



**ANNUAL REPORT**

**VICTORY PAPER AND  
BOARDS (INDIA) LIMITED**

**2014-15**

# **VICTORY PAPER AND BOARDS (INDIA) LTD**

**CIN : L21019KL1994PLC008083**

**21<sup>st</sup> Annual General Meeting at 10.00 on 30.09.2015.**

## **N O T I C E**

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Notice is hereby given that the Twenty First Annual General Meeting of the members of VICTORY PAPER AND BOARDS (INDIA) LTD will be held at K T Pavunny Memorial Hall Vyapara Bhavan , Trichur District, Kerala, on the 30<sup>th</sup> September 2015 at 10.00 AM, to transact the following business.

### **Ordinary Business**

1. To receive, consider and adopt the audited accounts of the Company for the financial year ended 31<sup>st</sup> March 2015, together with the Reports of the Directors and the Auditors thereon.
2. To ratify the appointment of Auditors for the year 2015-16 and in this respect to pass, with or without modification, the following resolution as ordinary resolution.

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, the Company hereby ratifies the appointment of Mr. G V Sukumar (Membership No. 207748) Chartered Accountant, who was appointed in the 20<sup>th</sup> (2014) AGM for five years, as Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next annual general meeting of the Company”.

3. To Re-appoint the Retiring Director Mr.T P Geo in this respect to pass, with or without modification, the following resolution as ordinary resolution.

“Resolved that Mr.T P Geo the Retiring Director, be and is hereby reappointed as Director of the Company subject to retirement.”

Kunnamkulam

20.08.2015

By order of the board  
VICTORY PAPER AND BOARDS (INDIA) LTD  
Sd/-  
K P Davis, Chairman

### **NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote on a poll instead of himself and the Proxy need not be a member. The proxy form duly completed and stamped must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. A blank proxy form is sent herewith. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company, carrying voting rights.
2. Members are requested to notify immediately any change in their addresses to the Company and all correspondences including share transfer and endorsement matters should be made to the Company address and also intimate the E-mail ID of the members at the same address.
3. The register of members and share transfer books shall remain closed from 20.09.2015 to 30.09.2015, both days inclusive.

# **VICTORY PAPER AND BOARDS (INDIA) LTD**

## **DIRECTORS REPORT TO THE SHAREHOLDERS**

Dear Shareholder,

Your Directors have pleasure in presenting to you the 21<sup>st</sup> Annual Report together with the final accounts for the year ended 31st March, 2015:

### **PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY**

The company during the year had a revenue of `580.44 lakhs from sale of scrap and suffered a net loss of `444.41 lakhs. The company could not take any production during the year due to labor strike and lock out which is still continuing since 2009. As the company was closed for more than six years the maintenance work has to be carried out and the discussions in this regard are progressing.

### **DIVIDEND**

Due to loss sustained by the Company and the continuing lock out, the Directors are not in a position to recommend payment of any dividend to the members for the year ended 31st March, 2015.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. K P Davis and Mr. K P Saxon were appointed as chairman-cum- whole time director and Managing director of the company with effect from 19.10.2014 for a period of five years. There was no change in the board of director during the year and there was no other managerial personnel appointed or in employment with the company. Because of the lock out and the state of affairs of the company no independent director is appointed.

### **ANNUAL EVALUATION**

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors on the basis of inputs from all the directors on criteria such as Board composition and structure, meeting procedures and functioning, etc.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Your directors state that:

- I. In preparing the Annual Accounts for the year ended 31.03.2015, the applicable accounting standards have been followed and there are no material departures from the same.
- II. The Directors had 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 at the end of the financial year and of the profit or loss of the Company for the year ended on that date.
- III. The directors has 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.

# **VICTORY PAPER AND BOARDS (INDIA) LTD**

IV. That the Directors had prepared the accounts on a going concern basis, as the Management is confident that the company will restart operations soon.

V. The directors had laid down internal financial controls to be followed by the company and that such controls are adequate and operating effectively and

VI. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **LISTING**

The shares of the company is listed at the Bombay Stock Exchange. The listing fees continue to be in arrears and the trading in the shares of the company is suspended.

## **CORPORATE GOVERNANCE REPORT & MANAGEMENT DISCUSSION & ANALYSIS**

Because of the long continuing lock out and the resultant state of affairs, the company could not be in compliance with the corporate governance requirements as per clause 49 of the listing agreement. The details and disclosures are given in annexure 'B'.

## **EXTRACT OF ANNUAL RETURN**

The extract of annual return for the year ended 31.03.2015 in the prescribed format is annexed.

## **AUDITORS AND AUDIT REPORT**

Mr. G V Sukumar (Membership No, 207748) Chartered accountant, was appointed as statutory auditor of the company to hold office till 2019, subject to ratification of the ensuing AGM. Though the accounts of the company are finalized, approved by the directors and handed over to the auditor for his report, the auditor has not yet submitted the report. Your directors will forward the audit report as soon the same is received by the company, together with the board's response on the adverse comments, if any, in the report.

## **SECRETARIAL AUDIT REPORT**

M/s. K P Thomas & Co., Company Secretaries, were appointed as secretarial auditors of the company and their report in terms of section 204 of the Companies Act, 2013 is annexed. As regards the qualifications/adverse comments in the report regarding statutory non-compliances etc. your directors would submit that it is due to the long continuing lock out and the resultant non-functioning of office. Adequate remedial measures to attain full statutory compliances will be initiated as soon as the company restarts its operations.

## **AUDIT COMMITTEE**

The composition and details of meetings of the audit committee are given below

Members: 1. Mr. T P GEO 2. Mr. K P SAXON 3. K P DAVIS

Date of Meeting - 14.07.2014, 20.12.2014

## **MEETING OF THE BOARD**

Six meetings of the board were held during the year on 30.05.14, 14.07.14, 30.07.2014, 20.08.2014, 20.12.14 and 11.02.15

# **VICTORY PAPER AND BOARDS (INDIA) LTD**

## **PARTICULARS OF EMPLOYEES ETC. AS PER SECTION 197(12)**

No remuneration was paid to any of the directors and there was no employee in receipt of remuneration in excess of the limits in terms of Rule 5(2).

## **PARTICULARS LOANS /INVESTMENTS /GUARANTEE UNDER SECTION 186**

No loan was given, investments made, or guarantee provided during the year attracting the provisions of S. 186 of the Companies Act 2013.

## **STATEMENT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND R&D**

Not applicable as the company had no operations during the year

## **CONTRACTS ARRANGEMENTS WITH RELATED PARTIES**

There was no contract or arrangement with related parties during the year, except in the ordinary course of business at arm's length basis. The form AOC-2 is attached.

## **RISK MANAGEMENT POLICY**

Being a sick unit without any operations, the company faces various risks – operational, financial, market share etc. A proper assessment can be possible only on restarting the business activity.

## **MATERIAL CHANGES AFFECTING FINANCIAL POSITION BETWEEN END OF YEAR AND REPORT DATE**

Nil, except that the operations of the company continue to be under lock out.

## **DISCLOSURES NOT APPLICABLE DURING THE YEAR AS THERE WAS NO TRANSACTION OR INCIDENCE**

Details of deposits, Issue of equity shares with differential rights and to employees, Remuneration received by the Mg director and whole time directors from subsidiaries, Cases filed or reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, Orders passed by regulators, courts or tribunals that impact the going concern status and future operations of the company, CSR activities, Changes in subsidiaries, and changes in nature of business.

## **ACKNOWLEDGMENTS**

Your directors wish to place on record their gratitude to companies, Customers for their continued patronage and concerned Banks for their guidance and co-operation.

By order of the Board

For VICTORY PAPER AND BOARDS (INDIA) LTD

Sd/-

Sd//-

Place : Kunnankulam  
20.08.2015

K P Davis  
Chairman

K P Saxon  
Mg. Director

# VICTORY PAPER AND BOARDS (INDIA) LTD

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2015**

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

## I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L21019KL1994PLC008083
ii)	Registration Date	09/08/1994
iii)	Name of the Company	VICTORY PAPER AND BOARDS(INDIA)LTD
iv)	Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non Government Company
v)	Address of the Registered office and contact details	1/281G Victory Press Building P B No 36 Kunnaamkulam Trichur Kerala - 680503
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	CAMEO CORPORATE SERVICES LTD Subramanian Building, 1 Club House Rd., Chennai- 600002 <b>(Electronic Connectivity for demat only)</b>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No.	Name and description of main products/services	NIC code of the products/Service	% to total turnover of the company
1	Paper, Paper boards	1709	Nil

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – Nil

**VICTORY PAPER AND BOARDS (INDIA) LTD**

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

*i) Category-wise Share Holding*

[illegible]

## VICTORY PAPER AND BOARDS (INDIA) LTD

f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>80000</b>	<b>0</b>	<b>80000</b>	<b>0.592</b>	<b>80000</b>	<b>0</b>	<b>80000</b>	<b>0.592</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	247077	1002100	1249177	9.253	243677	5200	248877	1.843	-7.409
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual share holders holding nominal share capital upto Rs. 1 lakh	1004706	1273500	2278206	16.875	1020344	637800	1658144	12.282	-4.593
ii) Individual share holders holding nominal share capital in excess of Rs1 lakh	178751	1346600	1525351	11.298	919513	282500	1202013	8.903	-2.39
c) Others									
Directors & their relatives	500	0	500	0.003	500	0	500	0.003	0
HUF	19064	0	19064	0.141	19064	0	196064	0.141	0
NRI	14902	512200	527102	3.904	14902	512200	527102	3.904	0
<b>Sub-total</b>	<b>1465000</b>	<b>4134400</b>	<b>5599400</b>	<b>41.477</b>	<b>2218000</b>	<b>1437700</b>	<b>3655700</b>	<b>27.079</b>	<b>0</b>
<b>Total B (B1+B2)</b>	<b>1545000</b>	<b>4134400</b>	<b>5679400</b>	<b>42.069</b>	<b>2298000</b>	<b>1437700</b>	<b>3735700</b>	<b>27.679</b>	<b>-14.397</b>
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>2296000</b>	<b>11204000</b>	<b>13500000</b>	<b>100</b>	<b>2298000</b>	<b>11202000</b>	<b>13500000</b>	<b>100</b>	<b>0</b>

### ii) *Shareholding of Promoters*

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Victory Press Pvt Ltd	4000000	29.63		4000000	29.63		
2	Davis K P	1230800	9.11		1532200	11.35		2.23



## VICTORY PAPER AND BOARDS (INDIA) LTD

3	Victory Press Pvt Ltd	751000			0			-5.56
4	Saxon K P Jt. Nini Saxon	678600	5.56		1232100	9.12		4.10
5	Nithin Saxon – Minor Jt. Saxon K P	671800	4.98		770900	5.71		0.73
6	Nini Saxon Jt. Saxon K P	231400	1.71		1023200	7.57		5.87
7	Davis K P Jt. Usha Davis	120000	0.88		120000	0.88		
8	Usha Davis Jt. Davis K P	114000	0.84		1085900	8.04		7.20
9	Pavunny K T Jt. Achamma Pavunny	16500	0.12		--	--		-0.12
10	Achamma Pavunny Jt. Pavunny K T	6500	0.04		--	--		-0.04

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

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares				No. of shares	% of total shares
1	Victory Press Pvt. Ltd.	4000000	29.63				4000000	29.63
2	Davis K P	1230800	9.11	31.03.215	+301400		1532200	11.35
3	Victory Press Pvt. Ltd	751000		31.12.2014	-751000		0	0
4	Saxon K P Jt. Nini Saxon	678600	5.03	31.03.2015	+553500		1232100	9.13
5	Nithin Saxon – Minor Jt. Saxon K P	671800	4.98	31.03.2015	+99100		770900	5.71
6	Nini Saxon Jt. Saxon K P	231400	1.71	31.03.2015	+791800		1023200	7.57
7	Davis K P Jt. Usha Davis	120000	0.88				120000	0.88

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8	Usha Davis Jt. Davis K P	114000	0.84	31.03.2015	+971900		1085900	8.04
9	Pavunny K T Jt. Achamma Pavunny	16500	0.12	31.03.2015	-16500		0	0
10	Achamma Pavunny Jt. Pavunny K T	6500	0.04	31.03.2015	-6500		0	0

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

Sl. No.	Name	Shareholding at the beginning of the year 01.04.14 & End of the year 31.03.15		Date	Increase/decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of shares				No. of shares	% of shares
1	Padmakant Devidas Securites Ltd	690600	5.11	31.03.15	-690600	Sale	0	0
2	Thampi CC	200000	1.48		No Change		200000	1.48
3	KSIDC	200000	1.48	31.03.15	No Change		200000	1.48
4	Dilna Davis	195200	1.45	31.03.15	-195200	Sale	0	0
5	Subramani S	172600	1.27	31.03.15	-172600	Sale	0	0
6	Foresight Securities Ltd	169700	1.25	31.03.15	-169700	Sale	0	0
7	White Label Enterprises Ltd	150000	1.11	31.03.15	-150000	Sale	0	0
8	Norine Saxon	109000	0.81	31.03.15	-109000	Sale	0	0
9	Dexeena Davis	101000	0.75	31.03.15	-101000	Sale	0	0
10	Korathe Mohammed Jt. Mangalathel Rabiya	100000	0.74		No change		100000	0.74
11	Boby M Jacob	0	0	31.12.14	751000	5.56	751000	5.56
12	The Catholic Syrian Bank Limited	80000	0.59		No Change		80000	0.59
13	Thampi CC Jt. Solgy Thampi	50000	0.37		No Change		50000	0.37
14	Mangala Sadavarte	22381	0.17		No Change		22381	0.17
14	Mangala Sadashiv	3000	0.02		No Change		3000	0.02

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	Sadavarte						
15	Babu Paul	20927	0.16		No Change	20927	0.16
16	Ummer E V	20000	0.15		No change	20000	0.15
17	Kunhimohamed A M	20000	0.15		No Change	20000	0.15

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

Sl. No.		Shareholding at the beginning of the year		Date	Increase/decrease	Reason	Cumulative Shareholding during the year	
		No.of shares	% of shares				No. of shares	% of shares
1	Davis K P	1350800	9.99	31.03.2015	+301400		1652200	12.24
2	Saxon K P	678600	5.03	31.03.2015	+553500		1232100	9.13

vi) **INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	12326093	NIL	700000	
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
□ Addition				
□ Reduction	-7747846			
<b>Net Change</b>				

## VICTORY PAPER AND BOARDS (INDIA) LTD

<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	4578247		700000	

vii) **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL : Nil**

A. *Remuneration to Managing Director, Whole-time Directors: Nil*

B. *Remuneration to other directors: Nil*

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

viii) **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

# VICTORY PAPER AND BOARDS (INDIA) LTD

## Form No. AOC-2

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

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

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

Not entered into any contract or arrangement or transaction with its related parties which is not at arm's length basis and in ordinary course of business during financial year 2014-15.

2. Details of material contracts or arrangement or transactions at arm's length basis:

a. Name(s) of the related party and nature of relationship:

(1) Victory Computer Forms	: 51142338/-
(2) Victory Press Private Ltd	: 111342494/-
(3) Victory Inn	: 580000/-

b. Nature of contracts / arrangements / transactions: as above

c. Duration of the contracts / arrangements / transactions : Not Applicable

d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not applicable

e. Date(s) of approval by the Board, if any:

Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.

f. Amount paid as advances, if any: Nil

On behalf of the board of directors,

Kunnumkulam  
20.08.2015

Sd/-  
K P Davis,  
Chairman

# VICTORY PAPER AND BOARDS (INDIA) LTD

## Annexure B to the Director's Report

### Corporate Governance

#### 1. Company's Philosophy on Corporate Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Victory Paper and Boards (India) Limited's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. VPBL is committed to achieving the highest standards of corporate governance and thereby to enhance the overall shareholder value, over a sustained period of time.

#### 2. Board of Directors

The board of Directors consists of Three Directors with one chairman -cum -Whole Time Director, one Managing Director and one Non-executive director. During the year under review, 6 Board Meeting were held on 30.05.14, 14.07.14, 3.07.14, 2.08.14, 20.12.14, & 11.02.15. The composition of the Board of Directors and attendance of the directors at the Board meeting during the year and at the last Annual General Meeting as also number of other directorships in Indian Public Limited Companies are as follows:

Name of Director	Attendance at last AGM	No of Board meeting attended	Category of Director	Sitting Fee	Other Directorship	Other Board Committee	
						Chairman	Member
K P Saxon	Yes	6	MD	-	2	-	-
K P Davis	Yes	6	Whole time Director	-	2	-	-
T P Geo	Yes	6	Director	-	-	-	-

#### 3. Committees of the board.

There are four committees of the board viz. the audit committee, nomination and remuneration committee, stake holder relationship committee and share transfer committee.

##### (i) Audit committee

The audit committee comprises two executive directors and one non-executive director as follows. The committee membership and attendance are given below:

Name of the member	Status	No of meeting attended
T P Geo	Chairman	2
K P Davis	Member	2
K P Saxon	Member	2

The committee met twice during the year on 14. 07.2014 and 20.12.2014.

##### (ii) Nomination and remuneration committee

The committee consisted of the following directors: (1) Shri K P Davis, (2) Shri K P Saxon and (3) Shri T P Geo (chairman). The committee met once during the year on 20.12.2014.

##### (iii) Stakeholder relationship committee

# VICTORY PAPER AND BOARDS (INDIA) LTD

The committee consisted of the following directors: (1) Shri K P Davis,(chairman) (2) Shri K P Saxon and (3) Shri T P Geo. The committee met twice during the year on 14.07.2014 and 20.12.2014.

(iv) Share transfer committee

The committee consisted of the following directors: (1) Shri K P Davis,(2) Shri T P Geo (chairman).

4. General body meeting:

The last three general body meeting were held as under:

Financial year	Date	Time	Location
2013-2014	13.02.2015	10.00 a.m.	K T Pavunny Memorial Hall, Trichur.
2012-2013	27.12.2013	10.00 a.m.	Chamber Tower, Kunnumkulam.
2011-2012	28.12.2012	10.00 a.m.	Chamber Tower, Kunnumkulam.

5. Disclosures:

- (i) None of the transactions with any of the related parties were in conflict with the interests of the Company
- (ii) No penalties have been imposed on the company for the last three years by the stock exchange of SEBI or any statutory authority on any matter related to capital markets for non-compliance by the company

6. General shareholder information:

i) 21<sup>st</sup> Annual General Meeting:

Venue: K T Pavunny Memmorial Hall, Vyapara Bhavan, Kunnamkulam, Thrissur Dist., Kerala

Time: 10.00 a.m

Date: 30.09.2015.

ii) Book closure

The register of members and share transfer books shall remain closed from 20.09.2015 to 30.09.2015, both days inclusive.

iii) Dividend payment date : No dividend has been proposed for the year 2014-15.

iv) Listing : listed with Bombaby Stock Exchange Ltd.

v) Demat ISIN Numbers : ISIN No. INE962E01015 in NSDL & CDSL for equity shares

vi) Market price data : Company's shares were not traded in any stock exchanges during the year.

vii) Share price performance in comparison to board based indices – Data not available

ix) Registrars and Transfer Agents

For Physical transfers : Secretarial Department, M/s Victory Paper and Boards(India) Ltd.  
Victory press building, Kunnumkulam – 680503.

For Demat transfers : Cameo Corporate Services Ltd., Subramanyan Building, No.1, Club House Road, Chennai – 600002

x) Share Transfer System

Presently, the share transfers which are received in physical from are processed, approved by the transfer committee and the share certificate returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

# VICTORY PAPER AND BOARDS (INDIA) LTD

## xi) Distribution of shares holding

The distribution of share holding as on 31 March, 2015 was as follows:

Sl no	No of Equity share holders		% of total shareholders	No of shares held	% of total shares
1	1 to 100	1192	37.37	88900	0.66
2	101 to 500	817	25.61	177700	1.32
3	501 to 1000	579	18.15	276100	2.04
4	1001 to 5000	493	15.45	799000	5.92
5	5001 to 10000	50	1.57	204900	1.52
6	10001 to 100000	40	1.25	783300	5.80
7	100001 to 500000	12	0.38	1613600	11.95
8	500001 & above	7	0.22	9556600	70.79
		3190	100	13500100	100

Details of shareholding as on 31<sup>st</sup> March 2015 was under:

No	Sl	Category	No of shares	% shareholders
1		Promoters	5764300	42.70
2		Financial Institution, Banks	80000	0.60
3		NRIs, Foreign Nationals, OCB & FIIs	527102	3.90
4		Indian Public	2879721	21.33
5		Corporate body	4248877	31.47
			13500000	100.00

## xii) Dematerialisation of shares and liquidity

The shares of the company fall under the category of compulsory delivery in dematerialized mode by all categories of investors. The company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depositories Services (India) Limited 16.80% of the share capital of the company has already been dematerialised.

xiii) Outstanding GDRS/ADRS/warrants or any convertible instruments, conversion date and likely impact on equity : Nil

xiv) Location of the Plants : Victory Paper and Boards (India) Ltd. (Factory)  
IV/120-A, Mannukadu P O, Vengoli  
Elappully, Palakkad – 678 622, Kerala

xv) Address for correspondence  
Victory Paper and Boards (India) Ltd  
Registered Office : P B No.36  
Victory Press Building,  
Kunnumkulam – 680 503.



# VICTORY PAPER AND BOARDS (INDIA) LTD

**K P Thomas & Co.** COMPANY SECRETARIES

Carmel Building, 1<sup>st</sup> Floor, Banerji Road

Ernakulam, Kochi, Pin – 682 018.

Phone : 0484 – 2395304, 09995467377

Email – [kptfcs@gmail.com](mailto:kptfcs@gmail.com)

**Form No. MR-3**

## **SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2015*

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

To,

The Members,

VICTORY PAPER AND BOARDS (INDIA) LTD  
Kunnamkulam

I, K P Thomas, company secretary, proprietor of K P Thomas & Co., have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VICTORY PAPER AND BOARDS (INDIA) LTD CIN L21019KL1994PLC008083 (hereinafter called 'the company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the explanations/information provided by the company, its officers, agents and authorized representatives and the data available on MCA website during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the observations/reporting made hereinafter:

I have examined the papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2015 by the company according to the provisions of:

# VICTORY PAPER AND BOARDS (INDIA) LTD

- I. The Companies Act, 2013 (the Act) and the rules.
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules.
- III. The Depositories Act, 1996 and the Regulations and Bye-laws .
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not applicable during the year.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable during the period covered.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the period covered and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable during the period covered
- (vi) The company being under lock out and having no business/operations during the year and previous many years, no law is identified as specifically applicable to it during the audit period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India: Not applicable during the period covered by the audit.
- (ii) The Listing Agreements entered into by the Company with the Mumbai Stock Exchange Ltd;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *subject to the following observations:*

- (i) The statutory books, registers and documents were not available for examination. The audit has therefore substantially relied on other sources and explanations/submissions by the officers, agents and connected persons of the company
- (ii) The company has not appointed

## **VICTORY PAPER AND BOARDS (INDIA) LTD**

independent directors in terms of Sec. 149 of the Act (iii) Not appointed Internal auditor in terms of S. 138 of the Act (iv) not appointed key managerial personnel in terms of S. 203 of the Act (v.) As informed by the company the notices of AGM held on 13.02.2015 were dispatched in time to all members by post/courier though no proof of dispatch was available (vi) The company did not upload required data/documents on the website (vii) Report on AGM not filed with ROC in terms of Sec. 121 of the Act (viii) Facility of e-voting was not provided for the AGM (Listing agreement) and the resolutions at the AGM were decided on show of hands (ix) The company's issued capital is 13500000 equity shares where as its listed capital is only 950000 equity shares (x) The required Forms including MR-1 in respect of appointment of Mg. Director and whole time director not filed.(xi) The AGM for the financial year ended 31.03.2014 was held on 13.02.2015 much beyond the due date. There was no evidence of any extension granted by the Registrar of Companies. (xii) No Woman director was appointed in terms of Sec. 149(1) of the Act.(xiii) The annual return (form 20B) -2014 and return for appointment of auditor (form ADT-1) not filed with ROC. (xiv) The SCORES platform for investor complaints not set up. (xv) Intimation/Advertisement of Book closure not made (xvi) Notice of board meetings for results not given to the Stock Exchange (xvii) No press release in respect of board meetings for results made (xviii) Quarterly results not emailed and not published in News papers (xix) Non submission of quarterly/annual filings with Stock Exchange (xx) Reconciliation of share capital audit report in terms of SEBI regulation 55A not submitted (xxi) Report on proceedings in the Annual General Meeting not submitted to Stock Exchange (xxii) The company is not in compliance of the corporate governance regulations as per cl. 49 of the listing agreement. (xxiii) Listing fees to the Stock Exchange remain in arrears.

I further report that:

The Board of Directors of the Company is duly constituted. It is, however, without proper balance of Executive Directors, Non-Executive Directors and Independent Directors in terms of the Act and the listing regulations. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, subject to my observations above.

I am informed that adequate notice is given to all directors of scheduled Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. No documentary evidence was however available for verification. As explained to me, majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

## **VICTORY PAPER AND BOARDS (INDIA) LTD**

I further report that during the audit period the company had no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. except that the company remain under lock out without any operations and its shares remain suspended by the stock exchange.

Place : Ernakulam

Date : 12.08.2015

For K P Thomas & Co

Company Secretaries

Sd/-

K P Thomas, Proprietor ,

FCS 2134, C P 8886

*Note :* This Report is to be read with our letter of even date in Annexure A, which forms an integral part of this report.

# VICTORY PAPER AND BOARDS (INDIA) LTD

**K P Thomas & Co. COMPANY SECRETARIES**

*Carmel Building, 1<sup>st</sup> Floor, Banerji Road*

*Ernakulam, Kochi, Pin – 682 018.*

*Phone : 0484 – 2395304, 09995467377*

*Email – kptfcs@gmail.com*

Form MR-3 - ANNEXURE A

Date : 12.08.2015

To

The Members,

VICTORY PAPER AND BOARDS(INDIA)LTD  
Kunnumkulam

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For K P Thomas & Co,  
Company Secretaries

Sd/-  
K P Thomas, Proprietor  
FCS 2134, CP 8886.

# **VICTORY PAPER AND BOARDS (INDIA) LTD**

## **AUDITORS' REPORT**

**THE MEMBERS OF VICTORY PAPER AND BOARDS (INDIA) LIMITED,  
KUNNAMKULAM, Thrissur – 680 503**

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Victory Paper and Boards (India) Ltd. Kunnankulam, Thrissur 680503 ("the company") as at 31<sup>st</sup> March, 2015 which comprise the Balance sheet as at March 31, 2015 and the statement of Profit & Loss and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information annexed thereto.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with the standards on auditing specified under Section 143(10) of the Act. Those standards require that I 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. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for adverse audit opinion on the financial statement.

### **Basis for adverse opinion**

- 1. The company is manufacturer of different varieties of paper and has been in lock out from 30-08-2009. The details of inventory valuation are not available with the Company. Also Inventory records in respect of Raw materials, finished goods, Consumables, Stores and spares and semi- finished goods were not made available for my verification. Hence I unable to verify compliance of Accounting Standard-2, Valuation of Inventories.*
- 2. The Company has made scrap sale of Rs.37285148/ during the year. The nature and description of items sold as scrap was not available. Hence Iunable to verify the correctness of these transactions.*
- 3. According to my opinion, Trade Receivables of Rs.14,53120 and Advance for Fixed Assets of Rs. 674923 is long outstanding and is doubtful of recovery.*

### **Adverse Opinion**

In My Opinion and to the best of my information and according to the explanations given to me, and also for the effects of the matter described in the basis for Adverse opinion paragraph and the annexure to the Independent Auditors Report, the financial statements does not give the information required by the Companies Act, 2013,in the manner so required and does not 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, 2015.
- b). In the case of the Profit and loss account, of the “Loss” for the year ended on that date.
- c). In case of the cash flow statement, of the cash flows for the year ended on that date.

### **Report on other legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order, 2015 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act,I give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable
2. As required by section 143(3) of the Act , I report that-
  - (a) I have not obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit;

- (b) In my opinion, proper books of accounts as required by law have not been kept by the company so far as appears from my examination of those books;
- (c) The Balance sheet and statement of Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- (d) In my opinion, the Balancesheet and statement of Profit and Loss account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2015 and taken on record by the Board of Directors, None of the Directors is disqualified as on 31<sup>st</sup> March, 2015 from being reappointed as a director in terms of section 164 (2) of Companies Act, 2013.

C A. G V Sukumar, BSc, FCA  
Thrissur Chartered Accountant  
Membership No:207748

Thrissur  
10-03-2016.



# VICTORY PAPER AND BOARDS (INDIA) LTD

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- i)* (a) The Company has not satisfactorily maintained records showing particulars including quantitative details and situation of fixed assets. The records are not updated for the past few years. In the absence of an updated fixed asset register and due to non-availability of records of physical verification I am unable to ascertain the appropriateness of the same.  
(b) As explained to me most of the assets have been physically verified by the Management during the year in accordance with a phased programme of verification adopted by the company and no material discrepancies were noticed on such verification. However I am unable to verify the reasonableness of the same, as necessary documentary evidences were not made available for our verification  
(c) In our opinion and according to the information and explanations given to me, there has been no significant disposal of fixed assets during the year.
- ii)* (a) As explained to me the company has conducted physical verification at reasonable intervals in respect of inventory. However I have not received any documentary evidence to verify the same.  
(b) In the absence of documentary evidence I am unable to ascertain whether the procedures of physical verification of stock followed by the Management are reasonable and adequate or in relation to the size of the company and the nature of its business.  
(c) In My Opinion the company is not maintaining proper records of inventory. In the absence of records I am unable to ascertain whether discrepancies if any were noticed on physical verification of stocks.
- iii)* The company has granted loans to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 other than temporary advances and credits in the normal course of business.
- iv)* In our opinion and according to the information and explanations given to me, there are no satisfactory internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, I have observed continuing failures to correct major weaknesses in internal controls in respect of inventory and fixed assets.

# VICTORY PAPER AND BOARDS (INDIA) LTD

- a.) To the best of my knowledge and belief and according to the information and explanations given to me, I am of the opinion that the transactions that need to be entered into the register maintained under section 189 of the Companies Act, 2013 have not been so entered.
- b.) In my opinion and according to the information and explanations given to us, no such register is maintained in pursuance of contracts or arrangements that needs to be entered in the register maintained under section 189 of the Companies Act, 2013 and exceeding the value of Rupees five lakhs in respect of any party during the year have been made.
- v) The company has not accepted any deposits from the public
- vi) No Internal audit system was prevailing in the company for the period under audit.
- vii) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company
- vii)(a) According to the information and explanations given to me, the company is not regular in depositing with the appropriate authorities undisputed statutory dues such as provident fund, Employees state insurance, Income tax (TDS), Kerala Value added tax and other material statutory dues applicable to it.
  - (b) According to the information and explanations given to me , no material undisputed amount are payable in respect if income tax, wealth tax, sales tax, customs duty, excise duty, cess and other statutory dues which are outstanding as on 31.03.2015, except Kerala value added tax of Rs.3329625.88/- and TDS Rs.8256/-
  - (c)in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).
  - (d)According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under has been transferred to such fund within time.
- viii) The accumulated losses of the company as at the end of the current financial year are more than its net worth. The company has incurred cash losses during the financial year covered by my audit. Cash losses were incurred during the immediately preceding financial year.
- ix) The Company have an outstanding of Rs.41,67,545.00 dues to financial institutions/ banks during the year.
- x) According to the information and explanations given to me, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

# **VICTORY PAPER AND BOARDS (INDIA) LTD**

- xi) Term loan obtained by the company used for the purpose for which the loans were obtained*
- xii) According to the information and explanations given to me, no material fraud on or by the Company has been noticed or reported during the course of our audit.*

Place: Thrissur  
Date : 10-03-2016.

**C A. G V Sukumar, BSc, FCA**  
**Chartered Accountant**  
**Membership No: 207748**

**VICTORY PAPER & BOARDS (INDIA) LTD.**  
**KUNNAMKULAM, THRISSUR -680503**  
**BALANCE SHEET AS AT 31st MARCH 2015**

Amount in Rupees

	Notes	As at March 31st, 2015	As at March 31st, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	135,000,000	130,629,000
(b) Reserves and surplus	2	(258,679,377)	(209,001,639)
(c) Money received against share warrants			
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	4,167,545	11,938,260
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities	4	194,025,548	237,639,741
(d) Long term provisions	5	3,357,530	4,200,530
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	6	410,702	387,833
(b) Other current liabilities	7	7,717,743	651,982
<b>Total</b>		<b>85,999,691</b>	<b>176,445,706</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	58,978,262	75,820,316
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long term loans and advances	9	1,482,079	6,433,438
(e) Other non-current assets	10	24,365,817	56,071,510
<b>(2) Current Assets</b>			
(a) Current investments			
(b) Inventories	11	518,355	38,085,148
(c) Cash and Bank Balances	12	655,178	35,294
			-
<b>Total</b>		<b>85,999,691</b>	<b>176,445,706</b>

The accompanying notes 1-24 is an integral part of the financial statements.

.

This is the balance sheet referred to in our report of even date.

**Directors**

1. Sri. K.P. Davis  
(Chairman Cum WTD)

2. Sri. K.P. Saxon  
(Mg. Director)

3. Sri. T.P. Geo  
(Non-Executive Director)  
Kunnamkulam/10-03-2016

C A. G V Sukumar, BSc, FCA  
Membership Number:207748  
Chartered Accountant

Thrissur/ 10-03-2016.

**VICTORY PAPER & BOARDS (INDIA) LTD.**  
**KUNNAMKULAM, THRISSUR - 680503**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2015**

		Amount in Rupees	
	Notes	For the Year ended March 31st, 2015	For the Year ended March 31st, 2014
I. Revenue from operations	14	37,285,148	10,129,174
II. Other income	15	20,759,217	8,430
III. Total revenue (I + II)		58,044,365	10,137,604
IV. Expenses:			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	16	37,566,793	37,870,186
Employee benefit expenses	17	-	-
Finance costs	18	1,976,671	3,149,376
Depreciation and amortization expenses	8	11,605,605	6,977,245
Other expenses	19	51,336,582	633,004
Total expenses		102,485,652	48,629,810
V. Profit before exceptional and extraordinary items and tax (III - IV)		(44,441,286)	(38,492,206)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(44,441,286)	(38,492,206)
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		(44,441,286)	(38,492,206)
X. Tax expenses:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit/(Loss) for the period (IX - X)		(44,441,286)	(38,492,206)
XII. Loss per equity share of Rs.10/- paid up			
(1) Basic EPS (Before Exceptional Items)	20	(3.29)	(2.95)
(1) Basic EPS (After Exceptional Items)		(3.29)	(2.95)

The accompanying notes 1-24 is an integral part of the financial statements.

This is the Profit and Loss Account referred to in our report of even date.

**Directors**

1. Sri. K.P. Davis  
(Chairman Cum WTD)

C A. G V Sukumar, BSc, FCA  
Membership Number:207748  
Chartered Accountant

2. Sri. K.P. Saxon  
(Mg. Director)

3. Sri. T.P. Geo  
(Non-Executive Director)  
Kunnamkulam/10-03-2016

Thrissur/ 10-03-2016.

**VICTORY PAPER AND BOARDS (INDIA) LIMITED**  
**NOTES FORMING PART OF ACCOUNTS AS AT 31-03-2015.**

	<b>As at March 31st,2015</b>	<b>Amount in Rupees As at March 31st,2014</b>
<b>Note 1</b>		
<b>Share Capital</b>		
a) <b>Authorized</b>		
13500000 Equity shares of Rs.10/- each	135,000,000	135,000,000
(Previous year 13500000 Equity shares of Rs.10/- each)		
<b>Issued, Subscribed</b>		
13500000 Equity shares of Rs.10/- each	135,000,000	135,000,000
(Previous year 13500000 Equity shares of Rs.10/- each)		
<b>Less: Subscribed but not fully paid</b>		
i. By Directors	-	-
ii. By Others	-	4,371,000
<b>Paid Up Capital</b>		
13500000 Equity shares of Rs.10/- each fully paid	135,000,000	128,443,500
(Previous year 12844350 Equity shares of Rs.10/- each fully paid)		
(Previous year 437100 Equity shares of Rs.10/- each Rs.5 paid up)	-	2,185,500
	<b>135,000,000</b>	<b>130,629,000</b>

b) **Rights ,Preferences & Restrictions attached to Equity shares.**

The Equity shares of the company having par value of Rs.10/- per share rank pari-pasu in all respects including voting rights, entitlement to dividend and repayment of capital

c) **The reconciliation of number of shares outstanding is set out below:**

<b>Particulars</b>		
Shares outstanding at the beginning of the year	13,500,000	13,500,000
Shares Issued during the year	Nil	Nil
Shares bought back during the year	Nil	Nil
Shares outstanding at the end of the year	13,500,000	13,500,000

d) Company has only equity share capital and is not a subsidiary company, and has not issued shares for consideration other

than cash, not issued any bonus shares or bought back any shares during the year or immediate preceding four years.

e) **Details of Shareholders holding more than 5% of Shares**

Name of the Shareholder	No. of Shares	% held
Victory Press Private Limited	4,000,000	29.63
K P Saxon	1,232,100	9.13
K P Davis	1,652,200	12.24
Bobby M Jacob	751,000	5.57

**Note 2**

**Reserves & Surplus**

<b>Surplus</b>		
Opening balance	(209,001,642)	(170,509,433)
Add: Net Profit/(Loss) for the year	(44,441,286)	(38,492,206)
Add: Transfer from Reserves	-	-
	(253,442,929)	(209,001,639)
Less: Transfer to General Reserve	-	-
Less: Transfer to Special Reserve	-	-
Less: Excess Carrying Amount in Fixed Asset	(5,236,449)	-
Closing balance	<b>(258,679,377)</b>	<b>(209,001,639)</b>

**VICTORY PAPER AND BOARDS (INDIA) LIMITED**  
**NOTES FORMING PART OF ACCOUNTS AS AT 31-03-2015.**

	As at March 31st, 2015	Amount in Rupees As at March 31st, 2014
<b>Note 3</b>		
<b>Long-term borrowings</b>		
a) Term Loans - Secured		
From Banks	4,167,545	11,938,260
	<b>4,167,545</b>	<b>11,938,260</b>

- 1) Term Loan of Rs.4167544/- (Previous year Rs.11938260/-) is secured by equitable mortgage of building and charge on machinery and other fixed assets. Collateral Security is provided by way of equitable mortgage of 52.87 acres of land and factory building. It is further secured by personal guarantees of Directors, K P Davis and K.P. Saxon
- 2) Term Loan is from Federal Bank and carries an Interest rate of 13%. Loan amount is repayable in 72 equal instalments of Rs.321666/-. Due to lockout the company is not able to meet its financial obligations, hence the account has been classified as Non-performing Asset by the bank from 18.10.2011. The default in repayment of loan is Rs.4167544/- (Previous Year Rs.11938260/-).

**Note 4**  
**Other Long -term Liabilities**

<b>A. Trade Payables</b>		
a) Due to Micro, small and medium enterprises	-	-
b) Others	22,127,418	33,303,708
<b>B. Others</b>		
a) Security Deposits	700,000	700,000
b) Expenses Payable	80,011	8,793,681
c) Statutory Dues Payable	3,844,967	3,817,630
d) Advance from Customers	167,273,152	191,024,722
	<b>194,025,548</b>	<b>237,639,741</b>

- 1) There are no Micro, Small and Medium Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extend such parties have been identified on the basis of information available with the company.
- 2) Trade payables are subject to confirmation and reconciliation
- 3) The company has received a demand of Rs. 3329625 from Kerala Commercial Taxes Department on account of disputed sales tax collected by the company. The company has disputed the demand before the Hon; High Court of Kerala and a favourable order has been received on 02.03.2012. We received a favourable decision from Director of Industries and Commerce and the same forwarded to Kerala Commercial taxes for further decision. This liability has been included in 'Statutory Dues payable'.
- 4) Advance From Customers are mainly from Group concerns of Victory Paper and Boards (India) Ltd.

**Note 5**  
**Long Term Provisions**

Provision for Employee Benefits	3,357,530	4,200,530
	<b>3,357,530</b>	<b>4,200,530</b>

**Note 6**  
**Short-term borrowings**

a) Cash Credit		
From Banks	410,702	387,833
	<b>410,702</b>	<b>387,833</b>

**Note 7**  
**Other Current Liabilities**

a) Expenses Payable	56,000	136,641
b) Statutory Dues Payable	778,262	515,341
c) Others	6,883,481	-
	<b>7,717,743</b>	<b>651,982</b>

**VICTORY PAPER AND BOARDS (INDIA) LIMITED**  
**NOTES FORMING PART OF ACCOUNTS AS AT 31-03-2015.**

	Amount in Rupees	
	As at March 31st,2015	As at March 31st,2014
<b>Note 8</b>		
<b>Fixed Assets</b>		
Tangible Assets (Separately Attached)	58,978,262	75,820,316
	<b>58,978,262</b>	<b>75,820,316</b>

Fixed Assets are stated at cost less accumulated depreciation.

**Note 9**

**Long Term Loans & Advances**

Unsecured:

Security Deposits	1,482,079	6,433,438
	<b>1,482,079</b>	<b>6,433,438</b>

**Note 10**

**Other Non-current Assets**

a) Trade Receivables:

Debtors (unsecured and considered good)

- Outstanding for a period exceeding six months	1,453,120	11,412,626
- Others	-	-

b) TDS Receivable	23,274	23,274
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c) Advance for Fixed Assets	674,923	674,923
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d) Other receivables	22,214,500	43,960,687
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	<b>24,365,817</b>	<b>56,071,510</b>
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1) Debtors are subject to confirmation & Reconciliation

**Note 11**

**Inventories**

Damaged Stock(Scrap)	518,355	38,085,148
	<b>518,355</b>	<b>38,085,148</b>

The Company has been a Lock Out as on 30-08-2009 due to this prolonged lock out, Inventory has become Scrap and has been valued as such

**Note 12**

**Cash and Bank balances**

a) Cash and Cash Equivalents

Cash on hand	642,915	2,878
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With Scheduled Banks	12,263	32,415
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	<b>655,178</b>	<b>35,294</b>
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**Note 13**

**Contingent Liabilities and Commitments**

1) Contingent Liabilities

a) Claims against company not acknowledged as debt	Nil	Nil
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b) Guarantees	Nil	Nil
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c) Other money for which the company is contingently liable	Nil	Nil
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2) Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
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b) Uncalled liability on shares and other investments partly paid	Nil	Nil
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c) Other Commitments	Nil	Nil
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**VICTORY PAPER AND BOARDS (INDIA) LIMITED**  
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31-03-2015.**

	Amount in Rupees	
	For the Year Ended March 31st, 2015	For the Year Ended March 31st, 2014
<b>Note 14</b>		
<b>Revenue from operations</b>		
a) Sale of products		
- Paper sales	-	-
b) Other operating revenues		
- Scrap Sales	37,285,148	10,129,174
	<u><b>37,285,148</b></u>	<u><b>10,129,174</b></u>
<b>Note 15</b>		
<b>Other Income</b>		
<b>Excess Provision Written Back</b>	9,587,201	
Income Tax Refund	-	8,430
Cessation of liability	11,172,016	-
	<u><b>20,759,217</b></u>	<u><b>8,430</b></u>
<b>Note 16</b>		
<b>Changes in inventories of finished goods, work-in-progress, stock-in-trade, consumables and raw materials</b>		
Opening Stock		
a) Finished Goods	-	52,452
b) Work-in-progress	-	61,417,338
c) Raw Materials	-	6,272,949
d) Consumables, Stores and Spares	-	8,212,595
e) Damaged Stock	38,085,148	-
	<u>38,085,148</u>	<u>75,955,334</u>
Less: Closing Stock		
Damaged Stock (Scrap)	518,355	38,085,148
	<u>518,355</u>	<u>38,085,148</u>
	<u><b>37,566,793</b></u>	<u><b>37,870,186</b></u>
<b>Note 17</b>		
<b>Employee Benefit Expenses</b>		
Salary & Allowances	-	-
	<u>-</u>	<u>-</u>
<b>Note 18</b>		
<b>Finance costs</b>		
Interest	1,831,897	3,129,387
Bank charges	144,774	19,989
	<u><b>1,976,671</b></u>	<u><b>3,149,376</b></u>
<b>Note 8</b>		
<b>Depreciation and Amortization Expenses</b>		
Depreciation of Fixed Assets	11,605,605	6,977,245
	<u><b>11,605,605</b></u>	<u><b>6,977,245</b></u>
<b>Note 19</b>		
<b>Other Expenses</b>		
Electricity Charges	89,252	42,723
Advertisement	60,800	99,259
Printing & Stationery	-	6,930
Legal Expenses	2,000	1,400
Security Service Charges	352,152	344,936
Annual Custody Fee	35,730	-
Telephone & Postage	23,512	20,276
Annual Listing And Filing Fees	40,200	-
Electricity Charges receivable written off	44,762,155	-
Rates, taxes & license fee	2,472	17,750
Professional Charges	55,056	38,204
Remuneration to Auditor	56,000	56,000
VAT Registration Fee	1,650	1,650
Subscription Fee	-	275
Miscellaneous	4,102	3,601
VAT Interest Paid	150,165	-
CST Paid for 2009-10	49,977	-
Bad debts written off	5,651,359	-
Total	<u><b>51,336,582</b></u>	<u><b>633,004</b></u>

**VICTORY PAPER AND BOARDS (INDIA) LIMITED**  
**NOTES FORMING PART OF ACCOUNTS AS AT 31-03-2015.**

<b>Note 20</b>	<b>As at</b>	<b>As at</b>
<b>Loss per Share</b>	<b>March 31st,2015</b>	<b>March 31st,2014</b>
<b><u>a) Basic &amp; Diluted (Before Exceptional Items)</u></b>		
Net Profit/(Loss) for the year before exceptional item attributable to		
Equity shareholders	(44,441,286)	(38,492,206)
Weighted Average Number of Equity Shares in calculating EPS	13,500,000	13,062,900
Basic&Diluted Loss Per Share before Exceptional Items	(3.29)	(2.95)
<b><u>b) Basic &amp; Diluted (After Exceptional Items)</u></b>		
Net Profit/(Loss) for the year after exceptional item attributable to		
Equity shareholders	(44,441,286)	(38,492,206)
Weighted Average Number of Equity Shares in calculating EPS	13,500,000	13,062,900
Basic&Diluted Loss Per Share after Exceptional Items	(3.29)	(2.95)

**Note 21**

**Related party Disclosures**

**1) Name of related party and relationship**

Key Management Personal	
K P Davis	- Whole Time Director
K P Saxon	- Whole Time Director
T P Geo	- Non-executive Director

Relatives of Key management personal and enterprise where transactions have taken place

Victory Computer Forms  
Victory Paper Converters  
Victory Press Private Limited  
Hotel Victory International Prop's K P Davis

**2) Remuneration Paid**

The board of directors have decided not to draw any remuneration for the year 2014-2015

<b>3) Sitting Fees Paid</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
K P Davis - Whole Time Director	Nil	Nil
K P Saxon - Whole Time Director	Nil	Nil
T P Geo - Non-executive Director	Nil	Nil
<b>4) Rent paid</b>		
Victory Press Private Limited	Nil	Nil
<b>5) Outstanding Balance in Trade Payables</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Victory Computer Forms	51,142,338	56,820,901.99
Victory Paper Converters	4,208,320	4,208,320.00
Victory Press Private Limited	111,342,494	129,915,500.21
Victory Inn (Prop's K P Saxon)	580,000	280,000.00

**Note 22**

**Segment Reporting**

**Note 23**

**Deferred Tax**


In consideration of the past record of the company and the prevailing uncertainty, no deferred tax assets have been recognized on prudent basis as per the Accounting Standard 22 on 'Accounting for taxes on income'.

**Note 24**

**Other Notes**

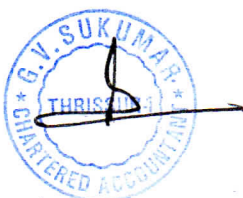
- 1) The company has not made any import of Raw material, Components and spares and Capital Goods during the year.
- 2) The company has not incurred any expenditure in foreign currency during the year.
- 3) The company has not paid any dividend in foreign currencies during the year to Non-resident shareholders.

COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE  
STOCK EXCHANGES

  
**G.V. SUKUMAR. B.Sc, F.C.A.**  
Chartered Accountant  
Membership No: 207748

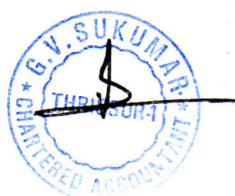
**AUDIT REPORT - 2014 – 2015, Annexure I to Form B**

	Qualification	Management Response
1	The company is manufacturer of different varieties of paper and has been in lock out from 30.08.2009. The details of inventory valuation are not available with the company. Also inventory records in respect of raw material, finished goods, consumable, stores and spares and semi finished goods were not made available for our verification. Hence we are unable to verify compliance of accounting standard – to valuation of inventories.	The company introduced new varieties of paper from time to time. The factors of production relating to such items are not readily identifiable. The necessary inventory valuation will be complied with when the lock out is lifted and the office starts functioning.
2	The company has made scrap sale of rupees 37285148 during the year. The nature and description of items sold as scrap was not available. Hence we are unable to verify the correctness of these transaction.	The scrap sale was genuine transaction in the ordinary course of business as per prevailing norms
4	Accounting to our opinion, trade receivable of Rs.1453120 and advance for fixed asset of Rs.674923 is long outstanding and is doubtful of recovery.	This is a genuine receivable amount and is recoverable once the company starts functioning.
5	(a) I have not obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit;	Since the company was under lock out fixed assets and other records were not updated. Similarly , Confirmations for payables and recievables were not obtained . we have explained the practical difficulties and had convinced them during the course of Audit .
6	In our opinion proper books of accounts as required by law have not been kept by the company as far as appears from our examination of those books.	The company was under lock out 30.08.2009 and the office is not functional. The books and records will be updated and kept properly on lifting of the lock out.
7	The company has not satisfactorily maintained records showing particulars including quantitative details and situation of fixed assets. The records are not updated for the past few years. In the absence of an un-updated fixed assets register and due to non availability of records of physical verification we are unable to ascertain the appropriateness of the same.	The company was under lock out 30.08.2009 and the office is not functional. So the fixed assets records were not updated. It will be updated as soon as the lock out is withdrawn.





8	In the absence of documentary evidence we are unable to ascertain whether the procedure of physical verification of stock followed by the management are responsible and adequate or in relation to the size of the company and the nature of its business	The company was under lock out 30.08.2009 and the office is not functional. The books and records will be updated and kept properly on lifting of the lock out.
9	In our opinion and according to the information and explanations given to us there are no satisfactory internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit we have observed continuing failures to correct major weakness in internal controls in respect of inventory and fixed assets	The company was under lock out 30.08.2009 and the office is not functional. A formal internal control procedure will be implementing on lifting of the lockout.
10	No internal audit system was prevailing in the company for the period under audit.	The internal audit is being conducted by the Company's own competent personnel.
11	To the best of my knowledge and belief and according to the information and explanations given to me, I am of the opinion that the transactions that need to be entered into the register maintained under section 189 of the Companies Act, 2013 have not been so entered	The company continue under lock out since 30.08.2009 and the office is not functional. The books and records will be made/updated and kept properly on lifting of the lock out.
12	According to the information and explanations given to us, the company is not regular in depositing with the appropriate authorities undisputed statutory dues such as provident fund, employees state insurance, income tax (TDS), Kerala Value Added tax and other material statutory dues applicable to it.	The company is facing financial crisis due to lock out. All pending statutory payments of PF, are paid during the year other than the disputed liability of PF which is stayed by the High Court. The delay in making sale Tax and TDS dues is because of the lock out.
13	The accumulated losses of the company as at the end of the current financial year are more than its net worth. The company has incurred cash losses during the financial year covered by our audit. Cash losses were incurred during the immediately preceding financial year.	The company was under lock out 30.08.2009 and the office is not functional.
14	The company have an outstanding of 4167545.00 dues to financial institutions/banks	The company has closed the Cash Credit account and brought down the term loan



	during the year. In my opinion and according to information and explanations given to me, the co is not regular in payment of dues to bank.	account to Rs. 41.67 lakhs during the year(previous year Rs. 119.38 lakhs) and balance will be paid in couple of months time. The bank has not taken any action
15	As explained to as most of the assets have been physically verified by the management during the year in accordance with a phased programme of verification adopted by the company and no material discrepancies were noticed on such verification. However we are unable to verify the reasonableness of the same, as necessary documentary evidence were not made available for our verification.	The company was under lock out since 30.08.2009 and the office is not functional. The documents and records will be updated and kept properly on lifting of the lock out.

