPORATE INFORMATION

## Board of Directors

Mr. Kaikobad Dorab Pudumjee, *Chairman*  
Mr. Ved Krishna, *Managing Director*  
Mr. Narendra Kumar Agrawal, *Director-Works*  
Mr. Girish Kumar, *Wholetime Director*  
Mrs. Manjula Jhunjunwala, *Director*  
Dr. Indroneel Banerjee, *Director*  
Mr. Gyanendra Nath Gupta, *Director*  
Mr. Ramesh Narayan, *Director*  
Ms. Kimberly Ann McArthur, *Director*  
Mr. Jaideep Narain Mathur, *Director*  
Mr. Mudar Patherya, *Director*  
Mr. Atul Kumar Gupta, *Additional Director*

## Compliance Officer

Mr. Sachin K. Srivastava,  
*Head of Legal & Secretarial*

## 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 Mishra  
Cost Accountant  
122/314, Shastri Nagar,  
Kanpur – 208 005

## Internal Auditors

Mathur Wahi Nagar & Associates  
Chartered Accountants  
1st Floor, 6/207, Vipul Khand,  
Gomti Nagar, Lucknow 226010

## Legal Advisor

Mr. Madan Mohan Pandey  
Advocate  
Balrampur House, Rebaganj,  
Faizabad 224001

## Registered Office

47/81, Hatia Bazar, Kanpur 208001

## Works and Corporate Office

Yash Nagar,  
Faizabad 224135, Uttar Pradesh  
Phone: 05278 326611-12  
Fax No: 05278- 258062  
Website: [www.yash-papers.com](http://www.yash-papers.com)  
Email: [info@yash-papers.com](mailto: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](mailto:admin@skylinerta.com)

## 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 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.

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





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