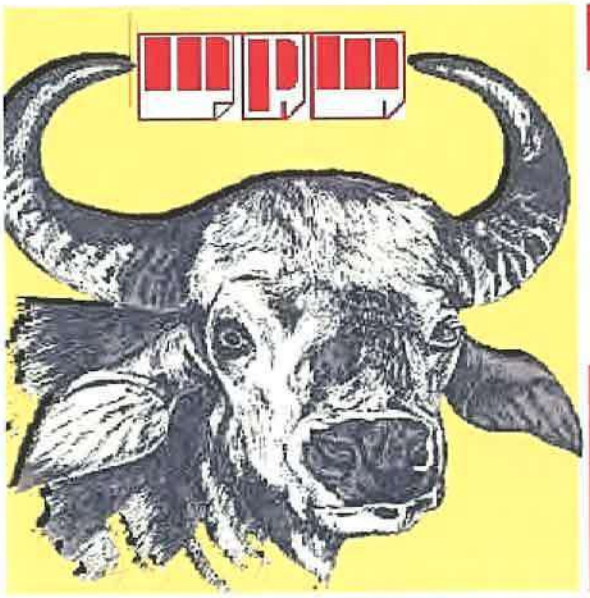

80th Annual Report

2014-15



THE MYSORE PAPER MILLS LIMITED

80th Annual Report

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BOARD OF DIRECTORS
(Between the period 2014-15 and till date)

1. CHAIRMEN :

Sl. No	Name of the Chairman / Chairperson	Date of Appointment	Date of Cessation
1	Sri. V. Umesh, IAS	05.12.2013	10.06.2014
2	Smt. K. Ratna Prabha, IAS	10.06.2014	09.06.2016
3	Sri. D.V. Prasad, IAS	09.06.2016	16.07.2018
4	Sri. Gaurav Gupta, IAS	16.07.2018	30.09.2021
5	Dr. E.V. Ramana Reddy, IAS	30.09.2021	

2. MANAGING DIRECTORS :

Sl.No	Name of the Managing Director / Shriyuths :	Date of Appointment	Date of Cessation
1	M. Maheshwara Rao, IAS	18.11.2013	08.09.2014
2	Naveen Raj Singh, IAS	08.09.2014	24.07.2015
3	Harsh Gupta, IAS	24.07.2015	02.04.2016
4	T.K. Anil Kumar, IAS	02.04.2016	11.05.2016
5	Naveen Raj Singh, IAS	11.05.2016	24.03.2018
6	V. Yashwanth, IAS	24.03.2018	18.07.2018
7	R. Girish, IAS	18.07.2018	21.12.2018
8	Dr. M.R. Ravi, IAS	21.12.2018	05.03.2019
9	S.B. Shettennavar, IAS	05.03.2019	10.08.2020
10	K.B. Sivakumar, IAS	10.08.2020	

3. GOVERNMENT DIRECTORS :

Sl.No	Name of the Govt. Director / Shriyuths :	Date of Appointment	Date of Cessation
1	Aravind Shrivasatava, IAS	25.06.2013	14.07.2017
2	Smt. K. Ratnaprabha, IAS	22.03.2014	09.06.2016
3	K.S. Satyamurthy,IAS	05.01.2016	18.10.2016
4	Smt. Renuka Chidambaram, IAS (Retd.)	18.10.2016	
5	Ritvik Ranjanam Pandey, IAS	14.07.2017	14.06.2018
6	Pavan Kumar Malapati, IAS	14.06.2018	01.09.2020
7	Chandrashekar Nayak L, IAS	01.09.2020	

4. ELECTED DIRECTORS (INCLUDING TO BE ELECTED) :

SlNo	Name of the Elected. Director / Shriyuths: (including to be elected :	Date of Appointment	Date of Cessation
1	M. Lakshminarayana, IAS	31.12.2012	30.12.2014
2	S. Parameswarappa, IFS (Retd.)	31.12.2012	30.12.2014
3	C. Shivashankar (Late)	29.03.2014	19.08.2015
4	C.B. Patil Okaly	29.03.2014	18.11.2019
5	Lukose Vallatharai, IAS (Retd.)	27.05.2015	28.07.2017
6	Dr. V. Ramakantha, IFS (Retd.)	27.05.2015	18.11.2019
7	Sridhara Karkala	27.05.2015	22.04.2017

5. NOMINEE DIRECTORS :

Sl No	Name of the Nominee Director / Shriyuths :	Date of Appointment	Date of Cessation
1	V.C. Rammohan, IFCI	17.09.2013	14.06.2017
2	B.L. Khanna, BIFR	18.12.2012	19.02.2015

6. COMPANY SECRETARY
MOHAN D KULKARNI

7. STATUTORY AUDITORS
M/s M.N.S & CO, CHARTERED ACCOUNTATS
No.163, 2nd Floor, R.V. Road, Near Minerva Circle, Bengaluru -560004

8. LEGAL ADVISOR
SHRI. M.R.C. RAVI
M/s ILPM Consultants,
6th Main, B/n 12th and 13th Cross,
Malleswaram, Bengaluru -560003

9. BANKERS
STATE BANK OF INDIA (including Erstwhile State Bank of Mysore)
CANARA BANK, INDIAN BANK,
KARNATKA BANK, BANK OF BARODA
(Erstwhile Vijaya Bank)

THE MYSORE PAPER MILLS LIMITED
Regd. Office: # 32, 5th Floor, D. Devaraj Urs Road, (Race course Road), Bengaluru-560001
CIN: L99999KA1936SGC000173
Tel : +91 80 22266979 / 22255459 Fax +91 22253478
www.mpm.karnataka.gov.in **E-mail : cs@mpm.co.in**

NOTICE

NOTICE is hereby given that the **EIGHTIETH (80th) ANNUAL GENERAL MEETING** of the members of The Mysore Paper Mills Limited will be held on Wednesday, the 29th December, 2021 at 11.30 a.m. through Video Conferencing / Other Audio Visual Means (VC/OAVM), to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015 and the report/s of the Board of Directors ("the Board") and auditors thereon including comments of the Comptroller and Auditor General of India ;
2. To ratify the appointment of Mr. C. Shivashankar (DIN:00047077) as a Director who was liable to retire by rotation and had offered himself for re-appointment ;
3. To ratify the appointment of Mr. C.B. Patil Okaly (DIN : 02509620) as a Director who was liable to retire by rotation and had offered himself for re-appointment ;
4. To consider and if thought fit, to pass the following resolution for ratifying the payment of remuneration of Statutory Auditors (M/s. MNS & Co., Chartered Accountants Bengaluru) for the year 2014-15 :
   " RESOLVED that pursuant to the provisions of Section 142 of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to ratify the remuneration of Rs. 6,91,000/- (inclusive of out of pocket expenses) + other professional fee etc., payable, if any and other terms and conditions of the Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India for the Financial Year 2014-15 " ;
5. To consider and if thought fit, to pass the following resolution for fixation of remuneration of Statutory Auditors (M/s. Vasan & Sampath, Chartered Accountants Bengaluru) for the year 2015-16 :
   " RESOLVED that pursuant to the provisions of Section 142 of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to fix the remuneration of Rs. 4,80,000/- + other professional fee etc., payable, if any and other terms and conditions of the Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India for the Financial Year 2015-16 "

For and on behalf of the Board of Directors of
The Mysore Paper Mills Limited
Sd/-
Mohan D Kulkarni
Company Secretary

Place: Bengaluru
Date 26th November 2021

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 read with the circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars") and SEBI vide its circulars dated May 12, 2020 and January 15, 2021 (collectively referred to as "SEBI Circulars"), permitted the holding of the Annual General Meeting ("AGM") through VC, without the physical presence of the members at a common venue. Hence, in compliance with the MCA Circulars and SEBI Circulars, the AGM of the Company is convened through Video Conferencing / Other Audio Visual Means(VC/OAVM).

2. Since this AGM is being held pursuant to the circulars through VC / OAVM, physical Attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the proxy form and attendance slip are not annexed to this notice.

3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC /OAVM on its behalf and to vote through remote e-voting.
   The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to gokhale@dhiadvisory.in.

4. VOTING THROUGH ELECTRONIC MEANS

   In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), listed companies are required to provide members with the facility to exercise their votes at general meetings through electronic means. The Company has availed the services of CENTRAL DEPOSITORY SERVICES(INDIA) Limited (CDSL) for providing the necessary remote e-voting platform to the members of the Company.

5. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company and on the website of CDSL.

6. The Instructions for e-voting are annexed to the Annual Report at the end.

7. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in electronic form may submit the same to their respective depository participant (DP).

8. Since the AGM being held through VC/OAVM, the Route Map is not attached to this Notice.
9. In terms of Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from 23.12.2021 to 29.12.2021 (both days inclusive) for the purpose of AGM.

Sd/-
Mohan D Kulkarni
Company Secretary

Place: Bengaluru
Date : 26th November 2021

THE MYSORE PAPER MILLS LIMITED

CIN: L99999KA1936SGC000173

Regd. Off: # 32, 5th Floor, D. Devaraj Urs Road, (Race course Road)

Bengaluru - 560001

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Eightieth Board's Report on the business operations and affairs of the Company together with the audited accounts for the year ended March 31, 2015.

FINANCIAL HIGHLIGHTS: **(Amount in Rs.)**

Particulars			For the Financial year ended March 31, 2015	For the Financial year ended March 31, 2014
Total income				
Details of products sold				
Particulars	**2015**	**2014**		
Sale of Writing & Printing Paper (WPP)	1597612000	1858090000		
Sales of News print (NP)	1066749000	1298992000		
Sale of Sugar	1064172000	730565000		
Sale of Molasses	45411000	82817000		
Less: Excise duty	131595000	133340000		
Other Income	153728000	126100000	3,79,60,77,000	3,96,32,24,000
Expenses			4,78,45,43,000	4,76,88,39,000
Profit/(loss) before Tax and after exceptional items			-92,86,75,000	-78,16,17,000
Current Tax			-	-
Deferred Tax			-	-
Loss for the year			-92,86,75,000	-78,16,17,000

During the year under review, the quantity wise sale of WPP has gone down by 14.02%, which was mainly on account of decrease in quantity sold. Quantity wise sale of NP was also decreased by 17.87%, The sale of Sugar was increased by 45.66% and the Sale of

Molasses decreased by 45.16%. The overall decrease in turnover was 4.21% from Rs.383,71,24,000 during FY 2014 to Rs. 364,23,49,000 during FY 2015.

EROSION OF NET WORTH:

The total net loss including the accumulated losses as on 31.03.2015 was in the region of Rs.5,19,49,49,61,000/- and net worth of the Company is Rs.3,99,97,52,000/- thereby, the Company has become a Sick Company under the provision of the Sick Industrial (Special Provisions) Act 1985. The accumulated losses of the Company as at the end of the financial year are more than 50% of its networth and the Company has incurred cash loss during the year and in the immediately preceding financial year.

CHANGE IN THE NATURE OF BUSINESS:

As per the decision of the management based on the National Green Tribunal and Central Pollution Control Board, the operations of the paper mill were suspended during November 2015 and sugar mill during March 2016. The Board has passed a resolution in 553rd meeting dated 17th December 2015 asking the Managing Director to suspend operations and minimize workforce. The Company has received directions from GOK to suspend all its manufacturing activities including maintenance.

DIVIDEND:

Your Directors have not recommended Dividend for the year ended 31.03.2015 in view of losses incurred by the company.

TRANSFER TO GENERAL RESERVES

There were no transfers to General Reserve during the year 2014-15.

SUBSIDIARY COMPANY

As on March 31, 2015 the Company does not have any subsidiary company.

MATERIAL CHANGES AND COMMITMENTS:

As per the decision of the management based on the National Green Tribunal and Central Pollution Control Board, the operations of the paper mill were suspended during November 2015 and sugar mill during March 2016. The Board has passed a resolution in 553rd meeting dated 17th December 2015 asking the Managing Director to suspend operations and minimize workforce. The Company has received directions from GOK to suspend all its manufacturing activities including maintenance.

Further, the Company has given VRS/VSS to all the employees except for forest division staff and forest division watchers to keep continuity in forest division activity as per the approved management plan of afforestation.

The Company has liabilities due for a period for more than contractual period and outstanding for a long period.

OPERATING RESULTS:

During the year under review (ending March 31, 2015), your Company has recorded sales and other income aggregating to ₹ **3,79,60,77,000**. The profit/ (loss) after tax for the year was ₹ **(92,86,75,000)** compared to previous year's profit/ loss of ₹ **(78,16,17,000)**.

DEPOSITS:

The Company has not invited/ accepted deposits from the public during the year ended March 31, 2015. There were no unclaimed or unpaid deposits as on March 31, 2015.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

Significant & material orders passed by regulators are as listed out in the Auditor's report which forms part of the annual report

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The company has set up an in-house internal audit system, and is also availing the services of auditors to review the internal control systems and its adequacy. The company has over the years been successful in implementing proper systems in internal controls in order to ensure that all the assets and properties of the company are economically utilized. The internal control system is devised in such a way that the financial and other records are reliable for preparing financial statements and other data for maintaining accountability of assets. The reports of both in-house internal audit and auditors are reviewed by the Audit Committee from time to time.

BOARD OF DIRECTORS:

Composition and Category of Directors: The Board comprises of a Chairman, Managing Director, two Non-Executive Directors appointed by Government of Karnataka, Four independent Non-Executive Directors elected in the Annual General Meeting of the Company and one independent Non-Executive Director nominated by the Financial Institution.

a) Composition of the Board, their attendance at the Board Meetings, last AGM, details of Directorships / Committee Memberships held by the Directors in other Companies and the shares of the company held by them are given hereunder:

Sl. No.	Name of Director Shriyuths :	Category of Director	No. of Meetings held	No. of Meetings attended	Attended last AGM (30.12.2014) yes/No	No. of other Directorship held		No. of Board Committee(s) of which he is a Chairman / Member	No. of shares Held
						As director	As Chairman		
	GOVT. DIRECTORS:								
1	V. UMESH, IAS (upto 10.06.2014 as Director & Chairman)	Non-Executive	-	-	-	-	-	-	-
2	K .RATNA PRABHA, IAS (upto 10.06.2014 as Director) (from 10.06.2014 as Director & Chairperson)	Non-Executive	3	3	yes	9	10		
3	M .MAHESHWAR RAO, IAS (as Director & Managing Director upto 08.09.014)	Executive	2	2		18	6 1 MD 1 Vice Chairman	Nil	
4	NAVEEN RAJ SINGH, IAS (as Director & Managing Director) (From 08.09.2014 to 24.07.2015)	Executive	1	1	Yes				
5	ARVIND SHRIVASTAVA, IAS	Non-Executive	3		No	10	Nil	Nil	
6	M. LAKSHMINARAYANA, IAS (upto 30.12.2014)	Ind/ Non-Executive	3		No		Nil	5	500
7	S PARAMESWARAPPA, IFS (Retd) (upto 30.12.2014)	Ind/ Non-Executive	3	2	No	Nil	Nil	Nil	600
8	C. SHIVASHANKAR (upto 19.08.2015)	Ind/ Non-Executive	3	3	Yes	Nil	Nil	Nil	500
9	C B PATIL OKALY	Ind/ Non-Executive	3	3	Yes	Nil	Nil	Nil	500
	NOMINEE DIRECTORS:								
10	V C RAMMOHAN	Ind/ Non-Executive	3	1	No	1			
11	B L KHANNA, SPL DIRECTOR- BIFR (upto 19.02.2015)	Ind/ Non-Executive	3	2	Yes				

RE-APPOINTMENT OF DIRECTOR RETIRING BY ROTATION

In terms of Section 152 of the Act, Mr. C. Shivashankar and Mr. C.B. Patil Okaly were liable to retire by rotation at the ensuing Annual General Meeting and being eligible offered themselves for reappointment. Due to delay in holding the AGM for the FY 2014-15, the said independent Directors of the Company continued until their date of resignations. Hence, the ratification of their continuation as Directors has been included in the AGM Notice.

MEETINGS OF THE BOARD OF DIRECTORS

During the year 2014-2015, the Board of Directors met 3 times viz.,

Sl. No.	Date of Board Meeting
1.	28th June 2014
2.	3rd September 2014
3.	18th November 2014

BOARD COMMITTEE :

The Company has the following Sub-committees of the Board:

A. AUDIT COMMITTEE :

i) Brief description of terms of reference: The role of the Audit Committee and its terms of reference cover the matter specified under clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013, which, inter-alia, include reviewing the financial statements, overseeing the Company's Annual Report process and discussions with internal and external auditors periodically about the scope of audit and adequacy of internal control systems. The Audit Committee also acts as a link between the Board of Directors and the internal and external auditors.

ii) Composition, name of members and Chairperson: The Audit Committee was constituted by the Board even much before the introduction of the Corporate Governance Code. The Audit Committee consists of the following independent, non-executive Directors and Executive Director as its members.

iii) Meetings held and attendance during the year:

Sl. No.	Directors - Shriyuths	No. of Meetings held	Attended
1.	C. SHIVASHANKAR, CHAIRMAN - AC	3	3
2.	NAVEEN RAJ SINGH, IAS	1	1
3.	M MAHESHWAR RAO, IAS	2	2
4.	S PARAMESWARAPPA, IFS (Retd)	3	2
5.	C B PATIL OKALY	3	3
6.	B L KHANNA, INVITEE	3	3

The Audit Committee has met 3 times during 2014-15 on 28th June, 2014, 3rd September, 2014 & 18th November, 2014. At the invitation of the Audit Committee, the Statutory Auditors, Internal Auditors and head of Internal Audit Dept., and functional heads attended the Audit Committee meetings, to answer and clarify the queries raised at the Committee meetings. The Company Secretary acts as Secretary to the Committee.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee has formulated a policy for determining qualifications, positive attributes and independence of Directors and a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Remuneration paid is as per the Nomination and Remuneration Policy formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE :

The Board had constituted a shareholder's/investor's Grievance Committee comprising of Sri. C Shivashankar, Chairman of the Committee, Sri. C B Patil Okaly and the MD as its members. The Committee looks into redressal of shareholders complaints like transfer of shares, non receipt of Balance Sheet, non receipt of declared dividend etc. No complaint was received from the shareholders during the year under review. Outstanding complaints as on 31.3.2015 was nil. The Committee met 3 times during the year viz., on 28th June, 2014, 3rd September, 2014 & 18th November, 2014. Sri.Mohan D Kulkarni, Company Secretary is the Compliance Officer.

INDEPENDENT DIRECTORS MEETING

As per the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR) Regulations, a separate meeting of the Independent Directors of the Company was held on March 30, 2015 without the presence of the Chairman, the Managing Director or Executive Directors or other Non-Independent Directors or the Chief Executive Officer or Chief Financial Officer or any other Management Personnel.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to 134 (5) of the Companies Act, 2013 the Board of Directors report that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgements 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 and loss of the company for that period;

(c) the directors had 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;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RISK MANAGEMENT POLICY:

Your Board of Directors periodically reviews and evaluates multiple risk potential to the Company.

STATUTORY AUDITORS

Pursuant to the provisions of the Companies Act, 2013 and rules framed thereunder, M/s. M N S & CO, Chartered Accounts were appointed as Statutory Auditors to conduct audit for the for the year 2014-2015.

The Auditors have given a Disclaimer of opinion in their Audit Report on the Financial Statements of the Company for the year ended 31.03.2015 due to company's inability to continue as a Going Concern.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A report in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 is set out in "**Annexure I**" to this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees or Investments under Section 186 are as given in the Financial Statements.

DISCLOSURE AS PER SEXUAL HARASSEMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

As a part of the policy for Prevention of Sexual Harassment in the organisation, Your Company has in place, an effective system to prevent and redress complaints of sexual harassment of women at work place in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and relevant rules thereunder. During the year under review, there have been no instances of any complaints.

DISCLOSURE RELATING TO REMUNERATION OF EMPLOYEES:

There are no employees receiving remuneration more than Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum, throughout the financial year 2014-15 and /or Rs. 8,50,000/-(Rupees Eight Lakh Fifty Thousand only) per month for a part of the financial year 2014-15. Therefore statement/disclosure pursuant to Sub Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as under.

I. **The details of top 10 employees in terms of remuneration drawn during the year**

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(Viii)	(ix)	(x)
Name of the Employee	Designation	Nature of employment Permanent/ Contractual	Qualifications and experience	Remuneration paid (In Rs.)	Date of commencement of employment	Age	Previous employment & designation	% of equity shares held by the employee in the company	Whether the employee is a relative of director of the company. If yes, name of such director
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

II. **the details of employees who were in receipt of remuneration, in aggregation, not less than Rs. 1,02,00,000/- per annum, employed for the full year or not less than Rs. 8,50,000/- per month, employed for part of the year**

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(Viii)	(ix)	(x)
Name of the Employee	Design ation	Nature of employme nt Permanen t/ Contractu al	Qualific ations and experien ce	Remuneratio n paid (In Rs.)	Date of commen cement of employ ment	Age	Previou s employ ment & designat ion	% of equity shares held by the employee in the company	Whether the employee is a relative of director of the company. If yes, name of such director
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

RELATED PARTY TRANSACTIONS:

None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013 as the same is in ordinary course of business and at arm's length.

VIGIL MECHANISM:

Vigil Mechanism is applicable as the Company falls within the purview of section 177(9) of the Companies Act, 2013.

MAINTENANCE OF COST RECORDS:

The Company has been maintaining the Cost Records until the stoppage of operations of the manufacturing activities at mills during 2015/2016.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

SECRETARIAL AUDIT:

Pursuant to Section 204 of the Companies Act, 2013, the Secretarial audit report forms part of this report. The observations made therein by the Secretarial auditor has been noted by the company for compliance.

MANAGEMENT DISCUSSION AND ANALYSIS : As the Company has stopped its manufacturing of Paper from November, 2015 and of Sugar from March, 2016, the related report has not been incorporated in this Annual Report.

ADDITIONAL INFORMATION :

i. Status of the Company`s application earlier filed with the BIFR :

In view of huge loss incurred by the Company (mpm) over successive years since 2009 and following the accumulated loss exceeding the threshold limit, the Company was declared SICK, by the Board for Industrial & Financial Reconstruction (BIFR), New Delhi in Case No. 601/2012. Thereafter, the BIFR held several hearings and had even appointed the erstwhile State Bank of Mysore (SBM) as an Operating Agency (OA) to prepare a `Revival Scheme` for the Company. A draft Revival Scheme prepared by M/s. Deloitte Touche Tohmats India Pvt. Ltd., Bangalore, a Consultant was submitted to the Government of Karnataka, being a major stakeholder, for its consideration. Meanwhile, considering huge losses incurred by the company for over several years, the Govt. of Karnataka, in consultation with the company, took a conscious decision to stop the operations of the company, in view of its un-viability, in the Paper Mill from November, 2015 and at Sugar Mill from March, 2016 and to lease out the operations of the Company to a private entity. Subsequently, following the enforcement of the repeal of the SICA, 2003 from December, 2016 onwards and consequential abatement of the aforesaid reference made to the BIFR, a further reference was required to be made by the Company before the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016 for adjudication of the matter. However, in view of the aforesaid decision of the Govt. to lease out operations of the Company to a private entity, a further reference was not made to the NCLT.

Further, in this direction, the Govt. also constituted an High Power Committee (HPC) during Oct. 2015 under the Chairmanship of the Chief Secretary to Govt. of Karnataka to oversee the necessary preparatory works and monitor the process of leasing out the operations of the Company to a private entity. The High Power Committee has held five meetings till now and had also constituted a `Forest Committee` to consider / approve sale / disposal of the matured pulpwood grown in the Captive Plantations raised by the Company in the forest lands leased to the Company which also held eight meetings till now. The harvesting of the matured pulpwood is being done only till the said lease is made out to avoid deterioration of pulpwood quality.

Further, the Company has engaged the services of IDecK, the Transaction Consultant for preparation of bid documents like Request for Qualification (RFQ), Request for Proposals (RFP), Lease Deed and Project Information Memorandum (PIM) and for conducting of the bid process. Further, the Company had uploaded RFQ in 2017 and 2018 which did not elicit good response as expected. Hence, in September, 2020 the Company floated RFP directly for which again, there was no response. However, keeping in mind the expectations of the prospective bidders, the Company has revised the RFP which has been approved by the said HPC.

The GoK has banned raising of Eucalyptus plantations in State vide notification dated 23.02.2017. Meanwhile, the Hon`ble High Court of Karnataka has stayed the said notification. The Company has requested the Govt. of Karnataka to exempt at least MPM for raising Eucalyptus Plantations in the Forest land leased to mpm. The demand of the prospective bidders, inter-alia, is lifting of ban for raising of Eucalyptus plantations in the forest lands leased to the company for ensuring uninterrupted supply of Eucalyptus as a major raw material to the successful bidder. The response from the Govt. is awaited and further action will be taken thereafter.

ii. Earlier Directions of CPCB for stoppage of mills for inadequate compliance of pollution control norms - appeal before the NGT :

During December, 2014, the Central Pollution Control Board (CPCB) had ordered the company to close down its entire operations due to non-meeting of certain pollution control measures, adequately, at the plant /mills. After efforts of the company did not yield any favorable response from the CPCB, the Company had then approached the National Green Tribunal (NGT) for granting stay to the said order. However, the NGT after holding several hearings at its Southern Bench, Chennai, permitted the company to continue the production at Paper Mill for a restricted quantity and extended the sugar cane crushing only for a limited period. Thereafter, the company met all other pending pollution control norms, including setting up of an ESP with the financial assistance from the Govt., to the satisfaction of the NGT following which the NGT had then directed the CPCB to revoke its closure order and grant necessary permissions. However in view of the impending leasing out of operations of the Company, coupled with directions of the Govt., thereafter the plant/s were not re-started to reduce the losses.

iii. Introduction of Voluntary Retirement Scheme / Voluntary Separation Scheme to the workforce of the Company.

As directed by the Govt. in 2017, as a prelude to leasing out the operations of the company to a private entity, the Company has also implemented the Voluntary

Retirement Scheme (VRS) / Voluntary Separation Scheme (VSS), as applicable, for its entire workforce,. The Government, inter-alia, had directed to ensure zero manpower with the said implementation of VRS / VSS to the workforce to ensure early leasing out of operations of the company to a private entity and ensuring zero manpower at the plant was also another condition of the prospective bidders to take on lease. Accordingly, the company has implemented VRS/VSS scheme to its permanent employees and contract workers respectively excluding employees working in Forest Division and Forest Field Watchers. However, few of the employees and officers did not avail the said VRS and were still on the muster rolls of the Company.

The GoK had infused Rs.345.00 crore towards settlement of various liabilities payable as VRS/VSS benefits to eligible workforce and outstanding dues payable to forest field workers.

iv. **Grant of permission for closure of the Company** : As there is no revenue generation in the company, the day to day administration of the company is carried out by the financial assistance extended by GoK from time to time. In order to mitigate the financial hardship faced by the Company, as per the communication dtd.01.02.2019 received from GoK, an application seeking permission for closure of manufacturing activities of the company was filed before Labour Secretary on 11.03.2019. The Labour Secretary had then passed the order on 28.06.2019 for closure of manufacturing activities of the company. However, the same was challenged by MPM Employees` Association (MPMEA) & others in the Hon'ble High Court of Karnataka. The Hon'ble High Court of Karnataka had passed the order on 09.01.2020 setting aside the order of Labour Secretary and remanded back to reconsider and pass reasoned order in accordance with law in an expedite matter & in any event not later than 4 weeks from the date of receipt of certified copy of the order ie., 23.01.2020. In pursuance of the said order of the Hon'ble High Court of Karnataka, the Labour Secretary, GOK, had held several hearing/s thereafter. Subsequently the Appropriate Authority i.e., Additional Chief Secretary, Labour Department, GoK, after hearing arguments in favour and against, has passed an order No. PÁE 226 LRF 2019 dated 07.10.2021 permitting MPM for closure of its manufacturing activities. As per provisions of the Industrial Dispute Act, 1947, the company had to pay closure compensation upto the cut-off date being 22.10.2021 to its remaining employees including any other statutory payments. The Company has already given effect to the aforesaid closure (revised) order passed by the said Appropriate Authority and made payment of the closure compensation to the remaining employees as per the Industrial Disputes Act, 1947 as also to the Officers as per the MPM OSCCAR 2008 thereof.

However, the workforce engaged in raising and maintenance of Captive Plantations has been continued .

v. **Settlement of Outstanding Liability to Consortium of Bankers as OTS :** Due to continuous losses and lack of sufficient funds for meeting the working capital requirements, the company had become defaulter i.e., NPA by not making payment to consortium of Banks with whom cash credit facility was availed during 2012 from fund and non-fund based limits. The aggregate of default amount of principal as on 31.03.2015 was Rs. 9210.83 lakhs.

As the company was unable to pay the outstanding principal amount and interest thereof, the State Bank of India, the lead banker have taken the possession of the MPM immovable property under SARFAESI Act 2002 during December 2017 and Members of Consortium Banks also filed cases before Debt Recovery Tribunal / National Company Law Tribunal, Bengaluru. The hearings of the said cases are going on.

Meanwhile, the company in order to clear the above outstanding principal amount + interest thereon had proposed an OTS to the Members of Consortium Banks. In the latest OTS proposal offered by the company was of 85% of the principal amount and waiver of interest till payment for their consideration, as the company has stopped its manufacturing activities and there is no revenue generation. After the deliberations, the Company paid a sum of Rs. 7672 lakhs to the Consortium of Banks with the financial assistance of Govt. of Karnataka in full and final settlement of the One Time Settlement. All the members of the Consortium of Bank have confirmed the receipt of the above OTS amount of 85% of the principal amount and waiver of payment of interest till payment and accordingly the company has received acknowledgements from all the members of consortium in this regard. In view of the said OTS, the recovery suits filed by the respective Banks are being disposed off accordingly.

vi. **MESCOM Liability :** It is pertinent to mention that a major liability still exists i.e., MESCOM dues to the extent of Rs. 190.19 Cr (i.e., Principal Rs. 113.93 Cr and interest Rs. 76.26 Cr.) towards earlier years and that the Company has requested the MESCOM for waiver of interest levied for the delay in payment of power bill. The matter of the said outstanding dues has been taken up with the MESCOM, Energy Department and KPTCL vis-a-vis various other long pending issues like water dues from MESCOM to the Company ; value of 27 acre of land (of mpm) occupied by MESCOM/KPTCL ; revision in export power rate the negotiations for which is under progress.

vii. Forestry activities including Renewal of Lease of Forest Lands for another 40 years :

The Forest Wing supplied 109110 MT of pulpwood by harvesting about 2185.50 hectares of captive plantations during 2014-15. Totally, 2945.15 ha. of harvested plantation areas were regenerated by replanting / coppicing with species like Acacia hybrid (1344.65), Eucalyptus pellita (345.00 Ha) and Eucalyptus camaldulensis (1255.50 Ha) during the year under review. The Farm Forestry programme was continued by selling about 7.0 lakhs seedlings and by entering in to a buy back agreement with farmers on a plain paper wherever they have availed seedlings in the programme. The Gate, purchase of pulpwood was also continued and totally 641.540 MT was procured @ Rs. 3,650/- per MT.

The programme of raising large scale clonal plants of Eucalyptus species in dry zone nurseries has been continued which will double the present yield from average 30 MT/Ha to over 60 MT/Ha where about ½ of the captive plantations are located in dry zone. The achievement with clonal plantations of Acacia hybrid in wet zone is already with an average yield of 100 MT/Ha.

The average weighted cost of Acacia and Eucalyptus pulpwood obtained from captive plantations works out to Rs. 1,970/- per tone as against Rs. 5,800/- per tone sold by KFDC in market. Thus Rs. 4178.91 lakhs plus tax were saved by obtaining 109110 MT of pulpwood from captive plantations and also which has minimized the consumption of chemicals and maximized the yield of pulp for production of paper. During 2014-15, 63890 MT of acacia pulpwood was supplied from Captive Plantations which has helped in minimizing the consumption of chemicals worth over Rs. 37.88 lakhs. Hence, Captive forestry was responsible for saving a total sum of Rs. 4216.79 lakhs during 2014-15.

The Govt. of Karnataka had leased forest C&D grade lands to the extent of around 30,000 ha for a period of 40 years w.e.f. 11.08.1980 for raising captive plantations as a raw material for manufacturing of paper and the company had in possession of 22616.85 ha in which the company has raised plantation in a phased manner in accordance with the Management Plan approved by Government of India. The said lease had expired on 10.08.2020. On the request of the company the Govt. of Karnataka, MPM being a Government company, issued a GO No.FEE 121 FLL 2015 dtd.20.11.2020 for renewal of lease granted in favour of MPM to an extent of 20005.42 ha for a period of 40 years from 11.08.2020 to 10.08.2060 subject to further renewal by mutual consent. The said lease is granted in accordance with the provisions provided under Section 2(iii) of the Forest

(Conservation) Act, 1980 by invoking the provisions of the Karnataka Forest Act 1963 and the Karnataka Forest Rules 1969. Accordingly, a lease agreement has been executed on 21.11.2020 between the Principal Chief Conservator of Forests (HoFF), Forest Department, GoK, for and behalf of Governor of Karnataka and The Mysore Paper Mills Limited represented by the Managing Director, giving effect to the above GO issued, incorporating the clauses of the said GO therewith. The said lease agreement has also been registered before the office of the Sub-Registrar, Bhadravati, Shimoga as per the Karnataka Stamps Act 1957 upon payment of stamp duty and registration charges of Rs.73,15,39,224/- which has been met out of the funds released by the Govt, for the purpose, as loan to the Company. Necessary applications have been made to the Ministry of Environment and Forests, Govt. of India, through Govt. of Karnataka, for issue of Management Plan afresh for the period FY 2022 to 2029 as the earlier one is expiring in July, 2022 and same is under the consideration the Govt. of India.

viii. **BSE Trading Stoppage :** It may be noted that the Comptroller and Auditor General of India, New Delhi had appointed M/s. MNS & Co., Bengaluru as Statutory Auditors of the Company for the FY 2014-15. Accordingly the said statutory auditors though completed the Statutory Audit for the said FY had then raised an issue of `on-going concern` and had urged the Company to get a Letter of Comfort from the Govt. of Karnataka, being a major stakeholder assuring that the required funds would be infused by the Govt. to the company in the backdrop of company`s weak financials vis-à-vis mounting liabilities failing which they would like to restate the financial statements at realizable value. After great deal of deliberations and exchange of correspondence and explanations provided to them by the Company, they have finally signed the Annual Accounts for the said FY 2014-15 only during Jan, 2021 and also issued their revised report during Oct. 2021. Hence there has been inordinate delay in holding the AGM for FY 2014-15. In view of this the Company thereafter, has not been able to file regulatory filings within the time limits which lead to suspension of trading of equity shares with effect from November, 2016 by the Bombay Stock Exchange (BSE) where the Company Equity Shares are listed with penalties thereof. The Company has already made application/s for revocation of the suspension of trading at BSE in view of the aforesaid reasons and also seeking waiver of the penalties imposed thereof and the same is under the consideration of the Exchange. The Registrar of Companies in Karnataka has also been appraised of the reasons for delay in holding AGMs.

ix. **Shifting of Regd. Office to the existing address :** It may also be noted that the Company has shifted the Regd. Office of the Company from its earlier address (# 16/4, Ali

Asker Road, Bangalore - 560 052) to the current address (# 32, earlier in 1st floor now on 5th floor, Karnataka State Co-operative Federation Ltd.`s Building, D. Devaraj Urs Road (Race Course Road), Bangalore - 560 001) during August, 2015 as reflected in the Notice after following due procedure which is for information of the shareholders. However, the phone Nos., fax and the e-mail ids are remaining the same.

x. Arrears of Books of Accounts & Audit of the Company.

The finalization of Accounts and Audit are in arrears for the period 2015-16 to 2020-21 due to delay in closure of books for the period 2014-15 and closure of operations of the company. The company has initiated the process of preparation of accounts and is coordinating with the Statutory Auditors and C&AG.

ACKNOWLEDGEMENTS :

Your Directors are pleased to acknowledge the dedicated efforts of all the employees and place on record their appreciation of the valuable contribution made by them during the year 2014-15. Your Directors also thank the sugarcane growers for the supply of sugarcane. Your Directors place on record their appreciation for the assistance, support and guidance extended to the Company, by the Government of Karnataka through the Departments of Commerce and Industries, Finance, Forest, Environment & Ecology, KPTCL, MESCOM, Directorate of Sugar, and by the Statutory Bodies and Financial Institutions, Karnataka State Pollution Control board & IFCI and Banks. Your Directors also thank the Government of India, Ministry of Corporate Affairs and its various departments, Statutory Auditors, Comptroller of Accounts & Audit, Registrar for Newspapers, Ministry of Railways, Department of Coal, etc., for their continued support to the Company.

For and on behalf of the Board of Directors of

The Mysore Paper Mills Limited

	Sd/-	Sd/-
	K.B. Sivakumar, IAS	Dr.E.V. Ramana Reddy, IAS
	Managing Director	Chairman
Place: Bengaluru	**Director**	**Director**
Date : 26.11.2021	**DIN: 08556310**	**DIN:02935216**

ANNEXURE - I
ADDITIONAL INFORMATION AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. ENERGY CONSERVATION :

Along with the implementation of IMS (Integrated Management System), the Management has adopted Energy Management Plan with focus on Energy conservation. The methodology adopted is regular tracking of Power, Steam and Water consumptions, internal auditing and bench marking.

Various Energy conservation / Productivity Improvement Schemes taken up during the year are:

Upgradation of Steam Condensate Systems for PM-3 and PM-4.

Commissioning of blow heat recovery system and new Pulp screening systems in Chemical Pulp Mill-II.

Commissioning of Single Cell Cooling Tower in Evaporator.

Civil work for installation of Rotary Lime Kiln.

On line condition monitoring system for PM-4.

Introduction of tri-disc refiners in PM-3.

Energy conservation schemes.

The Company has engaged M/s SPB-PC, Chennai to carryout detailed study on Mill development plan with focus on de-inking plant. The proposed de-inking plant has capacity to produce pulp for the manufacture of WPP in PM-4, making the Mill production versatile. MPM can produce more WPP with the installation of De-inking Plant. Product portfolio can be diversified according to market condition.

B. EXPENDITURE ON R&D DURING 2014-2015 - Rs. 0

C. EXPENDITURE AS A % TO THE TOTAL TURNOVER: -

FORM 'A'
TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

(In Lakhs)

	2012-13	2013-14	2014-15
A POWER AND FULE CONSUMPTION			
I. ELECTRICITY			
a) Purchased Units(Lakhs.KWH)	578.89	601.24	491.48
Total Amount (Rs.Lakhs)	3527.09	3782.43	3278.36
Cost per Unit-Rs.	6.09	6.29	6.67
b) Captive Generation(Lakhs KWH)(Net of Export)			
Through steam Turbine(Lakhs KWH)	1166.38	1012.19	707.58
Cost per Unit (Rs.)	4.98	5.74	5.32
II. COAL			
Quantity in (MT)	216475	211649	157327
Total Amount -Rs. Lakhs	8338.84	7904.12	6263.98
Average rate per tonne-Rs	3852.10	3734.54	3981.50
III. FURNACE OIL-KL	332.08	376.63	371.20
Total Amount -Rs. Lakhs	165.39	189.13	172.82
Average rate per KL	49804.3	50216	46557
IV. OTHER/INTERNAL GENERATION (MT)			
(a)Bagasse, Pith, Bamboo/Wood dust	3737	7110	1260
(b)Black Liquor Solids	84977	76877	54922
B CONSUMPTION PER UNIT OF PRODUCTION			
Production-MT			
Paper	86410	76954	53673
Sugar	17179	24675	19704
ELECTRICITY CONSUMPTION (KWH)			
Paper	1948	1983	2123
Sugar	348	354	397
COAL CONSUMPTION (MT)			
Paper	2.26	2.34	2.45
Sugar	1.24	1.28	1.31
C FOREING EXCHANGE EARNINGS AND OUTGO (Rs.LAKHS)			
1. FOREIGN EXCHANGE EARNINGS-EXPORT OT PAPER	0.00	0.00	0.00
2. FOREIGN EXCHANGE OUT GO DURING THE FINANCIAL YEAR ENDING 31-03-2013			
a) Imports (on C.I.F. basis)			
i. Raw Material	3718.40	4591.17	624.09
ii. Components, Spares parts, Chemicals	90.07	132.85	148.48
iii. Capital Goods	-	-	-
b) Other than imports			
i. Travel	-	-	-
ii. Interest on CDC Loan	-	-	-
iii. Loan Repayment CDC Loan	-	-	-
iv. Services	-	-	-

V SREEDHARAN AND ASSOCIATES
Company Secretaries
No. 291, 1st Floor, 10th Main Road, 3rd Block,
Jayanagar, Bengaluru - 560 011
+ 91 80 49594533 compliance@sreedharancs.com

000023

Form No. MR-3

SECRETARIAL AUDIT REPORT

[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]

FOR THE FINANCIAL YEAR ENDED: 31.03.2015

To,

The Members,

THE MYSORE PAPER MILLS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Mysore Paper Mills Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2015 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

V. Sreedharan & Associates Company Secretaries

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing **(Not Applicable to the Company during the Audit Period);**
(v) **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-**

(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 **(Not Applicable to the Company during the Audit Period);**
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014 **(Not Applicable to the Company during the Audit Period);**
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**



(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**;

(vi) Other laws applicable specifically to the Company namely:

a. The Karnataka Transparency in Public Procurements Act, 1999
b. Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder
c. Boilers Act, 1923 & Rules made thereunder
d. Environment (Protection) Act, 1986
e. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned State Rules
f. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ concerned State Rules.
g. Hazardous Wastes (Management and Handling) Rules, 1989
h. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes
i. The Workmen's Compensation Act, 1923
j. Forest (Conservation) Act, 1980
k. The Karnataka Transparency in Public Procurements Act, 1999
l. The Minimum Wages Act, 1948 & its Central Rules/ concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade
m. The Employees' State Insurance Act, 1948 & its Central Rules / concerned State Rules
n. The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/concerned State Rules

V. Sreedharan & Associates Company Secretaries

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Ltd.

We have not examined compliance by the Company with

(a) the Secretarial Standards issued by the Institute of Company Secretaries of India as they had not been notified by the Central Government up to March 31, 2015.

(b) applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

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

1. *As per the Section 173 of the Companies Act, 2013 and pursuant to the provisions of clause 49 of the Listing Agreement, there has to be minimum of 4 Board Meetings every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. However, the Company had conducted only 3 Board Meetings i.e., on June 28, 2014, September 03, 2014 and November 18, 2014 during the Financial Year 2014-15. After November 18, 2014 Board Meeting the next board meeting was conducted on May 27, 2015. The gap between November 18, 2014 and May 27, 2015 was more than 120 days.*

2. *The resolutions of the Board passed at the Board Meeting held on June 28, 2014 for noting the Disclosure of Interest received from Directors should have been filed with the Registrar of Companies, Karnataka within 30 days of passing the resolution pursuant to the provisions of Section 117(3)(g) read with Section 179(3) of the Companies Act, 2013.*



3. *The resolution for appointment of Secretarial Auditor for the FY 2014-15 was passed at the Board Meeting held on April 02, 2016 instead of passing it during the FY 2014-15 and the said resolution was filed in Form MGT-14 with the Registrar of Companies, Karnataka on July 21, 2016.*

4. *Pursuant to the provisions of clause 41 of the Listing Agreement, Company has not submitted the Financial Results to the stock exchange within 45 days of end of every quarter for the quarter ended 31.03.2014 and 30.06.2014, 30.09.2014. Further Company has not submitted the financial results for the quarter ended 31.12.2014 to stock exchange. Also, the Company has not published the financial results in English and vernacular language for all the quarters during the financial year 2014-15. The Company has not complied the provisions relating to providing of half yearly note on the statement of assets and liabilities with respect to audited or unaudited financial results for the half-year ended 30.09.2014.*

5. *The Company had no Independent Directors on the Board of Directors of the Company as required under the Clause 49 of the Listing Agreement and hence the Board Composition and the Audit Committee Composition was not as per the requirements specified under Clause 49 of the Listing Agreement.*

6. *The Company has not maintained the statutory registers as required under the Companies Act, 2013.*

7. *The Company is not maintaining functional website and hence we are unable to comment with regard to website compliances.*

8. *The Company had not filed relevant form for the appointment of Cost Auditors and also not filed the cost audit report for the year ended 31.03.2014 during the year 2014-15.*

V. Sreedharan & Associates
Company Secretaries

9. *The Company was not having adequate systems and processes to commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.*

10. *The Company has not complied with the requirement of submission of Quarterly Compliance Report on Corporate Governance to the stock exchanges as required under Clause 49 of the Listing Agreement.*

We further report that

We have been asked by the Company, to do the Secretarial Audit for the Financial Year 2014-15 during the financial year 2021-22 and provided us the Board Resolution passed at the Board Meeting held on April 02, 2016 for our appointment as the Secretarial Auditors of the Company for the financial year 2014-15. Accordingly, we have conducted the secretarial audit for the said year considering the applicable provisions of the laws and regulations which were applicable during the year 2014-15.

The Board of Directors of the Company is constituted without proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

V. Sreedharan & Associates Company Secretaries

There were no adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the audit period there were no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For V. Sreedharan & Associates



(Pradeep B. Kulkarni)
Partner
FCS 7260; CP No. 7835

Date: November 24, 2021
Place: Bengaluru

UDIN: F007260C001531728
Peer Review Certificate No.: 589/2019

CORPORATE GOVERNANCE REPORT

THE MYSORE PAPER MILLS LIMITED (hereinafter referred to as 'MPM' or 'Company'), believes that Corporate Governance is an essential element of business, which helps the Company to fulfil its responsibilities to all its stakeholders. Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At MPM, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

A. BOARD COMPOSITION

As on March 31, 2015, the Board comprised of a Chairman, Managing Director, two Non-Executive Directors appointed by Government of Karnataka, Four independent Non-Executive Directors elected in the Annual General Meeting of the Company and one independent Non-Executive Director nominated by the Financial Institution.. An independent director is the chairperson of each of the Board committees – audit committee, nomination and remuneration committee and stakeholders relationship committee.

All the Board members are residents of India. The Company has an effective mechanism for succession planning which focuses on orderly succession of Directors and Senior Management Team.

Following was the composition of our Board:

Board Composition

Sl. No.	Name of Director Shriyuths :	Category of Director	No. of Meetings held	No. of Meetings attended	Attended last AGM (30.12.2014) yes/No	No. of other Directorship held		No. of Board Committee(s) of which he is a Chairman / Member	No. of shares Held
						As director	As Chairman		
	GOVT. DIRECTORS:								
1	V UMESH IAS (upto 10.06.2014 as Director & Chairman)	Non-Executive	-	-	-	-	-	-	-
2	K RATNA PRABHA IAS (upto 10.06.2014 as Director) (from 10.06.2014 as Director & Chairperson)	Non-Executive	3	3	Yes	9	10		
3	M MAHESHWAR RAO IAS (as Director & Managing Director upto 08.09.014)	Executive	2	2		18	6 1 MD 1 Vice Chairman	Nil	
4	NAVEEN RAJ SINGH, IAS (as Director & Managing Director) (From 08.09.2014 to 24.07.2015)	Executive	1	1	Yes				
5	ARVIND SHRIVASTAVA, IAS	Non-Executive	3		No	10	Nil	Nil	

Under the category of " Elected " Directors :									
6	M LAKSHMINARAYANA, IAS (upto 30.12.2014)	Ind/ Non-Executive	3		No		Nil	5	500
7	S PARAMESWARAPPA, IFS (Retd) (upto 30.12.2014)	Ind/ Non-Executive	3	2	No	Nil	Nil	Nil	600
8	C SHIVASHANKAR (upto 19.08.2015)	Ind/ Non-Executive	3	3	Yes	Nil	Nil	Nil	500
9	C B PATIL OKALY	Ind/ Non-Executive	3	3	Yes	Nil	Nil	Nil	500
	NOMINEE DIRECTORS:								
10	V C RAMMOHAN	Ind/ Non-Executive	3	1	No	1			
11	B L KHANNA, SPL DIRECTOR- BIFR (upto 19.02.2015)	Ind/ Non-Executive	3	2	Yes				

Role of the Board of Directors

The primary role of the Board is that of trusteeship - to protect and enhance shareholder value through strategic direction to the Company.

- As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth.
- It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations.
- It monitors the effectiveness of the Company's governance practices and makes changes as needed.
- It provides strategic guidance to the Company, ensures effective monitoring of the Management and is accountable to the Company and the shareholders.
- It exercises independent judgment on corporate affairs.
- It assigns sufficient number of non-executive members of the Board of Directors capable of exercising independent judgment in tasks where there is a potential for conflict of interest.
- It reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

Following are the dates on which board meetings were held:

During the year 2014-2015, the Board of Directors met 3 times viz.,

Sl. No.	Date of Board Meeting
1.	28th June 2014
2.	3rd September 2014
3.	18th November 2014

Independent directors

According to Section 2(47), 149(6) of the Companies Act, 2013 and the Rules there under, and Clause 49 of the Listing Agreement with Indian stock exchanges, an 'independent director' is a

person who is not a promoter or employee or one of the key managerial personnel of the company or its subsidiaries. The laws also state that the person should not have a material pecuniary relationship or transactions with the company or its subsidiaries, apart from receiving remuneration as an independent director.

Board / Committee Meetings and its procedures

The Company holds minimum of four Board Meetings in each year which are pre-scheduled at the end of each financial quarter. Apart from the four pre-scheduled Board Meetings, additional Board Meetings are convened by giving appropriate notice. The meetings are invariably held at the Registered Office of the Company. All Functional / Divisional Heads in the Company are advised to plan their functions well in advance particularly with regard to matters requiring discussion/approval of the Board / Committee Meetings.

The Board/Committee is given presentations covering Finance, Production, Marketing and other major schemes and operations of the Company wherever necessary. The Annual Agenda of the Board includes determining the Directors who shall retire by rotation and recommending appointment of Directors, authentication of Annual Accounts and approving Directors' Report, report on Corporate Governance etc. The Chairman, Managing Director and Company Secretary in consultation with other concerned team members of the senior management finalise the Agenda. The Agenda papers are circulated to the Directors, in advance, in the defined Agenda format. The Company Secretary records the minutes of the Board/Committee Meetings. The Draft minutes are circulated to all the members of the Board / Committee for their comments and the same are confirmed at the subsequent Board /Committee Meetings and maintained under the loose leaf system. Action taken report on the decisions/minutes of the previous meetings will be placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee. The Company has held atleast one meeting in every three months and the maximum time gap between any two meetings was not more than four months. None of the Directors of the Company was a member of more than ten Committees nor the Chairman of more than five Committees across all Companies in which he/she was a Director.

B. BOARD COMMITTEES

Currently, the Board has three committees: the audit committee, nomination and remuneration committee and stakeholders relationship committee. The Board, in consultation with the nomination and remuneration committee, is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. It delegates these powers to the nomination and remuneration committee. The Non-Executive Chairman of the Board, in consultation with the Company Secretary and the committee Chairperson, determines the frequency and duration of the committee meetings. Normally, audit committees and stakeholders relationship committee meet four times a year and nomination and remuneration committee meets two times a year and not more than six months shall elapse between two meetings . Recommendations of the committees are submitted to the entire Board for approval. The quorum for meetings is either two members or one-third of the members of the committee, whichever is higher.

I. AUDIT COMMITTEE:

The Company's Audit Committee (AC) comprises of five members, headed by Mr. C. Shivashankar, Chairman – AC and had Mr. Naveen Raj Singh, IAS, Mr. M Maheshwar Rao, IAS, Mr. S Parameswarappa, IFS (Retd), Mr. C B Patil Okaly and Mr. B L Khanna, Invitee as its members.

Audit Committee is in line with Regulation 18 of Listing Regulations read with Section 177 of the Companies Act, 2013.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- superintending Company's financial reporting process and dissemination of financial related information and to ensure that financial statements are sufficient and credible;
- examining and reviewing annual financial statements with management before submitting to the Board for approval;
- analyzing and reviewing management discussion and financial position and results;
- analyzing and approving related party transactions in accordance with the policy of the Company;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

Meetings held and attendance during the year:

Sl. No.	Directors Shriyuths :	No. of Meetings held	Attended
1.	C. SHIVASHANKAR, CHAIRMAN – AC	3	3
2.	NAVEEN RAJ SINGH, IAS	1	1
3.	M MAHESHWAR RAO, IAS	2	2
4.	S PARAMESWARAPPA, IFS (Retd)	3	2
5.	C B PATIL OKALY	3	3
6.	B L KHANNA, INVITEE	3	3

The Audit Committee has met 3 times during 2014-15 on 28th June, 2014, 3rd September, 2014 & 18th November, 2014. At the invitation of the Audit Committee, the Statutory Auditors, Internal Auditors and head of Internal Audit Dept., and functional heads attended the Audit Committee meetings, to answer and clarify the queries raised at the Committee meetings. The Company Secretary acts as Secretary to the Committee.

During the year under review, there are no instances of fraud committed against the Company by its Officers or employees which have been reported to the Audit Committee.

II. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises, Mr. S Parameshwarappa, IFS (Retd) as its Chairman up to 30.12.2014 and Mr. C Shivashankar as its Chairman up to 19th August 2015 .

The Committee was constituted to recommend the remuneration package to the Directors. The Company is paying only the sitting fees of Rs.500/- to the Directors for attending the Board/Committee meetings. The Committee did not meet during the year as there was no requirement.

The composition of the Committee is in line with Section 178 of the Companies Act, 2013 and Listing Regulations.

Details of remuneration for the year ended 31.03.2015.

Aggregate value of salary and perks paid for the year ended 31st March, 2015, to the Chairman, Managing Director/s is/are as follows:

Sl. No	Name Shriyuths :	Salary (Rs.)	Leave Salary (Rs.)	Pension Contribution (Rs.)	Total (Rs.)	Retirement Benefits
1.	K RATNA PRABHA IAS Ex-Chairperson					As per Govt. rules
2.	NAVEEN RAJ SINGH, IAS Ex-Managing Director	8,82,116	40,942	59,552	9,82,610	
3.	M MAHESHWAR RAO IAS Ex-Managing Director					

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

I. Stakeholders / Investors Grievances Committee

Stakeholders Relationship Committee comprises of Mr. C Shivashankar, Chairman of the Committee, Mr. C B Patil Okaly and MD.

The role of Stakeholders Relationship Committee is as follows:

- consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
- ensure expeditious share transfer process
- evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- provide guidance and make recommendations to improve investor service levels for the investors.

Stakeholders Relationship Committee met three times during the year viz., on 28th June, 2014, 3rd September, 2014 & 18th November, 2014. Sri.Mohan D Kulkarni, Company Secretary is the Compliance Officer.

The details of the complaints received during the Financial Year 2014-15 and the status of the same are as below:

Nature of Complaints	No. of Complaints Received	No. of Complaints Resolved	Pending Complaints
Non-Receipt of Dividend Warrants	0	0	0
Non-Receipt of Share Certificates	0	0	0
SEBI Complaints (SCORES)	0	0	0
Non-Receipt of Annual Reports	0	0	0
Total	0	0	0

No complaint was received from the shareholder during the year under review.

II. Share Transfer Committee :

In order to expedite the process of Share transfers which are in physical form, the Board has delegated the powers of share transfers to a Committee comprising of MD, Mr. Harsh Gupta, IAS, Chairman of the Committee, Mr. C Shivashankar (upto 19.08.2015) and Mr. S Parameshwarappa, IFS (Retd) (upto 30.12.2014). The Share Transfer Committee met 09 times during the year 2014-15. The Share Transfer Committee attends to the Share transfer formalities. The business transacted at the Share Transfer Committee meetings are placed before the Board regularly. All valid share transfers during the year ended 31.03.2015 have been attended on time by the Committee.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:

A code of Conduct as applicable to the Directors and the members of the Senior Management had been approved by the Board. The code has been circulated to all the members of the board and Sr. Management and compliance of the same has been obtained by them. A declaration to this effect has been obtained from Managing Director. A copy of the code has been put on the Company's Website.

Declaration as required under Clause 49 of the Listing Agreement:

All Directors and senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2015.

GENERAL BODY MEETINGS

a. Annual General Meeting (AGM)

The venue, date and time of the Annual General Meetings held during the preceding three years and the Special Resolutions passed thereat are as under:

Financial Year	Venue	Date & Time	Special Resolution
2011-2012	KAS Officers Association	31.12.2012 at 10.00 A.M	
2012-2013	KAS Officers Association	29.03.2014 at 11.00 A.M	
2013-2014	KAS Officers Association	30.12.2014 at 11.00 A.M	

b. Extraordinary General Meetings (EGM)

During the year under review no resolutions were passed through EGM.

c. Postal ballot:

During the year under review no resolutions were passed through postal ballot.

D. DISCLOSURES

a. Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, directors or their relatives, management, its subsidiaries etc., that may have potential conflict with the interests of the Company at large:

There were no such transactions during the year.

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. Hence, no penalties or strictures have been imposed by the Stock Exchanges or SEBI or any statutory authority.

E. MEANS OF COMMUNICATION

a.	Quarterly Results	Published in Newspapers viz., i. Business Standard, ii. Kannada Prabha
b.	Newspapers wherein result Normally published.	
c.	Any Website, where displayed	Published in Co.'s website
d.	Whether it also displays official news released; and	No
e.	The presentations made to Institutional Investors or to the analysis.	No

F. General Shareholder information

a. Date and time of the AGM:

Date & Time: Wednesday the 29.12.2021 at 11.30 am

Venue: Virtual Mode

b. Book Closure Date (both day inclusive)

23.12.2021 to 29.12.2021

c. Financial year:

Financial year: 1st April to 31st March

Tentative calendar for financial year 2015-16:

- Results for quarter ending 30-06-2015 Last week of July.2015

- Results for quarter ending 30-09-2015 Last week of October 2015

- Results for quarter ending 31-12-2015 Last week of Jan. 2015

- Results for quarter ending 31-03-2016 Last week of April 2016

d. Dividend Payment Date: - Nil -

e. Listing on Stock Exchange at: Bombay Stock Exchange

f. Stock Code: Bombay Stock Exchange – 502405

g. Market Price Data –

High & Low quotations for the year 2014-15:

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Highest	04.33	06.54	06.90	06.14	05.45	06.00	06.07	05.92	05.50	06.98	06.74	05.82
Lowest	03.62	03.80	05.43	04.65	04.57	04.76	04.76	04.47	04.74	04.58	05.11	04.42

h. Performance in comparison to broad based indices such as BSE Sensex, CRISIL Index etc.:
Nil

i. Registrar and Transfer Agents:

M/s. Integrated Registry Management Services Pvt. Limited,
30, Ramana Residency, 4th Cross,
Sampige Road, Malleshwaram
BENGALURU - 560 003
Tel Nos : 080-23460815 - 818 / Fax : 080 - 23460819.
e-mail : irg@integratedindia.in

Demat for equity shares ISIN No. : NSDL - ISIN - INE924FO1012,
CDSL - ISIN - INE924F01012
Corporate Identification Number (CIN): U74900TN2015PTC101466

j. Share Transfer System:

All transactions relating to transfer, transmission, issue of duplicate share certificates etc., in physical form are processed and approved by the Share Transfer Committee which meets twice a month. Presently, the share transfers which are received in physical form are processed and the Share Certificate are returned within 15-20 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company has, as per SEBI guidelines offered the facility of Transfer-cum-Demat.

Distribution of Shareholding as on 31.03.2015:

Sl. No.	No. of Equity Shares held	No. Shareholders	% age of Shareholders	No. of shares held	% age of Share holdings
1.	01-500	14984	84.13	1421380	1.20
2.	501-1000	1051	5.90	948034	0.80
3.	1001-2000	725	4.07	1213787	1.02
4.	2001-3000	270	1.52	718832	0.60
5.	3001-4000	109	0.61	404465	0.34
6.	4001-5000	189	1.06	916739	0.77
7.	5001-10000	227	1.27	1821552	1.53
8.	10001 & above	255	1.43	111448643	93.74
	Total	**17810**	**100**	**118893432**	**100**

k. Dematerialisation of shares & liquidity :
About 33.73% of the Company's paid-up share capital has been dematerialised as on 31-03-2015. Trading in equity shares of the company at the stock exchange is permitted only in dematerialised format, as per Notification issued by the Securities and Exchange Board of India [SEBI].

l. Outstanding GDR's / ADR's / Warrants or any convertible instruments. Conversion dates and likely impact on equity - Nil.

m. Plant Location:

PAPER TOWN,
BHADRAVATI - 577 302
SHIVAMOGGA DIST. KARNATAKA STATE
Tel Nos. : (08282) 295190
E-mail : cfofin.mpm@ka.gov.in

n. Address for Correspondence:

a) The below mentioned Share Registrar & Transfer Agent of the Company may be contacted for transfer / transmission of shares, change of address, dematerialisation of shares and all their shares related matters:

M/s. Integrated Registry Management Services Pvt. Ltd., (India) Limited
30, Ramana Residency, 4th Cross,
Sampige Road, Malleshwaram
BENGALURU - 560 003.
Tel Nos: 080- 23460815 - 818Fax : 080 - 23460819.
e-mail : irg@integratedindia.in
Corporate Identification Number (CIN) : U74900TN2015PTC101466

b) Query on Annual Report :

The Company Secretary
The Mysore Paper Mills Limited
32, 5th floor, Karnataka State Co-operative Federation Ltd.,`s Building
D.Devaraj Urs Road (Race Course Road)
Bengaluru - 560 001.
Tel Nos : 080-22266979 / 22255459 Fax : 22253478
e-mail : cs@mpm.co.in
Corporate Identification Number (CIN): L99999KA1936SGC000173

Adoption of non-mandatory requirement of Clause 49 of Listing Agreement:

The Company complies with the following Non-mandatory requirements stipulated under Clause 49:

Remuneration Committee:

The Company has constituted Remuneration Committee to recommend/ review remuneration package to the Directors. However, the Committee did not meet during the year as there was no requirement.

Audit Qualification:
Company is in the regime of unqualified financial statements.

The above report was placed before the Board at its meeting held on 26.11.2021 and was approved. The Compliance Certificate from the statutory auditors of the company is annexed herewith.

For and on behalf of the Board of Directors of

The Mysore Paper Mills Limited

	Sd/-	Sd/-
	K.B. Sivakumar, IAS	Dr.E.V. Ramana Reddy, IAS
	Managing Director	Chairman
Place: Bengaluru	**Director**	**Director**
Date : 26.11.2021	**DIN: 08556310**	**DIN:02935216**

M N S & Co.
Chartered Accountants

163, 2nd Floor,
R.V. Road, Near Minerva Circle,
Bangalore - 560 004

Phone : 080 - 2657 2290, 2656 6868
Telefax : 080 - 2657 3319
E-mail : caminsco@gmail.com
mnsco@rediffmail.com

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AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
The Mysore Paper Mills Limited,

We have examined the compliance conditions of Corporate Governance by The Mysore Paper Mills Limited for the year ended 31-03-2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanation given to us, the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned listing agreement.

We state that as on date of this certificate no investor grievance was pending for a period exceeding one month against the company as per records maintained by the Investors' 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 M N S & Co,
CHARTERED ACCOUNTANTS,
(FRN: 003968S)

CA. SRINIVAS. M
PARTNER
M No. 029180
UDIN : 21029180AAAADI1339

Firm Regn. No. 003968S BANGALORE CHARTERED ACCOUNTANTS

PLACE: BANGALORE
DATE: 06.10.2021

MNS & Co.
Chartered Accountants

163, 2nd Floor, 000042
R.V. Road, Near Minerva Circle,
Bangalore - 560 004

Phone : 080 - 2657 2290, 2656 6868
Telefax : 080 - 2657 3319
E-mail : camnsco@gmail.com
mnsco@rediffmail.com

Independent Auditor's Report (REVISED)

To
The Members of **THE MYSORE PAPER MILLS LIMITED**
Bangalore-560001.

Report on Financial Statements:

We have audited the accompanying financial statements of The Mysore Paper Mills Limited which comprises the Balance Sheet as at 31st March 2015, Statements of Profit and Loss, and Cash Flow Statements for the year then ended and a summary of significant accounting policies and other explanatory information on that date and submitted our report on 30.01.2021, subsequently the audit report have undergone revision in the light of observations of the Comptroller and Auditor General of India. This supersedes our earlier report dated 30.01.2021.

'As required by section 143(5) of the Act, we give in Annexure 'B' , to our report on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us on the directions and sub-directions issued by the Comptroller and Auditor General of India.'

Management's Responsibility for the Standalone 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 preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and Cash Flow of the Company, in accordance with the accounting principles generally accepted in India, Including the Accounting Standards specified U/s 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014 .This responsibility also includes maintenance of adequate accounting records in accordance with provision 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 insuring the accuracy and

M.N.S. & Co. FIRM REGN. No. 003968 S BANGALORE Chartered Accountants

completeness of 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.

Auditors' Responsibility:

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provision of the Act, Accounting and Auditing standards and matters which are required to be included in the Audit report, under the provision of the Act and rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 financial control relevant to the Company's preparation of financial statements, that gives true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Disclaimer

1. The company is incurring cash losses continuously and net worth of the company is fully eroded. The Company's net worth as on 31st march, 2015 is negative amounting to Rs. 39997.52 lakhs.

2. **VRS / VSS settlement of company's employees and contract laborers.**

   The company had given VRS/VSS to all the employees except for forest division staff and forest division watchers to keep continuity in forest division activity as per the approved management plan of afforestation.



This indicates that the Company has no intentions to start production and sales in the near forceable future.

3. **Non payment of Creditors for long time.**

The Company has current liabilities due for a period more than contractual period and outstanding for a long period. The Company has not taken steps to identify the realistic value of liabilities and has no arrangements to clear these liabilities.

4. **Order of the Debt Recovery Tribunal and attachment of Company's assets for the dues of Banks.**

The application under section 19 of the Debts Due to Banks and Financial Institution act 1993, has been filed before Hon'ble Debts Recovery Tribunal – II at Bangalore by State Bank of India for recovery of Bank dues. The Karnataka Bank a member of the Consortium Bankers has also filed application before the Debt Recovery Tribunal II, Bengaluru and has obtained the Garnishee order against the company's account maintained at Corporation Bank, Bhadravathi for non-payment of their outstanding dues. The State Bank of India, the leader of Consortium Banks has attached all the immovable properties of the company under SARFAESI ACT 2002 by fixing the notice on the main gate of the factory on 31.12.2018 and also publishing the same in all leading news papers for nonpayment of their outstanding dues.

5. **No assurance by the GOK for financial support in case of need.**

The State Government has neither assured nor given any letter of comfort to fund for running of operations of the Company and also for clearing long outstanding liabilities.

6. **Non operation of both paper and sugar mills since 2015/2016.**

As per the decision of the management based on the National Green Tribunal and Central Pollution Control Board, the operations of the paper mill are suspended during November 2015 and sugar mill during March 2016. The Board has passed a resolution in 553rd meeting dated 17.12.2015 asking the Managing Director to suspend operations and minimize work force. The company has received directions from GOK to suspend its all manufacturing activities including maintenance.



7. **Order of Labour Secretary, GOK for closure of manufacturing activities of the Company.**

The Labour Secretary GOK has issued the closure order vide GO No KA.E:IDG:2019 Dated 28.06.2019. The same was challenged by MPM Employees Association in the Hon'ble High Court of Karnataka and the Hon'ble High Court of Karnataka has passed the order dtd.09.01.2020 which was received on 23.01.2020 has set aside the said closure order and remanded matter to the appropriate authority to reconsider and passed a reasoned order in accordance with law in the expedite matter in any event not later than four weeks from the date of the receipt of the certified copy of the order.

8. **Status of Company's application with BIFR:**

As GOK has decided to lease out the operations of the mill to the third party, as a part of revival of the company, no further initiative from company for pursuing with BIFR. With the Bankruptcy Code coming into effect, all proceedings pending before the BIFR and AAIFR stand abated.

The above factors indicate that the Company is not a going concern as detailed under SA 570 notified by Institute of Chartered Accountants of India. Neither the Board of Directors nor the Managing Director of the Company have affirmed the ability of the company to carry on its operations for foreseeable future

The above material uncertainties indicate that the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements and notes thereto do not fully disclose this fact.

Because of significance of the matters described in the basis of disclaimer paragraph and based on information stated in preceding paragraph, the Company is not a going concern. However the Company has prepared its financial statements on the basis of going concern, which is inappropriate. Hence we do not express an opinion on the financial statements.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of



section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

a) we have obtained all the information and explanations, except as mentioned in our disclaimer opinion above, which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) Subject to our observations stated in the Basis for disclaimer, 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) Due to the possible effects of the matter described in the Basis for Disclaimer paragraph, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards under 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 March 31, 2015, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its financial statements;

ii) Due to the possible effects of the matter described in the Basis

M.N. S. & Co. ★ Chartered Ac... FIRM REGN. No. 003993-S BANGALORE

for Disclaimer paragraph, we are unable to state whether the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) As per the information and explanations given to us by the Company, there were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s MNS &Co.
Chartered Accountants
Firm Reg. No. 003968S

(CA SRINIVAS M.)
Partner.
Membership No. 029180

Place: Bangalore
Date: 06-10-2021

UDIN: 21029180AAAACQ5131

M.N.S. & Co. FIRM REGN. No. 003968 S BANGALORE Chartered Accountants

ANNEXURE A

TO THE MEMBERS OF THE MYSORE PAPER MILLS LIMITED

Referred to in Paragraph 1 of our report of even date

1. a) The Company has maintained proper records showing full particulars of quantitative details and situation in respect of fixed assets.

   b) The Company has a regular program of physical verification of **plant and machinery & vehicles only.** In our opinion, the periodicity of physical verification is reasonable for these assets having regard to the size of the Company and nature of its assets. Accordingly, the fixed assets were verified by the Management during the year and according to information and explanations given to us, no material discrepancies were noticed on such verification.

2. a) According to the information and explanations given to us, the Management of the Company has conducted physical verification of Inventory during the year **except for standing crops, which is estimated on yield-based formulae, in contravention to the realizable value to be stated as enumerated in SA 570.**

   b) In our opinion the procedures of physical verification of inventory followed by management is reasonable & adequate having regard to the size of the Company and nature of its business.

   c) In our opinion, the Company is maintaining proper records of inventory and according to the information and explanations given to us the discrepancies noticed, during physical verification are not material in nature and the same have been properly dealt with in the books of account of the Company.



3. According to the information and explanations given to us the company has neither granted nor taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under section 189 of the Act, 2013. Consequently, provisions of clauses iii (a) and iii (b) of paragraph 4 of the order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system, commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit **except in the case of labour payments made by cash towards captive forest plantation activities.**

5. According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

6. The maintenance of cost records has been prescribed by the Central Government under section 148 (1) of the Companies Act, 2013. According to the information & explanations given to us, such accounts and records have been made and maintained by the Company. However we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

7. a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income tax, VAT, Service Tax, Custom Duty, Excise Duty, Cess, Wealth Tax, and any other statutory dues applicable with the appropriate authorities except **VAT & CST of Rs. 584.11 lacs and Purchase Tax on sugar cane amounting to Rs 614.03 lacs** are outstanding for a period more than six months from the date they became payable.

b) According to the information and explanations given to us there are no disputed dues in respect of Income Tax, VAT, Wealth Tax, Customs Duty, Excise Duty, Cess, except Service Tax of Rs.49.00 lacs for which the appeal is pending before the Commissioner of central Excise and Service Tax.

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c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

8. The accumulated losses of the Company as at the end of financial year are more than 50% of its net worth and the company has incurred cash loss during the current financial year and in the immediately preceding financial year.

9. **On the basis of verification of relevant records and documents and according to the explanations and information given to us, the Company has defaulted in repayment of dues to financial institutions, Banks & Debenture Holders as below:**

Sl. No.	NAME	Defaulted Amount Rs. In lacs	Default since
1.	SBM	5301.49	01-07-2012
2.	SBI	4049.16	01-07-2012
3.	Karnataka Bank	217.30	01-07-2012
4.	Indian Bank	1934.84	01-07-2012
5.	Vijaya Bank	1885.64	01-07-2012

Note: Interest on all loans accounted up to 31-03-2015.

10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Hence clause 4 (x) of the Companies (Auditors report) Order, 2015 is not applicable to the company.

11. **In our opinion and on the basis of information and explanations given to us, the fund raised through Bonds of Rs. 50 Crores in July 2010 out of which Rs. 42.92 Crores has not been applied for the purpose for which it has been obtained.**

12. According to the information and explanations given to us and on the basis of examination of records, an alleged fraud on the company perpetrated by an employee was reported during the year vide office memo FPR/507/DSP/2013-14 dtd: 28/10/2013 and 5/2/2014 amounting to Rs. 48.05 lacs for the years 2008 to 2014. **The Company**

M. N. S. & Co. * Chartered Accountants * FIRM REGN. No. 003968 S BANGALORE

has lodged a case with paper town police station and the FIR was also made. Police department had collected various information for the investigation and the investigation is in progress and the case is pending before the Court. In view of pending investigation and assessment of losses the company has not settled any terminal benefit to the employee.

For M N S & CO.

Chartered Accountants
Firm Regn. No. 003968S

(CA. SRINIVAS M.)
PARTNER
Membership No: 029180

Place: Bangalore
Date: 06-10-2021

M. N. S. & Co. ★ FIRM REGN. No. 003968 S BANGALORE ★ Chartered Accountants

M N S & Co.

Replies to The Directions Under Section 143 (5) of the Companies Act, 2013 for The Year 2014-15

ANNEXURE B

The Mysore Paper Mills Ltd., Directions under section 143(5) of Companies Act 2013 : Directions	Reply
1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed and General Reserves) may be examined including the mode and present stage of disinvestment process.	The company has not been selected for disinvestment during the year 2014-15, however, due to continuous losses included by the company, the Government of Karnataka, being major shareholder/promoter has decided to Lease out the operations of company to the private entity during the year 2017-18. The company has engaged the services of M/s Ideck Limited as a Transaction Consultant and action has been initiated in this directions and process is going on.
2. Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	During the year 2014-15 there are no cases of waiver/write off of debts/loans/interest etc by the company.
3. Whether proper records are maintained for inventories lying with third parties and assets received as gift from Govt. or other authorities.	As the company's inventories are not lying with third parties and no assets have been received as a gift from Government or other authorities during the year 2014-15.
4. A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	A report on age-wise analysis of pending/legal arbitration is enclosed.
a. Whether the Company's pricing policy absorbs all fixed and variable cost of production as well the allocation of overheads?	The company is continuously suffering loss from year 2008-09, however, company has been able recover all variable costs and part of fixed costs as the fixed cost is more than industries standard.
b. What is the system of valuation of by-products and finished products? List out the cases of deviation from its declared policy.	Valuation of by-products and finished products are as per Cost of production adopted by the company.

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c. State the extent of utilization of plant and machinery during the year vis-à-vis installed capacity

Sl.No.	Variety	Installed Capacity MT per annum	Actual Production MT per annum	% of Utilization
1	Writing, Printing & Specialty Paper	30000	12822	42%
2	Newsprint	75000	40851	54%
3	Sugarcane crushing capacity per day (No. of days run during 2014-15 – 126 days)	2500 TCD	206311	65.5%
4	Sugar Production		19704	Recovery 9.51%

d. Whether requisite permission for clearing of forest existing plants, etc. have been obtained under the prevailing rules and regulations in compliance of Forest Conservation Act so as to protect/preserve forest cover has the Company taken adequate steps to stop unauthorized felling of trees for conservation and spread of forest cover.

Government of Karnataka has allotted 30,000 hectres of forest land for raising captive plantation during the year 1980 which is valid upto year 2020. The company is carrying out the forest activities as the Management Plan approved by Ministry of Forestry, Government of India/Karnataka.

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e. Examine the system of effective utilization Loans/Grant-in-Aid/Subsidy. List the cases of diversion of funds.	The utilization certificates have been submitted by the company for the loans/grant-in-aid received by the company during the year 2014-15.

For M N S & CO.

Chartered Accountants
Firm Regn. No. 003968S

(CA. SRINIVAS M.)
PARTNER
Membership No: 029180

Place: Bangalore
Date: 06-10-2021

M. N. S. & Co. FIRM REGN. No. 003968 S BANGALORE Chartered Accountants

Apart from this Provide details of Industrial Disputes pending before Conciliation officer/Labour Court/Industrial Tribunal. In the following format.

Sl.No	Conciliation Officer/Labour Court/IT Address	Case No.	Subject of dispute.	Status of the Case
A	**Conciliation Officer & DLC Filed by:**			
1.	MPM Employees Association (EA)	U KA HA HAA/IDA/SR-10/2020-21	The Petition filed by MPM EA with regard to the employees who have not opted VRS -2017, to provide employment by deputation/absorption in Government / Board / Corporations and employment security till they attain the age of superannuation.	Objections filed
2.	MPM Backlog Employees Union	U KA HA HAA/PTN/CR-80/2020-21	The petition filed by MPM Backlog Employees Union ® with regard to add DA to Basic Pay.	To file SOB (Statement of Objections)
3.	Mysore Paper Mills Workers Union	U KA HA HAA/PTN/CR-182/2018-19	The petition of Mysore Paper Mills Workers Union ®, Bhadravathi with regard to VSS benefits/Calculations.	SOB filed
4.	Sri Mysuru Kagada Karkhane Nowkara Sangh.	U KA HA HAA/PTN/CR-93/2018-19	Petition filed by petition filed by Sri Mysuru Kagada Karkhane Nowkara Sangh for recognisation.	SOB filed
5.	Sri Mysuru Kagada Karkhane Nowkara Sangh.	U KA HA HAA/IDA/SR-13/2019-20	Petition filed by Sri Mysuru Kagada Karkhane Nowkara Sangh for declaring their Office bearers as protected workmen.	SOB filed

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6.	MPM Mazdur Sangh TPF-CW's	U KA HA HAA/PTN/CR-171/2019-20	Petition filed by MPM Mazdur Sangh for rectification of VSS benefits based on minimum wages as of 01.04.2017	SOB filed
7.	MPM Mazdur Sangh TPF-CW's	U KA HA HAA/PTN/CR-127/2019-20	Petition filed by MPM Mazdur Sangh for rectification and payment of VSS benefits.	SOB filed
8.	MPM Workers Union HPF	U KA HA HAA/PTN/CR-132/2019-20	Petition filed by MPM Workers Union for rectification of VSS benefits based on minimum wages as of 01.04.2017	SOB filed
9.	Sri Mysuru Kagada Karkhane Nowkara Sangh	U KA HA HAA/IDA/SR-16/2020-21	Petition filed by Smt. Poornima R, E.C No 65617 & Smt Rajeshwari E. C. 65547 for wages for the period of absence June-2019 & July 2019	SOB filed
10	K N Mohan Kumar and others.	U KA HA HAA/IPTN/CR-02/2021-22	Petetion filed for release of 10% Caution money deducted out of VSS First and Second phase	1st hearing on 28.07.2021
11.	MPM Aranya Nowkarara Kshemabhivruddi Sangha	U KA HA HAA/IPTN/CR-03/2021-22	Petition filed by the union for extending the benefits of Leave encashment, uniform, service benefits etc., to the FFW's who are working and also for FFW's who have already retired/resigned and died.	1st hearing on 28.07.2021
12.	MPM Aranya Nowkarara Kshemabhivruddi Sangha	U KA HA HAA/IPTN/CR-01/2021-22	Petition filed by the union to consider their request for covering 42 FFW's who were kept out of the Daily Wage Workers Welfare Act.	1st hearing on 28.07.2021

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B	**Authority under Minimum Wages Act & DLC**			
1	Security Personnel of M/s. Best Security Services, Bengaluru.	U KA HA HAA/IKAVEKA/ CR-211/2016-17	Complaint filed by Labour Inspector Shivamogga with regard to Minimum Wages for the Security personnel of M/s. Best Securities	For evidence
2	MPM Mazdur Sangh TPF-CW's	U KA HA AA/IKAVEKA/ CR-45/ 2020-21	Petition filed by MPM Mazdur Sangh for Minimum wages as of 01.04.2017(Revised notification).	Vakalath to be filed

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C	Payment of Gratuity cases			
1	A L THOPEGOWDA	KAHASHI/PGA/ NR-18/2019-20	For payment of Gratuity & Interest thereon	SOB filed
2.	SMT. SANDHYA W/O LATE JAGADIEESHWARA MURTHY	KAHASHI/PGA/ NR-14/2019-20	For payment of interest on Gratuity	----
3.	K N LAKSHMANA	KAHASHI/PGA/ NR-13/2019-20	For payment of interest on Gratuity	SOB filed
4.	B L SHIVASHANKARA	KAHASHI/PGA/ NR-04/2019-20	For payment of Gratuity & Interest thereon	SOB filed
5.	ANANDA MURTHY	SUM.KAHASHI/PGA/ SR-03/2019-20	For payment of Gratuity & Interest thereon	SOB filed
6.	M D SIDDOJI RAO	SUM.KAHASHI/PGA/ SR-01/2019-20	For payment of Gratuity & Interest thereon	SOB filed
7.	Y MANNA REDDY	SUM.KAHASHI/PGA/ SR-02/2019-20	For payment of interest on Gratuity	SOB filed
8.	N K ANANTHA RAJU	SUM.KAHASHI/PGA/ SR-05/2019-20	For payment of Gratuity & Interest thereon	SOB filed

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9.	B S VIJAYARANGA MURTHY	SUM.KA...SHI/PGA/ SR-11/2019-20	For payment of interest on Gratuity	SOB filed
10.	M RAJAGOPOAL	SUM.KAHASHI/PGA/ SR-12/2019-20	For payment of interest on Gratuity	SOB filed
11.	B N NANJUNDA RAO	SUM.KAHASHI/PGA/ SR-083/2019-20	For payment of interest on Gratuity	SOB filed
12	SHIVALINGE GOWDA	SUM.KAHASHI/PGA/ SR No.-35/2017-18	For payment of Gratuity	-----
13	AZAD SHARIF	SUM KAHASHI/PGA/ SR-01/2017-18	Payment of difference in gratuity amount	SOB filed
14	DEVEGOWDA	SUM KAHASHI/PGA/ SR-66/2016-17	Payment of difference in gratuity amount	SOB filed
15	KESHAVA MURTHY	SUM KAHASHI/PGA/ SR-02/2017-18	Payment of difference in gratuity amount	SOB filed
16	PRABHUDAS	SUM KAHASHI/PGA/ SR-98/2016-17	Payment of difference in gratuity amount	SOB filed
17	S MANOHARAN	SUM KAHASHI/PGA/ SR-65/2016-17	Payment of difference in gratuity amount	SOB filed

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D	**Court cases**			
	a) Cases filed by the company			
1.	Sri. Rameshachari Sri. Lankeshappa and Sri. G.H. Basavaraj of Forest division	WP No. 35414/2011 & 40608/2011, 35415/2011 & 35417/2011 & 40104-40105/11	High Court of Karnataka, Bangalore	Regularization of work. For hearing.
2.	MPMEA	WP 18869/2017	High Court of Karnataka Bangalore	Refusal of work 579 employees Pending for hearing
3.	Smt. Sulochanamma	WP 42395/2019	High Court of Karnataka	Pending for hearing (Dismissal case)
4.	K Balaraj	SLP Number awaited	Supreme Court of India	For Promotion & Increment

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	b)Cases filed against the company			
1	Sri Chikkarachaiah	WP 8770 / 2012	High Court of Karnataka	For promotion. For Hearing
2	MPM Workers Union(HPF)	AID 11/2013	Add. Industrial Tribunal, Bangalore	Finishing work (qty.increase). For Arguments
3	MPM Noukarara Sanga, Theerthalli, Shimoga (FFW's regularization case)	WP13284/08 (L-RES) (filed against the Award of AID B'lore in AID No. 16/05)	High Court of Karnataka	Regularization. For hearing
4	MPM Forest Employees Assn. Shivamogga, (FFW's regularization case)	WP 14012 / 08 (filed against the Award of AID B'lore in AID No. 16/05)	High Court of Karnataka	Regularization. For Hearing
5	MPM Forest Employees Assn. Shivamogga, (FFW's regularization case)	WP 14012 / 08 (filed against the Award of AID B'lore in AID No. 16/05)	High Court of Karnataka	Regularization. For Hearing.
6	SC/ST MPM Employees Welfare Assn., Vs. Dr.Ambedkar MPM Employees Welfare Assn.& Others	OS 382/10 Reg.Membership Subscn. Deductions	II Addtl. CJ (Jr.Dn.) & JMFC, BDVT.	Subscription fee case. For Orders.

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7	MPM EA	OS No. 592/2012	Prl. Civil Judge	Subscription fee case. For arguments
8	MPM Workers Union	AID No.16/2013	Addl.Indl. Tribunal	Complaint w.r.t. working at RMD yard for double wages,not giving regular work, reduction of PF, El, Etc., For Argument.
9	Abdul Nabi	Appeal 966/2012	State Consumer Redressal Forum	Gratuity (deduction of Iground rent). For Argument.
10	Dr.Ambedkar MPM Employees Welfare Assn.& Others	WP 32619/2013	High Court of Karnataka, Bangalore	For recurring of service. For hearing.
11	Sri. S.S. Jadabutti	WP 20449/2015	High Court of Karnataka, Bangalore	Dismissal case. For hearing.
12	S S Jadabutti	AID 10/2015	Adl.Indl.Tribunal	Reduction of annual increment. For Orders on DE.
13	G Manjunath	AID 43/2015	Adl.Indl.Tribunal	Not extending MOS benefits. For Arguments.
14	S Murthu & Others	AID 44/2015	Adl.Indl.Tribunal	For regularization.

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				For 2nd party evidence
15	MPM – EA Rept. By Sri. Mahesh kumar	37115/2017	High Court of Karnataka	VRS Challenge Pending For hearing
16	Smt. M N Latha & another	WP No.14155/14156/2017	High Court of Karnataka	For Regularisation For pending for hearing
17	Arogayanadan & others Rep by MPM Workers Union (HPF)	AID No. 20/2016	Addl. Indl. Tribunal	For Regularization For 2nd party evidence
18	MPM Mazadur Sangha (TPF)	AID No. 26/2017	Addl. Indl. Tribunal	Payment of recoverable to 124 CW's for Arguments
19	MPM Mazadur Sangha (TPF)	ID 8/2017	Dist. & Session Judge	For 504 CWs stoppage of work For evidence
20	Sri S M Ramappa EC No. 57865	Appl.10(1) (c) 28/2017	Dist. & Sessions Judge,	(Dismissal case) For evidence
21	MPM (Mazdur Sangha) (TPF)	AID No.28/2017	Addl. Indl. Tribunal	Arguments (Wage revision)
22	MPM EA	AID No.29/2017	Addl. Indl. Tribunal	Hearing on IA (Wage revision).
23	Ravi & others	5991/2021 (L-RES)	High Court of Karnataka	Release of VRS amount payment.
24	Sri. Amalanadan	WP No. 7113/2021	High Court of Karnataka	Release of VRS amount payment

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25	Sri. Muthu	Apl.10(1)© 7/20	Dist. & Sessions Judge	To Provide Job
26	Sri. Nagesha	Apl.10(1)© 8/20	Dist. & Sessions Judge	To Provide Job
27	Sri. Malikarjuna D , F F W	Appl.10 (1) © 2/2020	Dist. & Sessions Judge & Labour Court,	Dismissal
28	Sri R R Ghodkhe	WP 16922/2016 (S-R)	High Court of Karnataka	Dismissal
29	Sri S Rajesh	WP 15023/2016 (SR) WP 43201/2015 (S-RES) WP3411/2016 (S-RES)	High Court of Karnataka	Dismissal

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The Mysore Paper Mills Ltd

NOTE NO. 1 SIGNIFICANT ACCOUNTING POLICIES

Notes Ref

1.01 DISCLOSURE OF ACCOUNTING POLICIES: AS-1

The financial statements are prepared under historical cost convention except for certain Fixed Assets which have been revalued and on accrual basis in accordance with Indian Generally Accepted Accounting Principles ("GAAP") , Accounting standard notified under section 211 3(C) of Companies Act, 1956 and relevant provisions thereof which continue to be applicable in respect of section 133 of Companies Act, 2013 in terms of General Circular 15/2013 dated September13, 2013 issued by Ministry of Corporate Affairs.

Accounting policies have been consistently applied and followed. However where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use or a change in accounting policy is warranted for better presentation of the underlying transaction, the policy is changed accordingly & thereafter followed consistently.

Use of estimates:
The preparation of financial statements requires the management to make estimates and assumptions of some of the reported amounts of assets & liabilities, the amounts of revenue and expenses and disclosure of contingent assets and liabilities as at the balance sheet date. Actual amounts could differ from these estimates.

1.02 VALUATION OF INVENTORIES: AS-2

(i) Stock of Raw Materials, Pulp, Chemicals, Fuel and Packing Materials is valued generally at weighted average cost.

(ii) Finished stock namely paper and sugar is valued at cost or net realizable value whichever is lower. Molasses is valued at net realizable value. Cost in the case of Finished Goods includes depreciation, packing material, Conversion cost and excise duty but excludes interest & financial charges, selling expenses and administrative and other expenses. In the case of stock in process, it is valued at cost which includes depreciation but excludes administrative and other expenses.

(iii) Bagasse for captive consumption is valued at equated cost of raw material (i.e., sugarcane) including taxes (wherever applicable). Bagasse determined as excess is valued at net realizable value.

(iv) Stores and Spares are valued at weighted average cost. In respect of non-moving stores and spares, as determined, 50% of the value thereof is provided in the accounts for any loss that may arise on the items so determined.

(v) Goods in transit are recognised as at the Balance sheet date as per the terms of supplies.

(vi) Scrap is valued at estimated net realizable value.

(vii) Captive Plantations :

a) All expenses incurred for Captive Plantations are shown separately in the Balance Sheet under "Other non current Assets-Captive Forest Plantation"

b) Yield obtained from Captive Plantation is valued at cost based on the total expenditure incurred on/allocated to the year of plantation and the total quantity of yield obtained/expected from the respective year of plantation. While doing so due allowances have been made for the Lease Rent payable to Govt. of Karnataka. Similar valuation method is followed in the case of standing crops matured but not extracted excluding lease rentals.

c) The extraction of pulpwood from the captive plantations are done based on the management plan approved by competent authority from time to time.



1.03 CASH FLOW STATEMENTS: AS-3

Cash Flow Statement has been prepared under Indirect Method. Cash and Cash Equivalents comprise cash in hand, current and other accounts (including fixed deposits not under lien or held as margin money) held with banks.

1.04 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE: AS- 4

Assets and Liabilities & Income and Expenditure are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.

1.05 NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES: AS- 5

Significant items of extra-ordinary items, and prior period incomes and expenditures, are accounted in accordance with Accounting Standard – 5

1.06 DEPRECIATION & AMORTISATION: AS -6.

(a) Depreciation is provided upto 95% of the acquisition cost/revalued amount of assets and balance 5% of the value is retained in the books as residual value.

(b) For the assets which have not reached their residual value of 5%, depreciation is provided as per straight line method (SLM) based on the usefull life of the assets as prescribed in schedule II of the companies Act 2013 except in respect of the following assets, where usefull life is different then those prescribed in schedule II are used as per Technical Evaluation :
(i) Plant and machinery-continous process plant at the rate of 5.28%

(c) Expenditure on internal partitions/extension of existing building costing individually Rs.20,000 and below is charged to revenue.

(d) Depreciation is provided at 100% on the value of individual assets acquired during the year for an amount of Rs. 5000/- & Below.

(e) Depreciation on assets acquired/sold/discarded during the year is provided from/upto the month the asset is acquired/sold/discarded.

(f) Insurance spares capital in nature is depreciated over a period of time not exceeding the useful life of the concerned principal / main asset.

1.07 REVENUE RECOGNITION: AS- 9

a) Revenue from sale of goods is recognised after the significant risks and rewards of ownership of the goods have been passed on to the buyer.

b) The amount shown against sales in the profit and loss account is as per contracts of sale and represents the value net off trade discount, excise duty, sales tax and sales returns. Sales value also includes incidentals collected from customers.

c) Revenue from scrap is accounted on the event of sale.



1.08 ACCOUNTING FOR FIXED ASSETS: AS-10

Fixed Assets

i) Fixed Assets are stated at cost of construction/acquisition including any revaluation to the said asset less accumulated depreciation. The costs attributable to bring the fixed assets to a working condition are capitalised net off duties and taxes eligible for credit.

ii) Fixed assets includes cost of Lease hold land which is stated based on the letters of allotment / agreement to lease and the same is amortized over lease period.

Capital Work -in- progress

Advances paid for acquisition of fixed assets and cost of assets (net off duties & taxes eligible for credit) not put to use as at the Balance Sheet date are disclosed under capital work in progress. Assets are capitalized when they are ready for use/put to use.

1.09 FOREIGN CURRENCY TRANSACTIONS: AS-11

Foreign currency transactions are recognised at the exchange rate prevailing on the date of transaction. As at the balance sheet date outstanding foreign currency items are restated at the closing rate prevailing on that date. Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from which they were initially recorded during the year or reported in previous financial statements, are recognised as income or expenditure in the year in which they arise.

Contingent liabilities on foreign currency transactions as at the balance sheet date are disclosed at the closing rate.

Forward contracts in foreign currencies.

The Company enters into foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

a) The Premium or Discount arising at the inception of such a Forward Contract is amortised as expense or income over the life of the contract.

b) Exchange differences arising on reporting the above items at rates different from which they were initially recorded during the period or reported in the previous financial statements are recognized as income/expenditure in the Statement of Profit and Loss.

1.10 ACCOUNTING OF GOVERNMENT GRANTS: AS-12

Government grants are reckoned in the accounts after its sanction by the competent authorities. Grants received against specific asset/s are credited to the respective asset/s. In the case of grant towards a specific project the same is reduced from the project cost. Grants in the form of assets received free of cost are taken into books of accounts at nominal value. Grants relating to revenue are recognized and shown under Rebates & Incentives as other income.

1.11 INVESTMENTS: AS-13

Long-term investments are valued at cost. Provision, if any, is made to recognize a decline other than a temporary decline in the value of long-term investments. Current investments if any, are valued at lower of cost or fair market value.

M.N.S. & Co., Firm Regn. No. 003968S BANGALORE CHARTERED ACCOUNTANTS

1.12 EMPLOYEE BENEFITS: AS-15

a) Short term employee benefits are charged at actuals to Profit and Loss account in the year in which the related services are rendered.

b) Provident Fund:

i) It is a Defined Benefit Plan covering permanent employees, TPF/HPF workers and Forest workers wherein the company pays fixed contribution at pre-determined rates to a separate Provident Fund Trust approved by competent authority.The contribution to the fund for the period is charged to Profit and Loss Account. As the company is obliged to pay the amount of interest declared by the government from time to time, any short fall in the interest rate declared by the trust will be made good by the company.

ii) In respect of other contract workers fixed contribution at the pre- determined rates are remitted to state defined contribution plan operated by Regional Provident Fund commissioner and is charged to profit and loss account.

c) Accumulated Compensated Absences
Liability towards Leave Encashment and sick leave is provided based on Actuarial Valuation and charged to Profit & Loss Account.

d) Superannuation:
Certain employees of the company are participants of superannuation scheme and liability is provided and the same is charged to Profit & loss Account on accrual basis.

e) Gratuity
It is a Defined Benefit Plan. The Company provides for gratuity to eligible employees, contract workers & forest workers in accordance with the payment of Gratuity Act, 1972. Liability with regard to gratuity is determined by actuarial valuation as at the Balance Sheet date. Amount charged to profit & loss account is the difference between actuarial valuation and the corpus (including accrued interest) of the trust.

f) Voluntary Retirement Scheme (VRS)
The expenditure incurred on VRS to employees is charged-off to profit and loss account.

1.13 BORROWING COST: AS-16

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of the asset. In respect of funds which are borrowed generally and used for the purpose of obtaining qualifying assets, the borrowing cost is determined by applying weighted average rate of the borrowing cost of the respective year. Other borrowing costs are recognised as expenditure in the year in which they are incurred.

1.14 SEGMENT REPORTING: AS-17

a) The company has identified two business segments viz. Paper and Sugar. Revenue and expenses have been identified to respective segments on the basis of operating activities of the company. Non-allocable revenue and expenses to a segment but relate to the company as a whole has been disclosed as unallocable revenue and expenses on a reasonable basis.

b) Segment assets and liabilities represent assets and liabilities in respective segments. Other assets and liabilities that cannot be allocated to a segment have been disclosed as unallocable assets and liabilities on a reasonable basis.

c) Inter segment revenue/expenditure is recognized as per Accounting Policy No. 1.02 (ii).

d) There are no geographical segments to be reported as defined in Accounting standard – 17.



1.15 RELATED PARTY TRANSACTIONS: AS-18

There are no related parties transactions except Remuneration to Key Managerial Personnel, other than independent non-executive directors.

1.16 EARNINGS PER SHARE: AS-20

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of extra-ordinary/exceptional items, if any. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Earning per share is not computed when there are anti dilutive potential equity shares.

1.17 ACCOUNTING FOR TAXES ON INCOME: AS-22

Income tax expense is accounted in accordance with AS 22 which includes current taxes and deferred taxes. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize such assets.

1.18 INTANGIBLE ASSETS: AS-26

Research and Development expenses excluding items of capital in nature and those relating to Captive Forestry are charged to Profit & Loss Account as and when incurred.

1.19 IMPAIRMENT OF ASSETS: AS-28

In accordance with the AS-28 at each balance sheet date the company determines whether there is any indication of impairment of the carrying amount of the company's fixed assets. In case of any indication of impairment i.e., the carrying amount of the fixed assets exceeds its estimated recoverable amount, impairment loss is recognized and charged to Profit & Loss Account.

1.20 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS: AS-29

a) Provision is recognized when
   i. The company has a present obligation as a result of past event;
   ii. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
   iii. A reliable estimate can be made of the amount of the obligation.

b) Contingent liabilities are disclosed by way of Notes to accounts.

c) Contingent assets are neither recognised nor disclosed.

M.N.R. & Co., CHARTERED ACCOUNTANTS, Firm Regn. No. 003988S, BANGALORE

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THE MYSORE PAPER MILLS LIMITED

Balance Sheet as at 31st March 2015.

	Note	As at 31st March 2015 Rs in Lakhs		As at 31st March 2014 Rs in Lakhs	
Equity and Liabilities					
Shareholders' funds					
Share capital	2.01	11889.34		11889.34	
Reserves and surplus	2.02	(51886.86)		(42316.24)	
			(39997.52)		(30426.90)
Share Application Pending Allotment			14821.21		14821.21
Non-current liabilities					
Long-term borrowings	2.03	20519.00		17750.00	
Long-term provisions	2.04	5349.08		6138.15	
			25868.08		23888.15
Current liabilities					
Short-term borrowings	2.03	10991.20		13088.01	
Trade payables	2.05	10913.39		13713.17	
Other current liabilities	2.06	15326.77		14012.43	
Short-term provisions	2.04	1740.59		1235.51	
			38971.95		42049.12
Total			39663.72		50331.58
Assets					
Non-current assets					
Fixed assets					
Tangible assets	2.07	8460.92		9721.16	
Capital work-in-progress	2.08	4097.47		3929.22	
Non-current investments	2.09	62.33		62.33	
Long-term loans and advances	2.10	499.01		537.13	
Other non-current assets	2.11	6951.16		7020.07	
			20070.89		21269.91

M.N.S. & Co., Firm Regn. No. 003968S BANGALORE CHARTERED ACCOUNTANTS

THE MYSORE PAPER MILLS LIMITED

Balance Sheet as at 31st March 2015.

	Note	As at 31st March 2015 Rs in Lakhs		As at 31st March 2014 Rs in Lakhs	
Current assets					
Inventories	2.12	11152.77		18853.83	
Trade receivables	2.13	2793.02		1937.25	
Cash and bank balances	2.14	3741.11		5828.40	
Short-term loans and advances	2.10	1366.17		1980.82	
Other current assets	2.15	539.76		461.37	
			19592.83		29061.67
Total			**39663.72**		**50331.58**

Notes forming part of the Financial Statements 1 to 3

For and on behalf of Board of Directors

DIRECTOR MANAGING DIRECTOR

COMPANY SECRETARY CHIEF FINANCE OFFICER

As per our report attached
For M N S & Co.
Chartered Accountants
Firm Reg No: 0039685

Partner 30/01/2021
Membership. No. 029180
UDIN: 21029180AAAAFB9279

M.N.S. & Co., Firm Regn. No. 003968S BANGALORE CHARTERED ACCOUNTANTS

Place :Bengaluru.
Date :

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THE MYSORE PAPER MILLS LIMITED

Statement of Profit and Loss for the year ended 31st March 2015.

	Note	Year ended 31st March 2015 Rs in Lakhs	Year ended 31st March 2014 Rs in Lakhs
Revenue			
Revenue from operations (gross)	2.16	37739.44	39704.64
Less : Excise duty		1315.95	1333.40
Revenue from operations (net)		36423.49	38371.24
Other income	2.17	1537.28	1261.00
Total revenue		37960.77	39632.24
Expenses			
Cost of materials consumed	2.18	24088.69	32981.50
Changes in inventories of finished goods, work-in-progress and traded goods	2.19	7162.53	(3035.77)
Employee benefits	2.20	10663.41	11138.07
Finance costs	2.21	3443.69	3251.69
Depreciation and amortisation expense	2.07	1094.96	1048.52
Other expenses	2.22	2057.82	2365.86
Prior period items	2.23	(665.67)	(61.48)
Total expenses		47845.43	47688.39
Profit / (loss) before tax and before exceptional and extraordinary items		(9884.66)	(8056.15)
Exceptional items- Income	2.24	597.91	239.98
Profit / (loss) before extraordinary items and tax		(9286.75)	(7816.17)
Profit / (loss) before tax		(9286.75)	(7816.17)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit / (loss) for the year		(9286.75)	(7816.17)
Earnings per equity share			
Including extra-ordinary items			
Basic		-	-
Diluted		-	-
Notes forming part of the Financial Statements	1 to 3		

For and on behalf of Board of Directors

DIRECTOR

MANAGING DIRECTOR

M D KULKARNI
COMPANY SECRETARY

V.S.MALGHAN
CHIEF FINANCE OFFICER

Place :Bengaluru.
Date :

As per our report attached
For M N S & Co.,
Chartered Accountants
Firm Reg No: 0039685

Partner
Membership. No. 029180

30/01/2015

M.N.S. & Co. ★ Firm Regn. No. 003968S BANGALORE ★ CHARTERED ACCOUNTANTS

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THE MYSORE PAPER MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2014-15

	Rs.in lakhs			
	Current Year		Previous Year	
CASH FLOWS FROM OPERATION ACTIVITIES				
Net Profit/Loss(-) after Tax		-9286.75		-7816.17
Add : Taxes Paid		0.00		0.00
Profit before tax		-9286.75		-7816.17
Adjustment for :				
Depreciation*	1099.08		1050.27	
Interest Earned on Deposits	-478.81		-441.13	
Interest Expenses	3443.69		3251.69	
Provision Written Back	-187.05		-57.69	
Prior Period Adjustments	-665.67		0.00	
		3211.24		3803.14
Operating Profit/Loss(-) Before Working Capital changes		-6075.51		-4013.03
Less:				
Increase in Inventories	0.00		4462.64	
Decrease in Trade & Other Payable	2,173.01		0.00	
Increase in Loans and Advances	- 574.38		643.62	
Increase in Trade & Other Receivables	855.77		371.11	
		2454.41		5477.37
		-8529.93		-9490.40
ADD:				
Increase in Trade & Other Payables			6294.32	
Decrease in Inventories	7482.72		0.00	
Decrease in Trade & Other Receivables	-		0.00	
		7482.72		6294.32
Cash from operations before Exceptional Itesm		-1047.20		-3196.07
Exceptional Items				
Principal and Interest Waiver on Term Loan		-597.91		-239.98
Net Cash generated from operative Activities (A)		-1645.11		-3436.05
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-109.42		-123.19	
Capital work in pogress	-168.25		-417.98	
Captive Plantation	73.03		-599.05	
Fixed Deposit - Margin money	2050.20		-2490.35	
Interest received on Fixed Deposits	478.81		441.13	
Net Cash From Investing Activities (B)		2324.37		-3183.44

M.N.S. & Co., Firm Regn. No. 0039685 BANGALORE CHARTERED ACCOUNTANTS

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THE MYSORE PAPER MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2014-15

	Rs.in lakhs			
	Current Year		Previous Year	
Proceeds From Borrowings	3644.00		7041.40	
Repayment of Loans/debentures etc..	-2571.81		-875.00	
Share Application Money Received	0.00		2000.00	
Interest Paid	-1788.54		-1442.82	
Net Cash From Financing Activities (C)		-716.35		6723.58
Net Increase/Decrease(-) in Cash & Cash Equivalents (A+B+C)		-37.09		98.09
Cash & Cash Equivalents at the beginning of the year		191.12		93.03
Cash & Cash Equivalents at the end of the year		154.03		191.12
Notes forming part of the Financial Statements	1 to 3			

For and on behalf of Board of Directors

DIRECTOR

MANAGING DIRECTOR

M D KULKARNI
COMPANY SECRETARY

V S MALLYAN
CHIEF FINANCE OFFICER

As per our report attached
For M N S & Co.,

Chartered Accountants
Firm Reg No: 003968S

Partner
Membership. No. 029180

30/01/2021

M.N.S. & CO., Firm Regn. No. 003968S BANGALORE CHARTERED ACCOUNTANTS

THE MYSORE PAPER MILLS LIMITED

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Notes to the financial statements for the year ended 31st March 2015.

2.01 Share capital

Particulars	As at 31st March 2015 Amount (Rs In Lakhs)	As at 31st March 2014 Amount (Rs In Lakhs)
Authorised share capital*		
15,00,00,000 Equity Shares of Rs.10/- each	15000.00	15000.00
	15000.00	15000.00
Issued, subscribed and fully paid up		
11,88,93,432** Equity Shares of Rs.10/- each fully paid	11889.34	11889.34
Total	11889.34	11889.34

*The Company in its 77th AGM held on 31.12.2012 has approved the enhancement of Authorised Capital from 150.00 Crores to Rs 0.00 Crores. The Company has obtained exemption from BIFR for payment of stamp duty towards issue of share certificate to GOK and also towards filing fees to MCA. However, exemption for payment of stamp duty is sought from GOK . Due to above, formalities for enhancement of authorised capital is pending and consequently amount received from GOK which is pending allotment is shown under Share Application Money pending allotment.

**Includes 9,00,000 shares allotted by way of Bonus Shares by capitalisation of Share Premium and General Reserve

	As at 31st March 2015.		As at 31st March 2014.	
a) Reconciliation of share capital (Equity)	Number	Amount (Rs. In Lakhs)	Number	Amount (Rs. In Lakhs)
Balance at the beginning of the year	118893432	11889.34	118893432	11889.34
Balance at the end of the year	118893432	11889.34	118893432	11889.34
b) Shareholders holding more than 5% of the shares	Number	Amount (Rs. In Lakhs)	Number	Amount (Rs. In Lakhs)
i) Government of Karnataka	76971094	7697.11	76971094	7697.11
ii) Financial Institutions	12203120	1220.31	12230149	1223.01
iii) Insurance Companies	5861627	585.16	6423578	642.36
	95035841	9503.58	95624821	9562.49

c) Details of shares issued pursuant to contract without payment being received in cash during preceeding five years:

	2013-14	2012-13	2011-12	2010-11	2009-10
No. of shares alloted	-	-	-	-	-
Amount (Rs.In Lakhs)	-	-	-	-	-

M.N.S. & Co., * CHARTERED ACCOUNTANTS * Firm Regn. No. 000935S BANGALORE

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THE MYSORE PAPER MILLS LIMITED

Notes to the financial statements for the year ended 31st March 2015.

2.02 Reserves and surplus

Particulars		As at 31st March 2015	As at 31st March 2014
		Rs in Lakhs	Rs in Lakhs
Capital reserves			
Balance at the beginning of the year		5.50	5.50
Add : Additions made during the year		-	-
Less : Deletions made during the year		-	-
Balance at the end of the year	A	**5.50**	**5.50**
Revaluation reserve			
Balance at the beginning of the year		272.75	366.68
Add : Additions made during the year		-	-
Less : Deletions made during the year		215.50	94.13
Balance at the end of the year	B	**57.25**	**272.75**
Surplus in the statement of profit and loss			
Balance at the beginning of the year		-42594.49	-34778.32
Add: WDV of assets for which useful life is completed as on 01.04.2014		-68.37	-
Add : Transferred from statement of profit and loss		-9286.75	-7816.17
Balance at the end of the year	C	**-51949.61**	**-42594.49**
TOTAL - A+B+C		**-51886.86**	**-42316.24**

M.N.S. & Co., Firm Regn. No. 003968S BANGALORE CHARTERED ACCOUNTANTS

THE MYSORE PAPER MILLS LIMITED

Notes to the financial statements for the year ended 31st March 2015

2.03 Borrowings

Particulars	As at 31st March 2015		As at 31st March 2014	
	Long term	Short term	Long term	Short term
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Secured:				
Bonds / debentures {(refer note 2.03 (iv))	0.00	1.00	0.00	339.00
Term loans -				
From banks (Refer note 2.03 (iii) b)	0.00	7.04	0.00	7.04
Loans repayable on demand -				
From banks (refer note 2.03 (ii))	0.00	10108.16	0.00	11066.97
A	0.00	10116.20	0.00	11413.01
Unsecured:				
Bonds / debentures (Refer note 2.03 (v))				
8.27% Unsecured redeemable Non-Covertible Bonds (Refer note 2.03 (v) (a))	875.00	875.00	1750.00	875.00
8.49% Unsecured redeemable Non-Covertible Bonds (Refer note 2.03 (v) (b))	5000.00		5000.00	
9.65 % Unsecured redeemable Non-Covertible Bonds (Refer note 2.03 (v) (c))	5000.00		5000.00	
8.95% Unsecured redeemable Non-Covertible Bonds (Refer note 2.03 (v) (d))	4000.00		4000.00	
	14875.00	875.00	15750.00	875.00
Term loans -				
From banks (Refer note 2.03 (vi))	0.00	0.00	0.00	800.00
From Govt of Karnataka {(refer note 2.03 (vii))	5644.00	0.00	2000.00	
	5644.00	0.00	2000.00	800.00
B	20,519.00	875.00	17,750.00	1,675.00
Total borrowings (A+B)	**20,519.00**	**10,991.20**	**17,750.00**	**13,088.01**



i) The mortgage and first charge on the company's present and future immovable properties, plant and machinery, spares, tools, accessories and certain other movable properties and second charge on other assets offered as security to banks for cash credit facility, rank pari-passu in respect of term loans from financial institutions and banks. Similarly hypothecation of present and future current assets together with second charge on present and future assets of the company secured for cash credit facility rank pari passu among the consortium of bankers.

ii) Loan repayable on demand includes Working Capital facilities such as Cash credit, Over drafts and overdue loans obtained from banks and financial institutions are secured by hypothecation of company's present and future stock of raw materials, consumable stores, finished goods, materials in process and book debts and by second charge on the present and future assets of the company, which are offered by way of first charge as security to Financial Institutions (IFCI) and Debenture Trustees.

iii) (a) Term loans from Financial Institutions and Banks are secured by a First charge on the company's present and future immovable properties, Plant and Machinery, Spares, Tools, accessories and certain other movable properties and Second charge on the other assets offered as security to banks for cash credit.

(b) Interest free term loan sanctioned by banks are governed by the terms and conditions as set out in "Scheme for extending financial assistance to sugar undertaking" in accordance with notification dated 07.12.2007 issued by Government of India. These loans are secured in favour of concerned banks by residual pari – passu charge on the company's current and fixed assets (movable and immovable properties) both present and future. The company has repaid the said loan to the extent of Rs.404.20 Lakhs and Rs. 7.04 Lakhs outstanding as on 31.03.2015 is grouped under short term borrowings secured.

iv) During the Financial Year 2013-14 IFCI had approved One Time Settlement (OTS) of Loan repayment for an amount of Rs.339 Lakhs towards Principal and Interest vide letter Ref IFCI/BLRO/MPMML/2014 - 311 dated 21.07.2014, which has BIFR consent, IFCI had waived principal amount of Rs.112.35 Lakhs and interest accrued Interest upto 31.03.2014 amounting to Rs.211.13 Lakhs. During the Year the company has paid an amount of Rs. 338 lakhs and balance of Rs. 1 Lakh will be settled once the charge on assets are relased.



v) a) 8.27% Unsecured redeemable Non convertible bonds:

8.27% Unsecured redeemable non convertible bonds of Rs. 2625 Lakhs (Rs.3500 lakhs) guaranteed by Government of Karnataka are redeemable in 4 equal installments from financial year 2013-14 onwards. During the FY 2014-15 the company has repaid an amount of Rs. 875 Lakhs towards IInd Installment. Amount repayable for a period less than one year is to the extent of Rs. 875 Lakhs (Rs. 875 lakhs) have been shown under short term borrowings.

b) 8.49% Unsecured redeemable Non convertible bonds:

During 2010-11 the Company had raised Rs 5000 lakhs by issue of 8.49 % Unsecured redeemable Non convertible bonds Guaranteed by Government of Karnataka towards implementation of augmentation of power plant, installing wet lap machine and implementing energy conservation measures, which are redeemable in 4 equal installments from financial year 2017-18 onwards. Due to non feasability of the project part of the amount to the extent of 4130.97 Lakhs have not been utilised for the purpose, out of which amount including accumulated interest to the extent of Rs.3587.08 lakhs (Rs.3433 lakhs) is deposited in a scheduled bank is grouped/shown under cash and bank balances schedule No. 2.14.

c) 9.65% Unsecured redeemable Non convertible bonds:

During the FY 2012-13 the company had raised 9.65% unsecured Redeemable Non-Convertible Unsecured Taxable Bonds Guranteed by Government of Karnataka to the extent of Rs. 5000 lakhs for a tenure of 10 years with call option at the discretion of the company from 7th Year and Redemption in 4 equal installments from F.Y. 2019-2020 onwards.

d) 8.95% Unsecured redeemable Non convertible bonds:

During the FY 2013-14 the company had raised 8.95% unsecured Redeemable Non-Convertible Unsecured Taxable Bonds Guranteed by Government of Karnataka to the extent of Rs. 4000 lakhs for a tenure of 10 years with call option at the discretion of the company from 7th Year and Redemption in 4 equal installments from F.Y. 2020-2021 onwards.

vi) During the Financial Year 2014-15 Axis Bank has approved One Time Settlement for Rs. 400 Lakhs towards closure of the liabilities (Principal and Interest till realisation) vide their letter dated AXIS/SRC/2015-15 Dated 15.12.2014. AXIS Bank has waived 50% of the Principal Amount outstanding to the extent of Rs 400 Lakhs and Interest accured till March-15 to the extent Rs. 197.91 Lakhs. With this OTS amount payable towards AXIS Bank to the extent of Rs. 400 Lakhs has been settled during the financial year and the amount of waiver to the extent of Rs. 597.91 Lakhs is recognised as Income for the year and disclosed under Exceptional Items.

vii) During the year Government of Karnataka has released Rs. 3644 lakhs as working capital loan to the company vide its GO . No.CI 107 CPM 2014 dated 11.11.2014, No. CI 48 CPM 2014 dated 05.07.2014 and No. CI90 CPM 2014 dated 05.07.2014 and No. CI90 CPM 2014 dated 10.10.2014. In absence of terms and conditions on repayment of loan and interest by GOK, interest on such loans have been provided at 9% p.a.



THE MYSORE PAPER MILLS LIMITED

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Notes to the financial statements for the year ended 31st March 2015.

2.04 Provisions

Particulars	As at 31st March 2015.		As at 31st March 2014.	
	Long term	Short term	Long term	Short term
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Provisions for employee benefits : (Leave Encashment, Sick Leave, Gratuity and Superannuation)				
Gratutity	2,365.74	1,550.93	2,554.65	1,114.95
Leave Encashment incuding sick leave	1,624.91	189.66	1,638.81	120.56
Superannuation refer note 2.04 (i)	1,358.43	-	1,944.69	-
Total	5349.08	1740.59	6138.15	1,235.51

(i) Board of Directors of the Company in its board meeting held on 17.12.2015 has approved settlment of Super Annuation Benefits to its retiered emplyoees till 31.03.2012 only. Hence Superannuation provided in the books for the period 01.04.2012 to 31.03.2014 to the extent of Rs. 487 lakhs has been withdrawn during the FY 2014-15.

M.M.S. & Co., Firm Regn. No. 003968S, BANGALORE, CHARTERED ACCOUNTANTS

THE MYSORE PAPER MILLS LIMITED

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Notes to the financial statements for the year ended 31st March 2015.

2.05 Trade payables

Particulars	As at 31st March 2015.	As at 31st March 2014.
	Rs in Lakhs	Rs in Lakhs
Dues to micro and small enterprises (refer note below)	-	-
Dues to others- Bills for Supply of Materials	9057.98	11719.35
Trade Advances & Deposits	1855.41	1993.82
TOTAL	10913.39	13713.17

Note:
The company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence no disclosure is made in respect of ;

i) Amount due and outstanding to suppliers as at the end of the accounting year.
ii) Interest paid during the year.
iii) Interest payable at the end of the accounting year, and
iv) Interest accrued and unpaid at the end of the accounting year.

2.06 Other current liabilities

Particulars	As at 31st March 2015.	As at 31st March 2014.
	Rs in Lakhs	Rs in Lakhs
Interest accrued and due on borrowings	7583.75	5970.54
Foreign Currency payable (Net)	0.00	75.84
Statutory dues	1437.48	2509.90
Other payables:		
- To Employees*	4729.99	3958.90
- To Others	1575.55	1497.25
Total	15326.77	14012.43

* Payable towards employees includes arrears of DA of Rs.3984.33 Lakhs. Year wise breakup is given below:

Year	Amount (Rs. In Lakhs)
FY 2010-11	385.50
FY 2011-12	724.23
FY 2012-13	916.20
FY 2013-14	849.50
FY 2014-15	1108.90
	3,984.33

M.N.S. & Co., Firm Regn. No. 0039685 BANGALORE CHARTERED ACCOUNTANTS

THE MYSORE PAPER MILLS LIMITED

Notes to the financial statements for the year ended 31st March 2015.

2.07 Tangible assets

Rs in Lakhs

Gross block	Land	Leasehold Land	Buildings	Railway Siding	Plant & Equipments	Furniture & office equipments	Vehicles	Earth Moving Equipment	Total
Balance as at 01 April 2013	317.76	30.46	5834.44	6.23	45529.27	362.50	113.38	520.63	52714.67
Additions	0.00	0.00	0.00	0.00	121.47	1.72	0.00	0.00	123.19
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other adjustments	0.00	-1.12	0.00	0.00	0.00	0.00	0.00	0.00	-1.12
Balance as at 31 March 2014	317.76	29.33	5834.44	6.23	45650.74	364.22	113.38	520.63	52836.73
Additions	0.00	0.00	0.00	0.00	107.95	1.47	0.00	0.00	109.42
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other adjustments	0.00	-1.12	-245.69	0.00	-18.48	-5.28	0.00	0.00	-270.57
Balance as at 31 March 2015	317.76	28.21	5588.75	6.23	45740.20	360.41	113.38	520.63	52675.56
Accumulated depreciation and amortisation -									
Balance as at 01 April 2013	0.00	0.00	3958.09	6.00	37175.41	271.06	60.63	507.96	41971.15
Depreciation charge	0.00	0.00	171.63	0.00	953.23	12.75	4.10	2.67	1144.38
Reversal on disposal of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31 March 2014	0.00	0.00	4121.72	6.00	38128.65	283.81	64.73	510.63	43115.55
Depreciation charge	0.00	0.00	101.40	0.00	947.77	41.77	5.83	2.31	1099.08
Reversal on disposal of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31 March 2015	0.00	0.00	4223.12	6.00	39076.42	325.58	70.56	512.94	44214.63
Net block									
Balance as at 31 March 2014	317.76	29.33	1712.72	0.23	7522.09	80.41	48.65	10.00	9721.16
Balance as at 31 March 2015	317.76	28.21	1365.63	0.23	6663.78	34.83	42.82	7.69	8460.93

*Value of lease hold land is amortised over the lease period in accordance with the allotment letter issued by Bangalore Development Authority.

	2014-15 (Rs in Lakhs)	2013-14 (Rs in Lakhs)
Depreciation for the year	1099.08	1144.38
Less : 1. Transferred to Revaluation Reserve	0.00	94.13
2. Transferred to Captive Plantation	-4.12	1.10
3. Transferred to Prior Period Adjustment.	0.00	0.65
Transferred to Profit & Loss Account	1094.96	1048.52

a) Fixed assets include building, plant and machinery, furniture and fittings, office equipments, vehicles and earth moving equipments relating to captive forest plantation.

b) Based on the Verification and mangaement assessment there are no impairment of assets as at 31st March, 2015.

c) The company has leased 4 acres of land for 20 years to M/s Anudeep Corbonates (P) Ltd, for setting up of an ancillary unit for manufacture of Burnt Lime and the same is governed by the Lease agreement dtd.15.11.1997.

d) Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation and Amortisation. Accordingly 95% of the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted, in the opening balance of Profit and Loss Account and Revaluation Reserve to the extent of Rs.68.36 lacs and 201.08 Lacs respectively.

M.N.S. & Co. CHARTERED ACCOUNTANTS Firm Regn. No. 003968S BANGALORE

THE MYSORE PAPER MILLS LIMITED

Notes to the financial statements for the year ended 31st March 2015.

2.08 Capital work-in-progress

Particulars	As at 31st March 2015.	As at 31st March 2014.
	Rs in Lakhs	Rs in Lakhs
Buildings, Roads & Drains And Other Civil Works	502.40	502.40
Plant and Machinery refer*	3,595.07	3,426.82
Total	4,097.47	3,929.22

*CWIP- Plant & Machinery Includes Rs.1628.45 Lakhs (Rs.1422.22Lakhs) interest capitalised.



THE MYSORE PAPER MILLS LIMITED

Notes to the financial statements for the year ended 31st March 2015.

2.09 Non-current investments
(Valued at cost unless stated otherwise)

Particulars	As at 31st March 2015.		As at 31st March 2014.	
	Trade	Others	Trade	Others
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Un-Quoted investments considered good				
6,23,300 Shares of Rs.10 each in Mysore Electrical Industries Ltd.,	0.00	62.33	0.00	62.33
Total	0.00	62.33	0.00	62.33



THE MYSORE PAPER MILLS LIMITED

Notes to the financial statements for the year ended 31st March 2015.

2.10 Loans and advances

Particulars		As at 31st March 2015.		As at 31st March 2014.	
		Long term	Short term	Long term	Short term
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Capital advances					
- Unsecured, considered good		30.66		59.18	
- Doubtful					
		30.66		59.18	
Allowances for bad and doubtful advances					
	A	30.66		59.18	
Security deposits					
- Unsecured, considered good		393.25		392.83	
- Doubtful					
		393.25	0.00	392.83	0.00
Allowances for bad and doubtful deposits					0.00
	B	393.25	0.00	392.83	0.00
Other loans and advances:					
- Unsecured, considered good					
Loans & Advances to Employees*		75.10	13.53	85.12	25.27
Loans & Advances to Others		-	1337.40	-	2012.07
Prepaid Expenses		-	15.24	-	40.40
Doubtful - Deposit in Mysore Lamps Ltd		50.00	-	50.00	
		125.10	1366.17	135.12	2077.74
Allowances for bad and doubtful advances		50.00	0.00	50.00	96.92
	C	75.10	1366.17	85.12	1980.82
Total - A+B+C		499.01	1366.17	537.13	1980.82

*Loans and Advances (Unsecured considered good) includes an amount of Rs.75.10 Lakhs (Rs.85.12 Lakhs) paid towards special advance to employees and the same is classified under long term.

M.N.R. & Co., CHARTERED ACCOUNTANTS, Firm Regn. No. 000335S, BANGALORE

THE MYSORE PAPER MILLS LIMITED 000086

Notes to the financial statements for the year ended 31st March 2015.

2.11 Other non-current assets - Unsecured, considered good

CAPTIVE FOREST PLANTATION

Rs in Lakhs

PARTICULARS	UPTO 31st Mar 2014	ADDN/ DEDN DURING THE YEAR	UPTO 31st Mar 2015
Plantation Expenses	12176.31	771.84	12948.15
Nursery	2635.70	51.42	2687.12
Repairs & Maintenance of Machinery & Equipments (Earth Moving Equipment,Tractors, Pumpsets, Implements and Vehicles)	1221.07	127.88	1348.95
Stores Consumption	607.87	6.65	614.52
Salaries, Wages and other staff expenses	11015.15	891.10	11906.25
Travelling Expenses	140.28	1.03	141.31
Extraction and Transportation	681.30	0.00	681.30
Interest on Term Loans	3663.93	0.00	3663.93
Interest on Working capital	1746.66	155.65	1902.31
Depreciation	561.18	4.12	565.30
Foreign Exchange fluctuation Reserve	1089.31	0.00	1089.31
TOTAL	**35538.76**	**2009.69**	**37548.45**
Less :1.Yield from Captive Plantations	26327.25	866.67	27193.92
2. Value of Standing Crops	1551.92	1211.93	2763.85
3. Grants from Govt. of Karnataka	213.97	0.00	213.97
4. Expenses on Wild life Area surrenderd	425.55	0.00	425.55
	7020.07	**-68.91**	**6951.16**

M.N.S. & Co., CHARTERED ACCOUNTANTS Firm Regn. No. 003988S BANGALORE

i. Expenditure relating to Captive Forest plantation other than fixed assets are grouped under other current assets and is shown at note 2.11 and will be charged to profit & loss account as per Accounting Policy No.1.02 (vii).

ii. Government of Karnataka has leased 30,000 hectares of degraded forest land and C and D class of lands to the company for raising captive plantations and use it for meeting pulp wood requirement.

iii. Out of total leased area, the company has surrendered 4665.30 hectares of wild life areas to the Government as per the orders of the Hon'ble Supreme Court. Further, as per the interim order of the Hon'ble High Court, 3813 hectares of non-forestry land has to be surrendered to the Government after extracting the yield from such areas in respective maturity years and 1121 hectares have been surrendered so far.

iv. Phase-I of the Captive Forest Plantation Programme has been financed by Overseas Development Agency, London, through Govt. of Karnataka, partly by Grant and partly by Loan and Equity. Government grants are accounted as per accounting Policy No. 1.10.

v. Company has received 109110.840 MT (201195.130 MT) of Wood from Captive Forest Plantations during the year out of 2185.50 hectares (2994.65 hectares) of land & has provided Rs.108.33 Lakhs (Rs.256.29 Lakhs Lakhs) towards 12.5% royalty/lease rental payable to Government of Karnataka.

vi. Farm forestry expenditure is charged-off to the profit and loss account.



Notes for the financial statements for the year ended 31st March 2015.

2.12 Inventories (valued at cost or lower of net realisable value)

Particulars	As at 31st March 2015	As at 31st March 2014
	Rs in Lakhs	Rs in Lakhs
Raw materials, Chemicals and Coal (a)	5720.05	6302.08
Work-in-progress	178.75	315.38
Finished goods	1513.47	8519.82
Stores and spares	3320.06	3494.91
Others - Bagasse	842.95	862.50
	11575.28	19494.69
Less: Provision for Slow & non Moving stores (b)	422.51	640.86
Total	**11152.77**	**18853.83**

a) Value of Raw materials and Stores & spares includes Goods in Transit:

	Current Year	Previous Year
	Rs. In Lakhs	Rs. In Lakhs
Raw Material	0.00	536.29
Stores & spares	25.00	42.92

b) During the year the company has withdrawn provision for Slow & non Moving stores/spares of Rs. 218.34 lakhs for 1157 items based on the physical verification and reconciliation with kardex and stores ledger of 4547 high value items comprising 78% value of stores and spares inventory. Pending physical verification of 22% value of items and identification of the Slow and Non moving items the company has retained provision towards Non-Moving Stores & Spares to the extent of Rs. 422.51 Lakhs (Rs 640.86 Lakhs), which in opinon of the company is adequate.

M.N.S. & Co., Firm Regn. No. 003988S BANGALORE CHARTERED ACCOUNTANTS

THE MYSORE PAPER MILLS LIMITED

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Notes to the financial statements for the year ended 31st March 2015.

2.13 Trade receivables

Particulars		As at 31st March 2015	As at 31st March 2014
		Rs in Lakhs	Rs in Lakhs
Outstanding for a period exceeding six months			
Secured, considered good		0.00	0.00
Unsecured considered good		1220.20	84.09
Doubtful		998.01	1102.05
		2218.21	1186.14
Less : Provisions for bad and doubtful debts		998.01	1102.05
	A	1220.20	84.09
Other debts			
Secured, considered good		543.59	223.61
Unsecured considered good		1029.23	1629.56
	B	1572.82	1853.17
Total - A+B		2793.02	1937.25

a) Confirmation of balances received/to be received from debtors are required to be reconciled wherever necessary and suitably adjusted.

b) The company on reciept of money from debtors has with drawn Rs 187.04 lakhs (Rs 56 lakhs) towards provision for bad and doubtful debts accounted during earlier years. Amount received during the financial year 2014-15 is 59.20 Lakhs and till Dec-15 is 127.84 Lakhs.

c) Dobutful debts includes an amount of Rs.628.65 Lakhs (Rs.546.61Lakhs) being Interest provided on defaulted outstanding upto 31.03.2015. The same has been provided in full and accounted under Provision for bad & doubtful debts.

M.N.S. & Co., CHARTERED ACCOUNTANTS Firm Regn. No. 003965S BANGALORE

2.14 Cash and bank balances

Particulars		As at 31st March 2015.		As at 31st March 2014.	
		Current	Non-current	Current	Non-current
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Cash and cash equivalents					
Cash on hand		0.93	-	0.71	-
Balances with banks					
- In current accounts		153.10	-	190.41	-
Others					
	A	**154.03**	**0.00**	191.12	0.00
Other bank balances:					
Balances with Banks held to the as margin money or security against Bank Gurarntee and Letter of Credit		3587.08	-	5637.28	-
	B	3587.08	0.00	5637.28	0.00
Total A+B		**3741.11**	0.00	5828.40	0.00

* Fixed Deposits have been given as Collateral Security for availing Bank Guarantee and Letter of Credit from Banks.



THE MYSORE PAPER MILLS LIMITED

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Notes for the financial statements for the year ended 31st March 2015.

2.15 Other current assets

Particulars	As at 31st March 2015	As at 31st March 2014
	Rs in Lakhs	Rs in Lakhs
Other current assets - Claims Receivable	539.76	461.37
Total	539.76	461.37



THE MYSORE PAPER MILLS LIMITED

Notes for the financial statements for the year ended 31st March 2015.

		Year ended 31st March 2015 Rs in Lakhs	Year ended 31st March 2014 Rs in Lakhs
2.16	**Revenue**		
	Revenue from operations		
	Sale of products		
	-Domestic	37739.44	39704.64
	Revenue from operations (Gross)*	37739.44	39704.64
	Less : Excise duty	1315.95	1333.40
	Revenue from operations (Net)	36423.49	38371.24
	* Details of products sold	AMT	AMT
	- Manufactured goods		
	Sale Of Writing & Printing Paper	15975.12	18580.90
	Sale Of News Print	10667.49	12989.92
	Sale Of Sugar	10641.72	7305.65
	Sale Of Molasses	454.11	828.17
		37739.44	39704.64
2.17	**Other income**		
	Filtered Water Supply	291.90	287.99
	Interest		
	On Deposits and Advances (a)	478.81	473.84
	On Sales Transactions and Others	2.98	4.04
	Rent	35.31	30.89
	Sale of Energy to MESCOM	51.92	69.49
	Interest on Income Tax Refund	0.00	3.43
	Variation in Excise Duty on Closing Stock	209.63	0.00
	Provision no longer required - written back (b)	187.05	57.69
	Foreign Exchange fluctuation Gain	0.00	62.79
	Penalty/Liquidated Damages	0.00	48.62
	Others	279.68	222.22
		1537.28	1261.00

a) Interest on Deposits and Advances include interest earned on Fixed Deposits to the extent of Rs.433.57 Lakhs (Rs. Rs.441.13 Lakhs).

b) Provision no longer required-written back includes withdrawal of Provision for Bad & Doubtful Debts provided during earlier years withdrawn on collection from debtors to the extent of Rs. 187.04Lacs (56 Lacs).

2.18	**Cost of materials consumed**		
	Raw Materials Consumed	9,531.92	14,939.02
	Chemicals Consumed	3,383.35	4,598.41
	Stores Consumed	901.76	939.42
	Power & Fuel	9,715.15	11,875.68
	Packing Material	506.28	582.53
	Trading Item	50.22	45.44
		24088.69	32981.50

M.N.S. & Co., CHARTERED ACCOUNTANTS Firm Regn. No. 003568S BANGALORE

THE MYSORE PAPER MILLS LIMITED

Notes for the financial statements for the year ended 31st March 2015.

		Year ended 31st March 2015	Year ended 31st March 2014
		Rs in Lakhs	Rs in Lakhs
2.19	Changes in inventories of finished goods, work-in-progress and traded goods		
	Closing stock		
	- Manufactured goods	1513.47	8519.82
	- Work-in-progress	178.75	315.38
	- Bagasse	842.95	862.50
		2535.17	9697.70
	Opening stock		
	- Manufactured goods	8519.82	6158.65
	- Work-in-progress	315.38	155.32
	- Bagasse	862.50	347.96
		9697.70	6661.93
		(7162.53)	3035.77
2.20	Employee benefit		
	i) Employees:		
	Salary & Wages and Bonus	6481.12	7023.68
	Contribution to Provident Fund	617.12	686.51
	Contribution to Superannuation Fund (Refer note 2.04 (i))	0.00	237.00
	Gratuity	985.71	600.48
	Leave Salary Including Sick Leave	262.65	263.85
	Welfare Expenses	582.06	539.57
		8928.66	9351.09
	ii) Contract Labours	1734.75	1786.98
		10663.41	11138.07
2.21	Finance costs		
	Term Loans	1730.80	1438.20
	Cash Credit	1522.25	1555.36
	Others (ref note below)	190.64	258.13
		3443.69	3251.69
	Interest on others includes Rs. 155.95 Lakhs (Rs. 248.82 Lakhs) towards interest on VAT, CST & Entry tax dealyed payments.		
2.22	Other expenses		
i)	Repairs & Maintenance :		
	Buildings	47.00	33.32
	Plant and Machinery	568.95	906.77
	Others	79.12	70.59
		695.07	1010.68



THE MYSORE PAPER MILLS LIMITED

Notes for the financial statements for the year ended 31st March 2015.

		Year ended 31st March 2015 Rs in Lakhs	Year ended 31st March 2014 Rs in Lakhs
ii)	**Administrative & Other Expenses**		
	Rent	37.89	37.73
	Insurance	35.41	34.53
	Rates and Taxes	120.42	101.01
	Vehicle Maintenance	98.16	170.69
	Vehicle Hire Charges	33.01	33.48
	Travelling and Conveyance	7.99	5.44
	Communications	16.19	22.94
	Security charges	186.57	126.88
	Printing & Stationery	14.13	6.32
	Bank charges	63.13	108.29
	Auditors Remuneration-(Note 3.12 (G))	6.91	-4.80
	Directors Sitting Fees	0.54	0.33
	Research & Development	70.98	67.13
	Advertisement	18.34	13.29
	Legal & Professional	160.26	206.70
	Freight Charges	100.64	118.02
	Variation in Excise Duty on Closing Stock	0.00	77.41
	Foreign Exchange fluctuation loss	84.70	0.00
	Premium on Forward Contracts	22.13	20.96
	Miscellaneous Expenses	96.23	98.87
		1173.64	1254.82
iii)	**Selling Expenses:**		
	Packing and Forwarding Expenses	67.56	26.05
	Cash Discount on Sales	121.56	74.31
		189.12	100.36
	Total of (i) (ii) & (ii)	2057.82	2365.86

2.23 Prior period item

Debit Items:		
Short provision made during earlier years	773.54	31.61
Depreciation short provided during earlier years	0.00	0.67
VAT credit pertaining to prior years	0.00	91.44
Others	0.00	1.92
	773.54	125.64
Credit Items:		
Withdrawal of Excess Provision - CST 06-07 Provision	234.39	0.00
Withdrawal of Excess Provision- DA Arrears	486.71	0.00
Withdrawal of Excess Provision- Super Annuation	487.00	0.00
Withdrawal of Excess Provision towards Stores & Spares	218.34	0.00
Withdrawal of Excess Provision- Others	12.77	88.52
Arrears of water sales from VISL	0.00	98.59
	1439.21	187.11
Net Prior Period Item (Income)	-665.67	-61.48

2.24 Exceptional Items

Waiver of Principal and Interest accrued of previous years refer note 2.03 (vi).	597.91	239.98
	597.91	239.98



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THE MYSORE PAPER MILLS LIMITED

Notes to the financial statements for the year ended 31st March 2015

3.01

Share Application Money to the extent ofRs. 14821.21 Lakhs (Rs. 14821.21) Lakhs includes the following:

a) Government of Karnataka had accorded sanction of conversion of entire GOK loan as on 31.03.2012 to the extent of Rs.10102.50 Lakhs into Equity vide GO NO.CI 86/CPM/2011 Dated 31.03.2012, had made Cash Equity Infusion to the extent of Rs.500 Lakhs vide GO NO. CI 86/CPM/2011 Dated 12.01.2012, Rs.1000 lacs Equity infussion vide GO.CI/131/CPM/2012 Dated 2.11.2012, Rs.1000 lacs Equity Infussion vide GO.CI/131/CPM/2012 Dated 08/02/2013, Rs.1000 lacs Equity infussion vide GO.CI/99/CPI/2013 Dated 06/10/2013 and Equity infussion vide GO.CI/99/CPI/2013 Dated 19/03/2014 of Rs.1000 lacs . The allotment of shares were approved by members in the 77th AGM held on 31.12.2012.

b) During FY 2012-13 Government of Karnataka had converted outstanding Guarantee Commission Payable as on 31.03.2013 as Investment to the extent of Rs.218.71 Lakhs vide its order No. CI 86 CPM 2011 Dt. 30.03.2013. The same is grouped under Share Application Pending Allotment till further apporoval from members and SEBI.

3.02 **Outstanding forward contract as at the balance sheet date is as given below:**

(Amount in INR)
Rs. In Lakhs

Nature of Exposure and Currency	Underlying Risk Coverage	As at 31st March 2015.	As at 31st March 2014.
Imports - Revenue(Pulp Purchase)	USD/INR	-	1,088.06
		-	1,088.06

The difference between the spot rate and the forward rate is recognised as deferred premium and amortised over the period the contract. During the FY 2014-15 the company has amortised an amount of Rs. 22.13 Lakhs (Rs. 20.95 Lakhs) towards premium on forward contracts.

3.03 **Contingent liabilities and commitments**

	31.03.2015 Rs. In Lakhs	31.03.2014 Rs. In Lakhs
a) Claims against the company not acknowledged as debt	1966.17	1342.80
b) Letters of Credit and Guarantees	800.00	800.00
c) Estimated amount of contracts remaining to be executed on capital account and not provided for	1040.19	1306.75
	3806.36	3449.55



3.04 The company has approached Government of Karnataka for waiver of Purchase Tax payable on Sugarcane Purchases. Pending approval of application on waiver of purchase tax on Sugarcane purchases from the GOK , the compnay has not remitted purchase tax to the extent of Rs. 614.03 lakhs (Rs. 541.82 Lakhs) . Also an amount of Rs.303.29 Lakhs (Rs.201.47 Lakhs) interest payable upto March-2015 towards purchase tax has not been provided as the company has requested the Government for waiver of Purchase Tax payable and the proposal is under active consideration of the Government.

3.05 Pending Legal Dispute on Forest Field Workers under the 'Karnataka Daily Wage Workers Welfare Rules 2012, no provision is made in the books of account. As the matter is subjudice: quantification of financial liability is not ascertainable.

3.06 The Company during the year has withdrawn DA provided during the period July-12 to March-14 to the extent of Rs. 486.71 Lakhs in Excess of DA declared by Government of Karnataka.

3.07 Pending reconciliation with MESCOM an amount of Rs.1666.23 Lakhs (Rs.1042.86 Lakhs) being the disputed amount claimed is not provided in the books as on 31.03.2015. Total outstanding claimed including arrears by MESCOM as on 31.03.2015 is Rs. 7141.96 Lakhs (Rs. 3933.02 Lakhs Lakhs) and provision held by MPM is to the extent of Rs. 5475.73 Lakhs (Rs. 2890.16 Lakhs).

3.08 Figures for the previous year have been regrouped/reclassified/recast wherever necessary to conform to current year's presentation.

3.09 Amounts have been rounded off to the nearest two decimal points of lakh of rupees.

3.10 The computation table of basic and diluted earnings per share is as under:

Particulars	31.03.2015	31.03.2014
	Amt Rs. In Lakhs	Amt Rs. In Lakhs
a) Profit (Loss) after tax for the year	-9286.75	-7688.65
b) Weighted average number of Basic equity shares	118893432	118893432
c) Weighted average number of Diluted (Basic and potential) equity shares outstanding during the year.	118893432	118893432
d) Nominal value of shares (Rs.)	10	10
e) Earnings per share – Basic (a/b)	-	-
f) Earnings per share – Diluted (a/c)	-	-

Effects of anti-dilutive potential equity shares are ignored in accordance with the para 41 of Accounting Standard - 20 'Earnings Per Share'.

3.11 The company has huge accumulated losses as per provisions of Income Tax Act, 1961 and as a measure of prudence the company has not recognized the deferred tax asset in financial statements.

M.N.R. & Co., CHARTERED ACCOUNTANTS Firm Regn. No. 003965S BANGALORE

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3.12 EMPLOYEE BENEFITS

a) The fair value of the assets of the provident fund trust including the return on the assets thereof as on the Balance Sheet date being greater than the obligations under the defined benefit plan, no further charge to the profit and loss account is required.

b) The disclosure in respect of defined benefits as per Accounting Standard- 15 is as under:

Rs.Lakhs

Particulars	Gratuity		Leave Encashment (PL & SL)	
	Current Year	Previous Year	Current Year	Previous Year
Change in benefit obligations:				
Obligations at period beginning	7,321.30	7125.76	1,748.18	1610.00
Service Cost	235.46	268.04	109.63	113.28
Interest Cost	551.76	625.07	131.64	139.24
Benefit Paid	(848.65)	(543.78)	(207.45)	(116.99)
Acturial (gain)/loss	233.49	(153.79)	(48.04)	3.64
Acturial Liability	7,493.36	7,321.30	1,734.96	1,749.18
Dues to retired employees	509.59	229.56	79.61	10.19
Obligations at period end	8,002.95	7,550.86	1,814.57	1,759.37
Change in plan assets:				
Plan assets at the period beginning, at fair value	3,881.27	3,390.45	-	-
Expected return on plan assets	302.52	276.98	-	-
Acturial gain/(loss)	58.23	70.37	-	-
Contributions	901.28	869.60	207.45	116.99
Benefits paid	(1,100.84)	(726.11)	(207.45)	(116.99)
Expenses	(7.30)	-	-	-
Plan assets at the period end, at fair value	4035.16	3881.27	-	-
Funded Status:				
Fair value of plan assets at the end of the period	4,035.16	3881.27	-	-
Present value of the obligations at the end of the period	8,002.95	7550.86	1,814.57	1759.37
Accrued Liability	3967.78	3669.59	1814.57	1759.37
Less : Advance Gratutiy Paid	51.11			
Liability recognised in Balance sheet	3916.67	3669.59	1814.57	1759.37
Gratuity cost for the period:				
Service Cost	235.46	268.04	109.63	113.28
Interest Cost	551.76	625.07	131.64	139.24
Expected return on plan assets	(302.52)	(276.98)	-	-
Acturial (gain)/ loss	175.26	(224.15)	(48.04)	3.64
Benefits Paid in Excess of Contribution	148.45	0.00	-	0.00
Expenses	7.30	-	-	0.00
Add: Provision during the year for payable to emplyees retired prior to 28.02.2014	459.90	208.49	69.42	7.69
Net Gratuity cost	1275.60	600.48	262.65	263.85
Assumptions				
Discount Rate	8.00%	9.12%	8.00%	9.12%
Salary escalation rate	2.00%	2.00%	2.00%	2.00%
Attrition rate	0.50%	0.50%	0.50%	0.50%
Estimated rate of return on plan assets	8.00%	8.00%	8.00%	8.00%

Experience adjustment for Gratutiy

Rs.Lakhs

Particulars	2015	2014	2013	2012	2011
Present Value of Defined Obligation	8,002.95	7,321.30	7125.75	6653.97	5722.06
Present Value of the fair value of Plan assets	4035.16	3,881.27	3390.44	3304.24	3085.78
Surplus /(Deficit)	(3,967.78)	(3,440.03)	(3,735.31)	(3,349.74)	(2,636.28)
Experience Adjustment :					
On Plan Liability (gain)/Loss	233.49	(153.79)	(44.14)	(44.08)	(228.55)
On Plan Assets gain	58.23	70.37	62.02	20.22	12.68

Experience adjustment for Leave Encashment

Rs.Lakhs

Particulars	2015	2014	2013	2012	2011
Present Value of Defined Obligation	1,814.57	1,749.18	1610.00	1381.70	1083.01
Present Value of the fair value of Plan assets	-	-	-	-	-
Surplus / (Deficit)	(1,814.57)	(1,749.18)	(1,610.00)	(1,381.70)	(1,083.01)
Experience Adjustment :					
On Plan Liability (gain)/Loss	(48.04)	3.64	(25.00)	(60.92)	(51.40)
On Plan Assets gain	-	-	-	-	

M.N.S. & Co., Firm Regn. No. 003968S BANGALORE CHARTERED ACCOUNTANTS

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3.13 SEGMENT INFORMATION

PARTICULARS	2014-15			2013-14		
	PAPER	SUGAR	TOTAL	PAPER	SUGAR	TOTAL
(a) Information about Business Segment						
Revenue :						
External	25736.80	10686.68	36423.48	30563.38	7807.85	38371.23
Internal –Segment-(Bagasse)	-1912.70	1912.70		-1912.70	1912.70	
Total Revenue	23824.10	12599.38	36423.48	28650.68	9720.55	38371.23
(b) Segment Result	-4265.60	-2968.46	-7234.07	-2418.63	-2925.28	-5343.91
Unallocated Income (Expenditure) net off			909.22			301.55
Interest Expenses			-3443.69			-3251.69
Interest Income			481.79			477.88
Profit from ordinary activities			-			-
Net Profit/(Loss)(profit after tax)			-9286.75			-7816.17
(c) Other Information :						
Segment Assets	36104.49	3060.26	39164.75	42555.39	7776.24	50331.63
Unallocated Corporate Asset (Accum Loss)			51949.60			42594.45
Segment Liability	54401.48	5344.55	59746.03	69406.32	7116.49	76522.81
Unallocated Corporate Liability			31867.30			16403.25
Depreciation	1024.43	22.71	1047.14	1027.16	22.40	1049.56

M.N.S. & Co., CHARTERED ACCOUNTANTS * Firm Regn. No. 003085S BANGALORE

THE MYSORE PAPER MILLS LIMITED

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Notes to the financial statements for the year ended 31st March 2015.

3.14 Statement of additional information :

	2014-15		2013-14
A. STOCK OF FINISHED GOODS			
1. Writing,Printing & Speciality Papers	Rs in lakhs		Rs in lakhs
Opening	2091.49		754.13
Closing	722.48		2091.49
2. Newsprint :			
Opening	1311.98		11.36
Closing	233.50		1311.98
3. Sugar:			
Opening	4829.72		5119.95
Closing	66.85		4829.72
4. Molasses:			
Opening	286.63		273.20
Closing	490.64		286.63
B. RAW MATERIALS & CHEMICALS CONSUMED			
1. Raw Materials:			
Bamboo	172.62		293.74
Wood	1781.27		2633.81
Eucalyptus	948.44		1625.18
Wood Pulp	2018.55		3996.61
	4920.88		8549.34
Sugarcane Crushed	4611.04		6389.68
	4611.04		6389.68
Total Raw Materials	9531.92		14939.02
2. Chemicals:			
Caustic Soda Lye	961.72		1465.92
Sodium Sulphate	94.31		159.99
Hydrogen Peroxide	296.87		473.11
Burnt Lime	805.09		1060.34
Others	1225.36		1439.05
	3383.35		4598.41

Bagasse generated in Sugar Mill is being used for Captive pulp production and as Fuel in Boilers

M.N.J. & Co., * SRINIVAS * CHARTERED ACCOUNTANTS Firm Regn. No. 003968S BANGALORE

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	2014-15		2013-14	
	Rs in lakhs	%	Rs in lakhs	%
C. BREAK UP OF :				
(i) RAW MATERIALS & CHEMICALS CONSUMED				
1. Indigenous	10902.72	84.42	15769.72	80.72
2. Imported	2012.55	15.58	3767.71	19.28
Total	12915.27	100.00	19537.43	100.00
(ii) SPARES CONSUMED				
1. Indigenous	713.68	79.14	782.16	83.26
2. Imported	188.08	20.86	157.26	16.74
Total	901.76	100.00	939.42	100.00

	Rs.in Lakhs 2014-15	Rs. in Lakhs 2013-14
D. VALUE OF IMPORTS - C.I.F BASIS		
1. Raw Materials	624.09	4204.56
2. Spare Parts	148.48	132.85
	772.57	4337.41
E. EXPENDITURE IN FOREIGN CURRENCY		
Foreign travel	-	-
Consultancy Charges	-	81.23
F. EARNING FROM EXPORTS	-	-
G. AUDITORS' REMUNERATION		
i) Statutory Audit	4.55	3.25
ii) Tax Audit	0.70	0.50
iii) Other Services	1.19	0.65
iv) Out of pocket expenses	0.47	0.40
	6.91	4.80
H. Amounts remitted in Foreign Currency during the year on account of Dividends to Non-resident Shareholders and the years to which such dividends relate :-		
1. No. of Shareholders	245	237
2. No. of Shares held by them	1678031	1651886
3. Amount remitted(Net of tax)	Nil	Nil
4. Year to which such dividends relate	Nil	Nil

For and on behalf of Board of Directors.

DIRECTOR

MANAGING DIRECTOR

COMPANY SECRETARY

CHIEF FINANCE OFFICER

As per our report attached
For M N S & Co.,
Chartered Accountants
Firm Reg No: 003968S

30/01/2021

Partner
Membership No. 029180

Place :Bengaluru.
Date :

M.N.S. & Co., Firm Regn. No. 003968S BANGALORE CHARTERED ACCOUNTANTS

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FORM 'A'

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

	2012-13	2013-14	2014-15
A POWER AND FUEL CONSUMPTION			
I ELECTRICITY			
a) Purchased Units(Lakhs.KWH)	578.89	601.24	491.48
Total Amount(Rs.Lakhs)	3527.09	3782.43	3278.36
Cost Per Unit-Rs.	6.09	6.29	6.67
b) Captive Generation (Lakhs KWH) (Net of Export)			
Through Steam Turbine (lakhs KWH)	1166.38	1012.19	707.58
Cost per Unit (Rs.)	4.98	5.74	5.32
II COAL			
Quantity in (MT)	216475	211649	157327
Total Amount-Rs. Lakhs	8338.84	7904.12	6263.98
Average rate per tonne -Rs	3852.10	3734.54	3981.50
III FURNACE OIL-KL	332.08	376.63	371.20
Total Amount (Rs. Lakhs)	165.39	189.13	172.82
Average rate per KL	49804.3	50216	46557
IV OTHER /INTERNAL GENERATION (MT)			
(a) Bagasse,Pith,Bamboo/Wood dust	3737	7110	1260
(b) Black Liquor Solids	84977	76877	54922

B CONSUMPTION PER UNIT OF PRODUCTION

Production- MT

Paper	86410	76954	53673
Sugar	17179	24675	19704
ELECTRICITY CONSUMPTION (KWH)			
Paper	1948	1983	2123
Sugar	348	354	397
COAL CONSUMPTION(MT)			
Paper	2.26	2.34	2.45
Sugar	1.24	1.28	1.31

C FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs.LAKHS)

1 FOREIGN EXCHANGE EARNINGS-EXPORT OF PAPER	0.00	0.00	0.00
2 FOREIGN EXCHANGE OUT GO DURING THE FINANCIAL YEAR ENDING 31-03-2013			
a) Imports (on C.I.F. basis)			
i) Raw Material	3718.40	4591.17	624.09
ii) Components,Spares parts ,Chemicals	90.07	132.85	148.48
iii) Capital Goods	-	-	-
b) Other than imports			
i) Travel	--	--	--
ii) Interest on CDC Loan	--	--	--
iii) Loan Repayment CDC Loan	--	--	--
iv) Services	--	--	--

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE MYSORE PAPER MILLS LIMITED, BHADRAVATHI FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of **The Mysore Paper Mills Limited, Bhadravathi** for the year ended **31 March 2015** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated **06 October 2021** which supersedes their earlier Audit Report dated **30 January 2021.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **The Mysore Paper Mills Limited, Bhadravathi** for the year ended **31 March 2015** under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of revisions made to the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6) (b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

(ANUP FRANCIS DUNGDUNG)
ACCOUNTANT GENERAL (AUDIT-II)
KARNATAKA, BENGALURU

Bengaluru
Date: 22.10.2021

CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.mpm.karnataka.gov.in The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

(i) The voting period begins on <26.12.2021 from 10.00 am> and ends on <28.12.2021 05.00 pm>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <22.12.2021> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. However, the e-voting will be re-enabled during the course of AGM only in respect of those who are attending the meeting in virtual mode if they have not voted under remote e-voting and the e-voting will be further disabled after 30 minutes from the conclusion of the AGM.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@mpm.co.in if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 **days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@mpm.co.in / irg@integratedindia.in.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.