



**MALU PAPER  
MILLS LTD.**

**ANNUAL REPORT  
FOR THE YEAR  
2017-18**

Heera Plaza, 4<sup>th</sup> Floor,  
Near Telephone Exchange,  
Central Avenue,  
**Nagpur – 440 008**  
Phones : 0712-2760308, 2778506, 2733100  
Fax : 0712- 2760310  
Email : [Contacts@malupaper.com](mailto:Contacts@malupaper.com)

# MALU PAPER MILLS LIMITED

**Founder**

Late Shri Bhanwarlal Malu  
(1924 - 2007)

**Non Executive Chairman**

Shri Damodarlal Malu

**Managing Director**

Shri Punamchand Malu

**Joint Managing Director**

Shri Banwarilal Malu

**Non Executive Directors**

Shri Vasudeo Malu

**Independent Directors**

Shri Chandrakant Thakar  
Shri Satyanarayan Rathi  
Shri Shyamsunder Sarda  
FCA Shrutika Inani

**Plants****Kraft Division**

Village Borujwada,  
Nagpur Saoner Road,  
Taluka: Saoner, District: Nagpur

\*W.e.f. 31/07/2018

**Bankers**

State Bank of India  
Axis Bank Ltd  
Bank of Baroda  
Bank of India  
Jammu & Kashmir Bank

**Statutory Auditors**

M/s. Demble Ramani & Co.

**Internal Auditors**

M/s. Samria & Co.

**CFO**

Shri Girish Malpani

**Company Secretary & Compliance Officer**

Ms. Shraddha Kabra\*

**Registered and Corporate Office**

Heera Plaza, 4<sup>th</sup> Floor, Near Telephone  
Exchange, Central Avenue, Nagpur  
440008

**Newsprint & Writing Printing Division**

Village Hetti Surla,  
Nagpur Bhopal Road,  
Taluka: Saoner, District: Nagpur

**CONTENTS**

• Notice .....	01
• Directors' Report .....	09
• Corporate Governance Report .....	35
• Auditors' Report .....	42
• Balance Sheet .....	52
• Profit & Loss Account .....	53
• Cash flow Statement .....	54
• Notes.....	55

**MALU PAPER MILLS LIMITED**

Regd. Office: Heera Plaza, 4<sup>th</sup> floor, Near Telephone Exchange, Nagpur -400008  
CIN:L15142MH1994PLC076009

**NOTICE**

Notice is hereby given to the members of Malu Paper Mills Limited that the 25<sup>th</sup> Annual General Meeting of the members will be held on Friday, the 21<sup>st</sup> day of September, 2018 at **the registered office of the Company at 'Heera Plaza, 4<sup>th</sup> Floor, Near Telephone Exchange Square, Central Avenue, Nagpur** at 3.00 P.M. to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Results for the year ended on 31<sup>st</sup> March 2018 along with the reports of Director and Auditors thereon.
2. To appoint a Director in place of Shri Damodarlal Malu (DIN: 00301120), who retire by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Shri Vasudeo Malu (DIN: 00301313), who retire by rotation and being eligible, offer himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 26<sup>th</sup> Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, M/s. R. A Kuvadia & Co., Chartered Accountants, Mumbai, be and are hereby re appointed as the Statutory Auditors of the Company to hold Office from the conclusion of the ensuing Annual General Meeting till the conclusion of the Twenty Sixth Annual General Meeting, at a remuneration as may be decided by the Board in consultation with them.”

**SPECIAL BUSINESS:**

5. To appoint the Cost Auditors for the financial year ending March 31, 2019 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Khanuja Patra & Associates, Nagpur, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2018-19 ending on March 31, 2019, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. To Increase the remuneration of Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) or any other law and on the recommendation of the Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for the increase in the remuneration of Shri Punamchand Ram Lal Malu, Managing Director to Rs.2,00,000/- per month with effect from 01<sup>st</sup> August 2018.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. To Increase the remuneration of Joint Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) or any other law and on the recommendation of the Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for the increase in the remuneration of Shri Banwarilal Bhanwarlal Malu, Joint Managing Director to Rs.2,00,000/- per month with effect from 01<sup>st</sup> August 2018.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

8. To Increase the remuneration of Vice President, Purchase and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to section 188 and all other applicable provisions, if any, of the Companies Act, 2013, read with Rule 15(3) of the Companies (meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the consent of the members, be and is hereby accorded to increase the monthly remuneration to Rs.2,00,000/- per month of Shri Narayan Malu, son of Shri Banwarilal Malu, Joint Managing Director of the Company, appointed as Vice President (Purchase) to hold and continue to hold an office or place of profit with effect from 01<sup>st</sup> August, 2018.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to grant annual increments from time to time upto 20% of the last salary drawn and to promote Mr. Narayan Malu to higher responsibilities as and when required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and they are hereby authorised to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution.”

**Registered Office:**

Heera Plaza, 4<sup>th</sup> floor,  
Central Avenue  
Nagpur- 440008  
Date:09<sup>th</sup> August, 2018

**By order of the Board  
For MALU PAPER MILLS LIMITED**

**Punamchand Malu**  
Managing Director  
DIN:00301030

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. **A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**

PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON, WHO SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The Statement pursuant to section 102(1) of the Companies Act, 2013 in respect of the business set out under the notice is annexed hereto.
3. The Register of Members and share transfer books of the Company will remain closed from 14<sup>th</sup> September 2018 to 21<sup>st</sup> September 2018 both days inclusive.
4. Documents referred to the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting and will also be available for inspection at the meeting.
5. Members/Proxies should bring attendance slips duly signed for attending the meeting.
6. Members holding shares in dematerialised form are requested to notify all the changes with respect of their address, e-mail id, ECS mandate and bank details to their depository participant.

Members (those holding shares in the physical form only) are requested to notify / send the following to the Registrar/ Transfer Agent,

- a. Particulars of their bank account and e-mail id, in case the same have not been sent earlier;
  - b. Any changes in their address/e-mail id/ECS mandate/ bank details;
  - c. Share certificate(s) held in multiple accounts in identical name or joint names in the same order of names, for consolidation of such shareholding in one account.
7. For the convenience of the members, an attendance slip is annexed with the proxy form. Photocopies of the slip will not be entertained for issuing gate pass for attending annual general meeting. However, in case of non- receipt of notice of annual general meeting, members are requested to write to the company at its head office for issuing duplicate of the same. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the meeting.
  8. Members/Proxy holders are requested to bring their copies of the annual report with them to the annual general meeting, as extra copies will not be provided.
  9. Any member desirous of getting any information on accounts or operations of the company is required to forward his/her queries to the company at least ten days prior to the meeting so that the required information can be made available at the meeting.
  10. The copy of notice shall also be made available at our official website [www.malupaper.com](http://www.malupaper.com). In case any shareholder could not receive the same, he can download it or go through our website.
  11. For any communication, the shareholders may also send requests to the Company's investor email id [contacts@malupaper.com](mailto:contacts@malupaper.com)
  12. Pursuant to the provision of section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the

company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

13. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

14. The instructions for shareholders voting electronically are as under:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 18<sup>th</sup> September, 2018 (9:00 am) and ends on 20<sup>th</sup> September, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14<sup>th</sup> September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

**Step 1: Log-in to NSDL e-Voting system**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details will be as per details given below :

- a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
  - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
5. Your password details are given below:
- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a. Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.



## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [scrutinizers@malupaper.com](mailto:scrutinizers@malupaper.com) to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. Ms. Yuga Kothalkar Company Secretary (Membership No. 028673) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three /days of the conclusion of the AGM, a consolidated scrutinizer’s



report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.malupaper.com](http://www.malupaper.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

**ITEM NO. 5**

The Board, on the recommendation of the Audit Committee, has approved the appointment of Shri Deepak Khanuja Partner of M/s. Khanuja Patra & Associates as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2018-19 ending on March 31, 2019 at the Audit Fees of Rs.45,000 (Rupees Forty five Thousand only).

None of the Directors and the Key Managerial personnel or their relatives of the Company are in anyway concerned or interested, financially or otherwise, in the resolution set out at Item no. 5 of the Notice.

**ITEM NO. 6**

Shri Punamchand Malu is associated with the company since its inception and was reappointed as Managing Director w.e.f 01/04/2015 at a monthly remuneration of Rs.1,00,000/-. Taking into consideration his hard work and contribution for the growth of the Company, the Board, on the recommendation of Nomination and Remuneration proposed to increase his monthly remuneration to Rs.2,00,000/- with effect from 01/08/2018 for the remaining period of his tenure.

The increase in remuneration of Shri Punamchand Malu will be in accordance with sections 196, 197 and other applicable provisions, if any, read with provisions of Schedule V of the Companies Act, 2013 without requiring the approval of Central Government.

The Directors recommend the Special Resolutions for your approval

Except for Shri Punamchand Malu and Shri Damodarlal Malu, no Director of the Company is concerned or interested in the said resolution.

**ITEM NO. 7**

Shri Banwarilal Malu is Promoter Director of the company and was reappointed as Joint Managing Director w.e.f 01/04/2015. Taking into consideration his hard work and contribution for the growth of the Company, the Board, on the recommendation of Nomination and Remuneration proposed to increase his monthly remuneration to Rs.2,00,000/- with effect from 01/08/2018 for the remaining period of his tenure.

The increase in remuneration of Shri Banwarilal Malu will be in accordance with sections 196, 197 and other applicable provisions, if any, read with provisions of Schedule V of the Companies Act, 2013 without requiring the approval of Central Government.

The Directors recommend the Special Resolutions for your approval

Except for Shri Banwarilal Malu and Shri Vasudeo Malu, no Director of the Company is concerned or interested in the said resolution.

**ITEM NO. 8**

Shri Narayan Malu, Vice President (Purchase) is working with since 2006 looking after existing operation of the company

Shri. Narayan Malu's current salary is not commensurate with the role and responsibility carried out by him. Hence on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 09/08/2018 approved to increase the monthly remuneration from Rs.1,00,000/- to Rs.2,00,000/- per month with effect from 01st August 2018.

Your Directors recommend this Special resolution for your approval.

No Director, except Shri Banwarilal Malu is in any way concerned or interested in the resolution.

***Registered Office:***

Heera Plaza, 4<sup>th</sup> floor,  
Central Avenue  
Nagpur- 440008  
Date: 09<sup>th</sup> August, 2018

**By order of the Board  
For MALU PAPER MILLS LIMITED**

**Punamchand Malu**  
*Managing Director*  
DIN:00301030