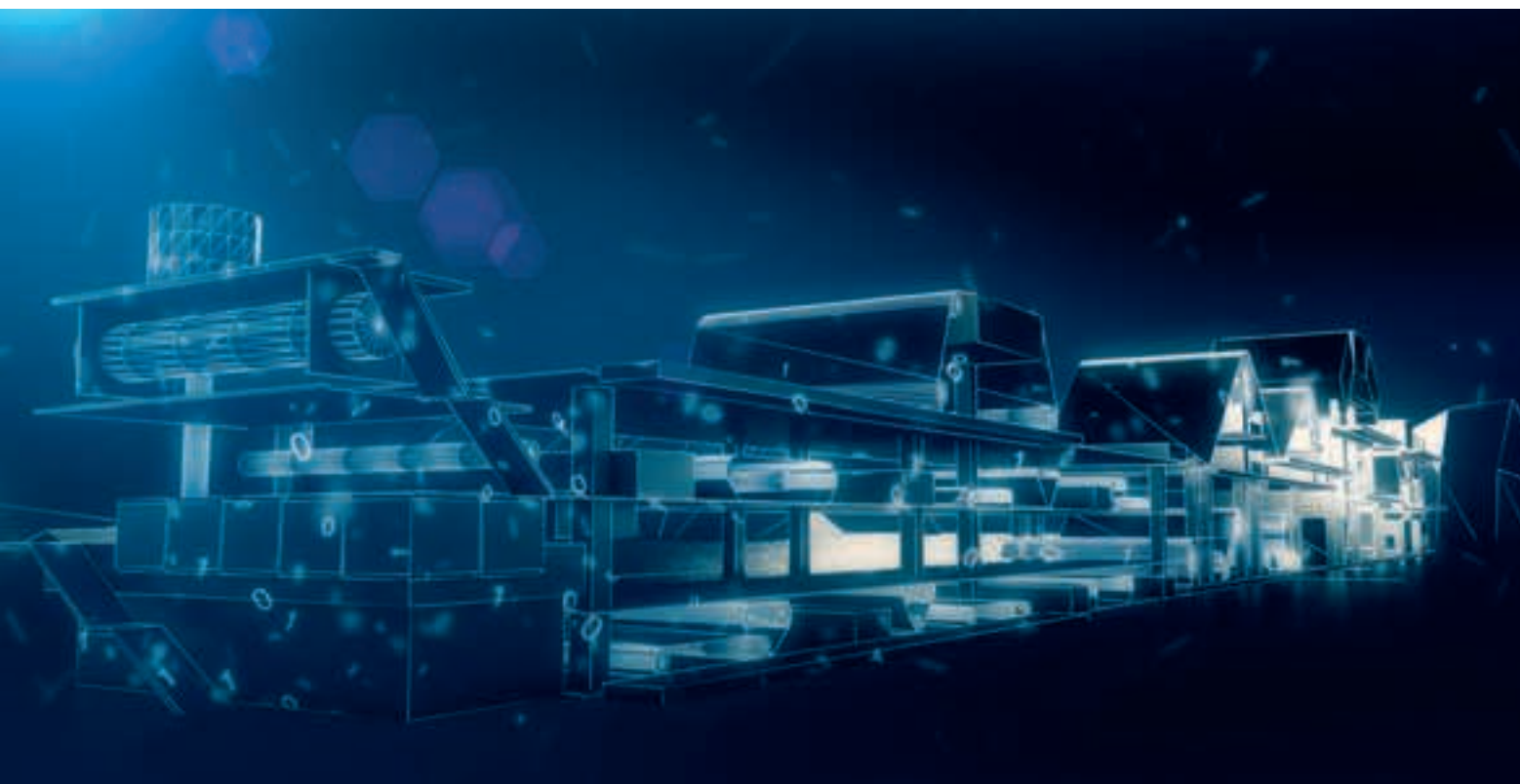


48th Annual Report 2017/18
Voith Paper Fabrics India Limited
Life Cycle Partner of the Paper Industry



Welcome to our Golden Jubilee Year

BOARD OF DIRECTORS

Chairman

Martin Gustav Scherrer

Managing Director

R. Krishna Kumar

Directors

Biren De

Ravinder Nath

Surinder Kumar Nagpal

Shahana Basu

FINANCE CONTROLLER

Kalyan Dasgupta

COMPANY SECRETARY

C.S. Gugliani

REGISTRAR & TRANSFER AGENT

MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area, Phase - I,
New Delhi - 110020

REGISTERED OFFICE AND MILL

113/114-A, Sector 24,
Faridabad -121 005, (Haryana)
Delhi NCR, India

AUDITORS

B S R & Co. LLP, Chartered Accountants (Statutory)

Lodha & Co., Chartered Accountants (Internal)

P.C. Jain & Co., Company Secretaries (Secretarial)

BANKERS

AXIS Bank Limited

ICICI Bank Limited

Standard Chartered Bank

State Bank of India

The Hongkong and Shanghai Banking Corporation Limited

BNP Paribas

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Chairman's Communique



Dear Members,

It gives me great pleasure to share my thoughts with you at the end of another financial year. Your Company continues its journey of consistent growth and has delivered a satisfactory performance once again. It is a matter of personal satisfaction that your company continues to be amongst the top contributors to the overall performance of business segment to which it belongs in Voith Group of Companies.

Also, as a responsible corporate citizen, your company has carried out some Corporate Social Responsibility (CSR) activities, covering areas such as, promoting education, health-care & sanitation; environment protection; eradicating hunger, etc. and we shall continue to direct our efforts in this direction in future also.

Further, the strong demand of paper products has pushed the Indian paper industry to a new level and the industry appears to be fully geared up to meet the growing demands of future, despite several challenges like – outdated technology, liquidity, cost pressures, deeper penetration of electronic media, etc., being faced by it. Gradually, the focus of paper industry in India is also shifting towards manufacturing more eco-friendly products, keeping in line with the need of the hour and the legislative framework. However, we believe that the industry would be able to overcome the hindrances that it faces and would flourish in future.

With the backing of Voith Group, your company is strategically placed to provide innovative solutions to the customers to meet their specific requirements enabling them in manufacturing paper in an eco-friendly manner. We believe that with our consistent and proven track record of serving the customers satisfactorily, we would continue to enjoy their patronage in future as well, which would in turn, help us perform better in coming years.

I look forward to meet you at the 48th Annual General Meeting of your company.

With best wishes for a promising future, together!

Warm regards,

Martin Gustav Scherrer

Chairman



Managing Director's Communique

Dear Shareowners,

It's the end of another financial year and I feel delighted to inform you that for the year ended 31st March, 2018, your Company has achieved total income of INR 1,050.69 million and 'profit before tax' for the year was INR 276.37 million.

Your Company would be completing 50 years of its existence in the current fiscal. Very few organizations are fortunate to achieve such a rare distinction in its corporate life cycle. The sheer hard work, determination, foresightedness, able leadership and perseverance of employees at all levels have made it possible for the Company to achieve this milestone.

Over the years, we have constantly worked on improving the standards of quality, efficiency and reliability in all areas of our operations and I am glad to inform you that your company has been awarded the top rank for Operational Excellence (OPEX) site for the second consecutive time, within whole of Voith Group of Companies.

In the prevailing global market environment, it is a matter of satisfaction that India is steadily treading the path of growth. Indian economy has experienced healthy GDP growth in past few years and future prospects also look positive too. The paper industry has a crucial role to play for economic growth of the country as paper consumption is considered to be one of the important indices of educational and cultural growth of a nation.

Your Company had always maintained a close and cordial bond with its shareholders, and this is a tradition I am delighted to continue. I take this opportunity to express my sincere gratitude for the support, trust and encouragement you have always rendered to the Company.

Sincere regards,

R. Krishna Kumar
Managing Director

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your directors are pleased to present before you, the Forty Eighth Annual Report along with the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2018.

FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended March 31, 2018 is summarized below:

	Rs. (In millions)	
	For the year ended	
	31/03/2018	31/03/2017
Revenue from operations	964.53	900.85
Profit before taxation	276.37	271.66
Provisions for taxation	95.22	94.87
Profit after taxation	183.32	175.37
Earnings Per Share (EPS) (In rupees)	41.24	40.25

There were no material changes and commitments affecting the financial position of the company, which have occurred since the end of the financial year.

DIVIDEND

The Company endeavours to make dividend payout in such a way so that it results in capital appreciation for shareholders and also that the long term growth objectives of the Company can be met through internal accruals as and when the need arises. However, considering the current year as the Golden Jubilee Year, your Directors are pleased to recommend an increase in last year's dividend payout by Rs.5/- per equity share, as a one-time special occasion.

Accordingly, the Directors are recommending for your approval payment of dividend @ 90%, i.e., of Rs. 9/- per equity share of Rs.10/- each fully paid-up for the year ended 31st March, 2018, aggregating to Rs. 39.53 million. In addition, the applicable Corporate Dividend Tax and other taxes, if any, shall also be paid thereon at the time of actual payment of dividend.

The dividend, if approved at the Annual General Meeting, would be paid to the eligible members within the stipulated time.

DIRECTORS

Ms. Shahana Basu shall be retiring by rotation at the forthcoming Annual General Meeting (AGM) and being eligible, offers herself for reappointment.

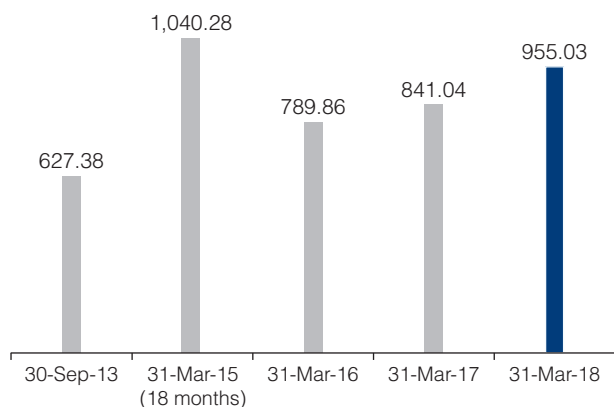
In Compliance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (here-in-after referred to as 'Listing Regulations'), brief resume, expertise and details of other directorships, membership in committees of other companies and shareholding in the Company, of Ms. Shahana Basu, who is proposed to be re-appointed as Director are as under:

Name of the Director	Ms. Shahana Basu
DIN	07137715
Age in years	49 years
Date of initial appointment	6 th February, 2016
Expertise in Special Functional Areas	Legal
Qualification	Graduate in History Honours, Social & Political Science, Sociology and Law.
Directorships held in other companies in India, as on 31/03/2018	NIL
Membership of committees of other companies, in which she is a Director, as on 31/03/2018	NIL
No. of shares held in the Company (Including those held by relatives)	NIL

PERFORMANCE OVERVIEW

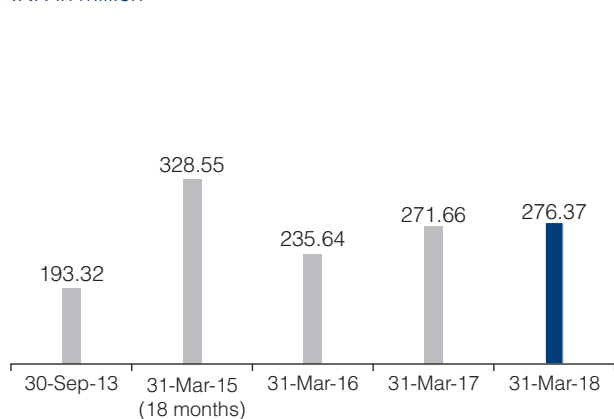
Order Received

INR in million



Profit Before Tax

INR in million



TRANSFER TO RESERVES

For the year under review, Company has added the entire available surplus to the brought forward balance in "Statement of Profit and Loss", without making any transfer to the general reserve.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the company neither gave any loans or guarantee nor made any investments in terms of provisions of Section 186 of the Companies Act, 2013.

CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the Financial Year 2017/18.

CAPACITY ENHANCEMENT

The Company is in the process of its capacity enhancement by around 30% over next 3 years. In the first phase, construction of building for installation of the machinery is underway and the Production is likely to commence in next financial year. This will help us to improve quality, productivity and customer satisfaction in coming years.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

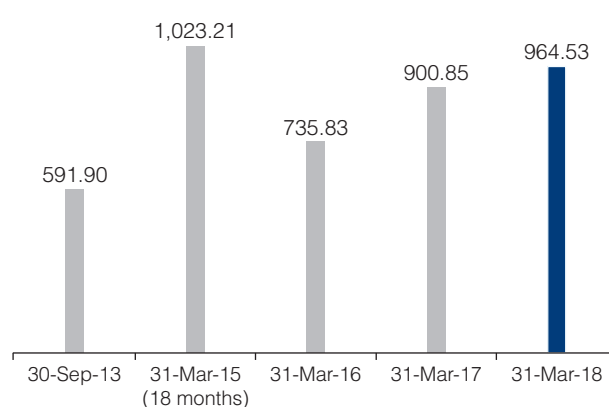
There are no significant material orders passed by the Regulators or Courts or Tribunals, which would impact the 'going concern' status of the Company and its future operations. However, members' attention is drawn to the details about Contingent Liabilities and Commitments appearing in the Notes forming part of the Financial Statements.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Details of Internal Financial Controls and its adequacy are included in the Management Discussion and Analysis Report, which forms part of this Report.

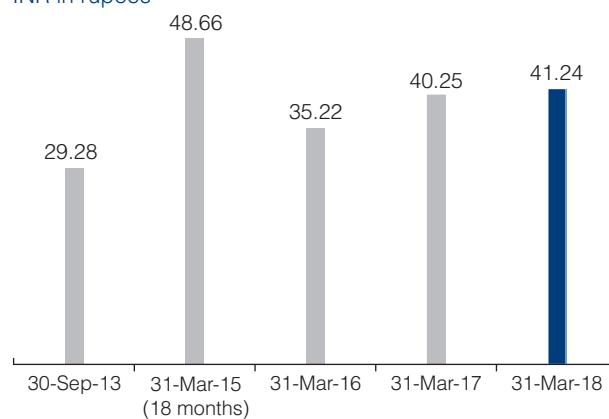
Sales/Revenue

INR in million



Earnings Per Share

INR in rupees



PARTICULARS OF CONTRACT AND ARRANGEMENTS WITH RELATED PARTIES

As per the provisions of Companies Act, 2013 and Regulation 23 of 'Listing Regulations', the Company has formulated a Policy on Related Party Transaction to ensure transparency in transactions between the Company and the related parties. The said Policy is available at link of 'Company Policies' on 'Investor Corner' page on the company's website at <http://voith.com/ind-en/Voith-Paper-Fabrics-India-Limited-Investors-Corner.htm>

During the year under review, there were no material transactions, as defined under the provisions of 'Listing Regulations', between the company and related parties. All transactions with related parties were carried out in the ordinary course of business at arms length basis and details of such transactions are mentioned in notes attached to the financial statements, appearing elsewhere in the Annual Report. Further, Form AOC-2 containing the necessary disclosure in this regard is attached as Annexure – III and forms an integral part to this report.

AUDITORS REPORT

The observations of the statutory auditors are self-explanatory and, therefore, do not call for any further comments.

AUDITORS

- A. **Statutory Auditors** - During the year under review, the appointment of M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), to continue to act as the Statutory Auditors of the Company up to the conclusion of 50th Annual General Meeting (AGM) was ratified by the members at the 47th AGM. The Board recommends for the necessary ratification by members, for continuation of their appointment as Statutory Auditors up to the conclusion of 50th AGM of the Company, at the forthcoming AGM also.
- B. **Internal Auditors** - During the year under review, M/s Lodha & Co., Chartered Accountants, carried out the internal audit exercise and submitted their report.
- C. **Secretarial Auditors** - During the year under review, M/s P.C. Jain & Co., Company Secretaries, carried out the Secretarial Audit and submitted their report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Sections 134(3)(c) and 134(5), the Board of Directors, to the best of their knowledge and ability, confirm that:

1. in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and are prudent so as to give a true & fair view of the state of affairs of the Company at the end of the Financial Year and of the profits of the Company for the period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
4. the Directors have prepared the Annual Accounts on a 'going concern' basis;
5. the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating efficiently; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RISK MANAGEMENT

The Board confirms that there exists a structure in the Company to identify, assess, evaluate and mitigate various types of risks w.r.t. the operations of the Company. In view of the Board, none of the elements of any such risks threaten the existence of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of Companies Act, 2013 and Regulation 16 of the 'Listing Regulations'.

CORPORATE GOVERNANCE

The Board of Directors has laid down a Code of Conduct to be followed by all the Directors and members of Senior Management of your Company. The Board of Directors supports the principles of Corporate Governance and lays strong emphasis on transparency, accountability and integrity.

A Report on Corporate Governance along with required Certificate from a Company Secretary in Practice, pursuant to requirements of the Listing Regulations has been included in this Report separately. In terms of Regulation 17(8) of the Listing Regulations, a Certificate of CEO & CFO is also provided to the Board.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act, read along with Rule 8, of Companies (Accounts) Rules, 2014, is given in Annexure – I.

FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from public during the year under review. Accordingly, there are no unclaimed or unpaid deposits lying with the company for the year under review.

PARTICULARS OF EMPLOYEES

Particulars required to be disclosed in pursuance of the provisions of Section 197, read with rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure – II.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- Outline of CSR Policy including overview of projects or programs undertaken during the year ended 31st March, 2018:** Corporate Social Responsibility (CSR) is the integration of business operations & its values in relation to betterment of society. To achieve this integration of interests of all stakeholders, including investors, customers, employees and community, the company had contributed requisite sums towards fulfilling its CSR obligations, by providing financial aid to some NGOs involved in the field of promoting education, healthcare, eradicating hunger and sanitation, especially for the benefit of those belonging to socially and economically backward strata of society.

The CSR Policy and the report can be accessed at link of 'Company Policies' on 'Investor Corner' page on the company's website at http://voith.com/ind-en/Voith-Paper-Fabrics-India-Limited_Investors-Corner.htm

- Composition:** The CSR Committee presently comprises of three directors. Two of whom are Non-executive Directors.

Sr. No.	Name & Designation of the Director in the Committee	Category
1	Mr. Martin Gustav Scherrer, Chairman	Non-executive & Non-Independent Director
2	Mr. Biren De, Member	Non-executive & Independent Director
3	Mr. R. Krishna Kumar, Member	Executive & Non-Independent Director

- Average Net Profit of the Company for the last three financial years is Rs.282,662,251/-
- CSR Expenditure i.e. two percent of Average Net profit for last three financial years is Rs.5,653,245/-.
- Details of CSR spent during the financial year:
 - Total amount to be spent for the financial year: Rs.56.54 lakhs.
 - Amount unspent, if any: Not Applicable
 - Manner in which the amount spent during the financial year is detailed below:

(Amount Rs. In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget), projects or programs wise	Amount spent on the projects or programs. Sub-heads: 1) Direct expenditure on projects and programs 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent through implementing agency or direct
1.	Organisation of health camps	Promoting Health Care	Locally (Faridabad, Haryana)	7.50	7.50 (Direct)	7.50	HelpAge India
2.	Providing Exercise Table, Chair, Almirah etc. at a Centre for Autistic Children.	Promoting Health Care and Education.	Dehradun, Uttarakhand.	1.00	1.00 (Direct)	1.00	Nav Prerna Foundation
3.	Renovation of boundary wall, etc. & Setting up of R.O. water plant at their centre	Promoting Education and Women Empowerment	Locally	4.70	4.70 (Direct)	4.70	Pranab Kanya Sangha
4.	EEG Machine for a Mental Health Care Centre	Promoting Health Care	Locally	3.25	3.25 (Direct)	3.25	FIA Charitable Society
5.	Mid-day meal for school going students	Eradicating Hunger	Vrindavan, Uttar Pradesh	4.75	4.75 (Direct)	4.75	The Akshaya Patra Foundation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget), projects or programs wise	Amount spent on the projects or programs. Sub-heads: 1) Direct expenditure on projects and programs 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent through implementing agency or direct
6.	Computers etc. for Students	Promoting Education	Locally	5.00	5.00 (Direct)	5.00	Prayas Social Welfare Society (Regd.)
7.	Renovation of toilets & providing infrastructure & other facilities, to educational institutes including institutes for differently abled, skill development centres, government schools etc. and work related to development & maintenance of Environment Sustainability	Promoting Education & Environment Sustenance	Locally	30.34	30.34 (Direct)	30.34	FIA Charitable Society
	TOTAL			56.54	56.54	56.54	

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide reasons for not spending the amount in its Board Report: **Not Applicable**
7. A responsibility statement by CSR Committee of the Board: We hereby state that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Sd/-
Martin Gustav Scherrer
Chairman of the CSR Committee
(DIN: 02343290)

Sd/-
R. Krishna Kumar
Managing Director
(DIN: 05344619)

ANNUAL EVALUATION BY THE BOARD

The Board has carried out the annual evaluation of its own performance, of each of its Committee and of all individual Directors, as required under the provisions of Section 134(3)(p) of the Companies Act, 2013 and the applicable provisions of Listing Regulations. The manner in which such performance evaluation exercise was carried out is given below:

The Nomination and Remuneration Committee (NRC) carries out the evaluation process at initial stage, followed by evaluation by Board. The performance evaluation framework is in place to seek the response of each Director on the evaluation of the entire Board and Individual Directors, on defined parameters.

The criteria of evaluation of Board as well as that of its each Committee; and individual Directors, including the Chairman of the Board; as defined by NRC in this regard, includes attendance and contribution of each Director at the meetings or otherwise, independent judgment, adherence to code of conduct and business ethics, monitoring of regulatory compliance, risk management and review of internal control system, etc.

The performance of the Board and Individual Directors was also evaluated by the Board seeking inputs from all Directors on aforesaid parameters. The performance of Committees was evaluated by the Board seeking inputs from concerned Committee Members. A separate meeting of the Independent Directors was also held to review the performance of Non-independent Directors; performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of executive as well as non-executive Directors.

PREVENTION OF SEXUAL HARASSMENT CASES

As required under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with rules made thereunder, the Company has constituted an "Internal Complaints Committee" which is responsible for redressal of complaints related to sexual harassment.

During the year under review there was no complaint pertaining to sexual harassment.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, five meetings were convened and held. Details of composition of Board and its committees and of the meetings held, attendance of the Directors and other relevant details are provided in the Corporate Governance Report.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Board has originally constituted its Remuneration Committee on 31st January, 2002 as part of good corporate governance practice. The current policy is to ensure that appropriate and suitable members are appointed on the Board of the Company and that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and meets appropriate benchmarks.

The Nomination and Remuneration Committee, at its sole discretion, considers the integrity, qualification, expertise and experience of the person for appointment as a Director and then recommends to the Board of his/her appointment.

REMUNERATION CRITERIA

- Executive Director / Managing Director / Whole-time Director: They shall be paid remuneration comprising of several components (including fixed as well as variable) decided and approved by the Board from time to time on recommendation of the Committee. Such remuneration is determined according to industry standards, experience, laws and regulations, prevailing market conditions and the scale of Company's business relating to the position.
- Other Directors: The Company remunerates its non-executive Indian directors by way of Sitting Fees for attending meetings of the Board and/or any Committee thereof as may be decided by the Board from time to time, subject to the maximum amount as may be prescribed by the Central Government in this regard.

The policy is available at 'Company Policies' link on 'Investors Corner' page at company's website at http://voith.com/ind-en/Voith-Paper-Fabrics-India-Limited_Investors-Corner.htm

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s P.C. Jain & Co., Company Secretaries to undertake the Secretarial Audit of the company. The report of the secretarial audit is annexed as ANNEXURE – IV.

The Secretarial Audit Report does not contain any qualification, observation or other adverse remarks, except that the promoters of the Company were not holding shares in dematerialized form as at 31st March, 2018.

However, the promoters are in the process of opening necessary demat account with a depository participant and it is expected that the process of dematerialization of their shares would be completed within the current fiscal.

SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company neither has any subsidiary, joint venture or associate company; nor has any company become or ceased to be its subsidiary, joint venture or associate company, during the year.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is annexed as ANNEXURE - V to the Board's Report.

Further, as required under the provisions of Section 92(3) of the Companies Act, 2013, a copy of the relevant Annual Return would be made available at 'Investor Relations' link on the 'Investors Corner' page of company's website at http://voith.com/ind-en/Voith-Paper-Fabrics-India-Limited_Investors-Corner.htm

APPRECIATIONS

The Board wishes to place on record its appreciation for the untiring efforts & contributions of all the employees of the Company and for the trust & support of all other stakeholders associated with the company. The Board expects to continue to receive the same in future also.

For and on behalf of the Board of Directors

Biren De (DIN: 00011607)
Ravinder Nath (DIN: 00062186)
S K Nagpal (DIN: 01171148)
Shahana Basu (DIN: 07137715)

Directors

R. Krishna Kumar (DIN:05344619)
Managing Director

Date : 4th May, 2018
Place : New Delhi

ANNEXURE - I

Information required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

The Company remains in constant pursuit to carry out its operations in an environment friendly manner as well as to reduce the consumption of energy. This is done by regularly monitoring the consumption of fuel & electricity at various stages of production process and taking suitable corrective steps wherever possible. Some of the energy conservation measures taken during the year and consequent advantages are given below:

1. Replaced conventional lights with LED lights in some more areas. LED requires less maintenance and life is approximately 10 years.
2. Some conventional motors were also replaced with energy efficient motors, for energy saving.
3. Besides the above ongoing measures, during the year under review Company had also installed a Solar Power PV Plant of 81 KW capacity as an alternate source of power. This is likely to result in substantial savings in the power cost of Company during its expected life of 25 years.

A. CONSERVATION OF ENERGY

PART A- Power and Fuel Consumption

Sr. No.	Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
1.	Electricity		
	(a) Purchased units (millions)	3.03	2.87
	Total amount (Rs. in millions)	24.39	24.76
	Rate/unit (Rs.)	8.06	8.63
	(b) Own Generation		
	(i) Through diesel generating units (millions)	0.07	0.09
	Unit per litre of diesel oil	3.06	3.37
	Cost/unit (Rs.)	18.58	15.47
	(ii) Through steam turbine / generator	NIL	NIL
2.	Coal	NIL	NIL
3.	Purchased Fuel Consumed		
	(i) Furnace Oil		
	Quantity (K. Lts.)	-	-
	Total amount (Rs. in millions)	-	-
	Average rate (Rs. per litre)	-	-
	(ii) Pipe Natural Gas		
	Quantity (1000 cubic meters)	433.15	363.42
	Total amount (Rs. in millions)	14.90	10.77
	Average rate (Rs. per cubic meter)	34.41	29.64

PART B - CONSUMPTION PER UNIT OF PRODUCTION

Product	Felts	Felts
Unit	Kgs.	Kgs.
Electricity (units)	7.89	8.32
Furnace oil (liters)	NIL	NIL
Pipe Natural Gas (cubic meter)	1.10	1.02

(Rs. In millions)

Capital Investment made on procuring Energy Conservation Equipment:

Nil

B. TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT

Research & Development (R & D) activities are considered as the foundation for producing better quality products that meet the expectations of customers and for developing indigenous resources for import substitution.

Expenditure incurred on R & D during the year are given below:

(Rs. In millions)

(a) Capital	NIL
(b) Recurring	18.04
(c) Total (a + b)	18.04
(d) Total R & D expenditure as a percentage of total turnover	2.31

C FOREIGN EXCHANGE EARNINGS AND OUTGO

Exports (excluding Nepal) during the year were Rs. 40.11 million. Your Company strives to explore new foreign markets and to enlarge its share in the existing markets.

	(Rs. In Millions)
• Foreign Exchange Earnings (actual inflows)	49.30
• Foreign Exchange Expenditure (actual outgo)	326.17

ANNEXURE - II

As at 31st March, 2018 there were 106 employees on the rolls of the company. For the financial year ended on 31st March, 2018, median remuneration of the employees of the company was Rs. 805,850/-.

The ratio of remuneration of the Managing Director, Mr. R. Krishna Kumar to the median remuneration of the employees of the company was 19.24 times. The ratio of remuneration of other directors to the median remuneration of employees of the company is as follows: Mr. Biren De: 0.41 times; Mr. Ravinder Nath: 0.41 times; Mr. Surinder Kumar Nagpal: 0.30 times; and Ms. Shahana Basu: 0.26 times.

The percentage increase in the median remuneration of all employees for the year ended 31st March, 2018, over last year's median remuneration was 14.55%. The percentage increase/(decrease) in the remuneration of Managing Director for the said period was 10.50%. Other directors, viz., Mr. Biren De; Mr. Ravinder Nath; Mr. Surinder Kumar Nagpal; and Ms. Shahana Basu; were not paid any remuneration except the sitting fee for attending the meetings of the Board and/or its Committees. The sitting fee was revised during the year under review as follows:

- For meetings of the Board: Rs.30,000/- per meeting till 31st July, 2017; and Rs.50,000/- per meeting thereafter.
- For meetings of Committees of the Board: Rs.15,000/- per meeting till 31st July, 2017; and Rs.25,000/- per meeting thereafter.

In case of the CFO, Mr. Kalyan Dasgupta and the Company Secretary, Mr. C.S. Gugliani, the increase in remuneration was 10.20% & 14.09% respectively. Whereas, the average increase in remuneration of employees of the company was 12.69% which is in line with the policy of the company and prevailing market conditions.

During the year, the average increase in the remuneration of all employees, excluding the remuneration of Managing Director was 12.77%, whereas the increase in remuneration of Managing Director was 10.50%. The increase in remuneration of Managing Director has been as per the Nomination & Remuneration Policy of the company and in accordance with the approval of the shareholders. Besides this, there were no exceptional circumstances for such increase in remuneration of Managing Director. The other Directors, who are resident in India, are paid only the sitting fee for attending the meetings of the Board and/or its Committees and are not paid any variable component.

Information as required under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the financial year ended 31st March, 2018, is as follows:

Name of Employee	Age (in Years) as on 31/03/2018	Designation; Nature of duties; date of commencement of employment and experience in years	Annual Remuneration (INR in Lakhs)	Qualifications	Last employment held	% of Equity Shares Held by Employee	Whether related to any Director of the Company
R. Krishna Kumar	43	Appointed as the Managing Director with effect from 1 st August, 2014 for a period of five years. He possesses a total experience of about 22 years. He is responsible for overall management and day-to-day affairs of the company. He has worked for the company in various capacities, lastly in the capacity of President, since 01/01/2010.	155.08	B.E.	Vice President - Voith Paper Technology (India) Private Limited / Assistant General Manager - Larsen & Toubro Limited.	NIL	No

REMUNERATION OF TOP 10 EMPLOYEES

Sr. No.	Name of Employee	Designation / Nature of Duties	Remuneration (Amount in INR)	Nature of Employment (Contractual or otherwise)	Qualifications	Experience (in years)	Date of Commencement of Employment	Age in years	Last Employment Held	% of Equity Shares Held by Employee	Whether related to any Director of the Company
1	Kalyan Dasgupta	VP	4,058,562	Permanent	Bachelors in Accounting and AICWA	29	16.07.2009	55	Jindal Saw Ltd	Nil	No
2	Karunakar Pant	VP	3,622,035	Permanent	Bachelors in Science from BITS Pilani and Diploma in Paper Technology	39	21.10.1998	62	Sinar Mas India Limited	Nil	No
3	Praveen Batra	AGM	2,747,112	Permanent	Masters in Pulp and Paper Technology from IIT Rorkee	28	27.06.2005	52	Wires and Fabrics (SA) Limited	Nil	No
4	Rakesh Kumar Malani	AGM	2,538,634	Permanent	Bachelors in Textile Technology & PGDBA from IGNOU	22	06.07.2007	45	Wires and Fabrics India Limited	Nil	No
5	Shailesh Jha	Sr. Manager	2,080,350	Permanent	Bachelors in Mechanical Engineering from BIT Mesra	14	05.10.2012	36	Timken India Limited	Nil	No
6	Y. Harshavardhana	Sr. Manager	1,992,350	Permanent	Bachelors in Science and Diploma in Paper Technology	36	07.10.1986	59	Magna Fourdriner	4 shares (0.00009%)	No
7	Mahesh Arora	Sr. Manager	1,939,453	Permanent	Bachelors in Textile Technology (GMTA) and PGDBA from IGNOU	30	17.07.1990	51	Nuchem Limited	40 shares (0.0009%)	No
8	Rajesh Pruthi	Manager	1,925,015	Permanent	Diploma in Chemical Engg. Specialising in Pulp and Paper Technology	21	08.09.2003	41	Nalco Chemicals India Limited	Nil	No
9	Amit Kanti Maiti	Manager	1,901,970	Permanent	Bachelors in Textile Chemical Technology and PGDBA from IGNOU	31	03.09.1990	56	Hitkari Fibres Limited	Nil	No
10	Bhatu Kuwar	Sr. Dy. Manager	1,897,775	Permanent	Bachelors in Pulp and Paper Technology	24	17.08.2006	45	Wires and Fabrics (SA) Limited	Nil	No

ANNEXURE - III

FORM NO. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into by the company with any related party, during the year ended March 31, 2018, which were not at arm's length basis.

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

There were no material contracts or arrangements or transactions entered into by the company with any related party, during the year ended March 31, 2018. However, the particulars of related party transactions carried out in the ordinary course of business at arm's length basis, are appearing at Note No. 26 forming part of the financial statements of this annual report.

ANNEXURE - IV

FORM NO. MR – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
 The Members,
Voith Paper Fabrics India Limited
 113/114 - A, Sector - 24,
 Faridabad – 121005 (Haryana)

Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Voith Paper Fabrics India Limited CIN: L74899HR1968PLC004895 (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 audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- (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; **(Not applicable during the audit period)**
 - (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 during the audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable during the audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable 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 during the audit period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable during the audit period)**
- (vi) On the basis of written presentation and detail of Industry provided by the company, we confirm that no other laws are specifically applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except SEBI (LODR) Regulation No. 31 i.e. the promoters of the Company are not holding shares in dematerialized form with depository participant.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

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

We further report that there are 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.

We further report that during the audit period no specific events/actions were taken by the Company which has a major bearing on the Company's affairs in pursuance of the act, rules, regulations, guidelines, standards, etc.

For P. C. Jain & Co.
Company Secretaries
(FRN: P2016HR051300)

Date: 4th May, 2018
Place: Faridabad

(P C Jain)
Partner
CP No. 3349
FCS 4103

Note: This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

Annexure - A

To,
The Members,
Voith Paper Fabrics India Limited
113/114-A, Sector-24,
Faridabad-121005 (Haryana)

Dear Members,

Our Secretarial Audit Report for the financial year 2017-18 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records, personal records of employee(s) and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P. C. Jain & Co.
Company Secretaries
(FRN: P2016HR051300)

Date: 4th May, 2018
Place: Faridabad

(P C Jain)
Partner
CP No. 3349
FCS 4103

ANNEXURE - V**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS

1	CIN	L74899HR1968PLC004895
2	Registration Date (dd/mm/yyyy)	20/06/1968
3	Name of the Company	Voith Paper Fabrics India Limited
4	Category/Sub-category of the Company	Public Company / Limited by shares (Indian Non-Government)
5	Address of the Registered office & contact details	113/114 A, Sector - 24, Faridabad - 121005, Haryana Phone: +91 129 4292 200; Fax: +91 129 2232 072 Email: voithfabrics.faridabad@voith.com Website: http://www.voithpaperfabricsindia.com
6	Whether listed company	Listed
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited F-65, First Floor, Okhla Industrial Area Phase - I, New Delhi - 110020 Phone: 011 - 41406149 to 51, Fax: 011 - 41709881 E mail: helpdeskdelhi@mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Industrial Felts	1399	83.40
2	Traded Goods	4799	14.22

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	VP Auslandsbeteiligugen GmbH St. Pöltener Straße 43 89522, Heidenheim, Germany.	N.A.	Holding	74.04	2(46)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	3,252,418	3,252,418	74.04%	-	3,252,418	3,252,418	74.04%	0.00%
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	3,252,418	3,252,418	74.04%	-	3,252,418	3,252,418	74.04%	0.00%
TOTAL (A)	-	3,252,418	3,252,418	74.04%	-	3,252,418	3,252,418	74.04%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	432	274	706	0.02%	432	274	706	0.02%	0.00%
c) Central Govt	-	-	-	-	17,023	-	17,023	0.39%	0.39%
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	51,331	75	51,406	1.17%	51,331	75	51,406	1.19%	0.00%
g) FIIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	51,763	349	52,112	1.19%	68,786	349	69,135	1.57%	0.39%
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	116,227	2,104	118,331	2.69%	123,889	2,104	125,993	2.87%	0.18%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	793,527	139,112	932,639	21.23%	818,629	111,702	930,331	21.18%	-0.05%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	23,112	-	23,112	0.53%	-	-	-	-	-0.53%
c) Others (specify)									
NBFC registered with RBI	448	-	448	0.01%	448	-	448	0.01%	0.00%
Non Resident Indians	9,865	3,634	13,499	0.31%	10,325	3,634	13,959	0.32%	0.01%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	275	-	275	0.01%	0.01%
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	943,179	144,850	1,088,029	24.77%	953,566	117,440	1,071,006	24.38%	-0.39%
Total Public (B)	994,942	145,199	1,140,141	25.96%	1,022,352	117,789	1,140,141	25.96%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	994,942	3,397,617	4,392,559	100.00%	1,022,352	3,370,207	4,392,559	100.00%	0.00%

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	VP Auslandsbeteiligungen GmbH	3,252,418	74.04%	0	3,252,418	74.04%	0	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change) : No Change in shareholding of Promoter during the year

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	01/04/2017		3,252,418	74.04%	3,252,418	74.04%
	Changes during the year			No Change	0.00%	No Change	0.00%
	At the end of the year	31/03/2018		3,252,418	74.04%	3,252,418	74.04%

(iv) Shareholding Pattern of Top Ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as at 01/04/2017		Cumulative Shareholding during the year as at 31/03/2018	
		No. of shares	% of total shares	No. of shares	% of total shares
1	The Oriental Insurance Company Limited	51,331	1.17%	51,331	1.17%
2	Om Prakash Rawat	18,000	0.41%	18,000	0.41%
3	Subodh Bhupatrai Mody	23,112	0.53%	16,669	0.38%
4	Maya Rawat	15,253	0.35%	15,253	0.35%
5	Laurel Securities Private Limited	13,989	0.32%	13,500	0.31%
6	Vijay Gupta (HUF)	12,919	0.29%	12,919	0.29%
7	Musaddi Lal Rawat	12,612	0.29%	12,612	0.29%
8	Vijay Prakash Gupta	11,840	0.27%	11,840	0.27%
9	Lilavati Management Services Private Limited	10,835	0.25%	10,835	0.25%
10	Bhavana Govindbhai Desai	10,500	0.24%	10,500	0.24%
11	Archana Khandelwal*	6,056	0.14%	17,220	0.39%
12	Minal Bharat Patel**	10,705	0.24%	N.A.	N.A.

* Not amongst Top 10 shareholders as at the beginning of the year.

** Ceases to be amongst top-10 shareholders as at 31/03/2018.

Shareholding of Top - 10 Shareholders is consolidated, based on Permanent Account Number of the shareholder. The date-wise increase or decrease in shareholding of Top -10 shareholders, is available on the website of the Company.

The above list is excluding the 11,718 shares belonging to several shareholders, which were lying unclaimed/undelivered and were subsequently dematerialized by the Company in accordance with the requirements of erstwhile Listing Agreement, in consolidated form under "Voith Paper Fabrics India Limited - Unclaimed Shares Demat Suspense Account" as at 31/03/2017 as well as 30/03/2018. The above list also excludes 17,023 shares transferred to the Investor Education and Protection Fund Authority .

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Biren De, Director						
	At the beginning of the year	01/04/2017	-	1,370	0.03%	1,370	0.03%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	31/03/2018	-	1,370	0.03%	1,370	0.03%
2	No other Director or KMP held any share in the company, during the year	-	-	-	-	-	-
	At the beginning of the year	-	-	-	-	-	-
	Changes during the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rupees)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	R. Krishna Kumar	
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		14,676,795
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		488,136
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		-
	- as % of profit		-
	- others, specify		-
5	Others, please specify		-
	Total (A)		15,164,931
	Ceiling as per the Act:	It is in accordance with the ceiling as specified under section 197 of the Companies Act, 2013	

B. Remuneration to other Directors

(Amount in Rupees)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Biren De	Mr. Ravinder Nath	Mr. S. K. Nagpal	
1	Independent Directors				
	Fee for attending board and committee meetings	330,000	330,000	240,000	900,000
	Commission	-	-	-	-
	Total (1)	330,000	330,000	240,000	900,000
2	Other Non-Executive Directors	Mr. Martin G. Scherrer	Ms. Shahana Basu		
	Fee for attending board and committee meetings	-	210,000	-	210,000
	Commission	-	-	-	-
	Total (2)	-	210,000	-	210,000
	Total (B)=(1+2)	330,000	540,000	240,000	1,110,000
	Total Managerial Remuneration (A + B)				16,274,931
	Overall Ceiling as per the Act	Not applicable, as only sitting fee has been paid to eligible directors.			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rupees)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		Mr. Kalyan Dasgupta	Mr. C. S. Gugliani	
	Name	Mr. Kalyan Dasgupta	Mr. C. S. Gugliani	
	Designation	CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3,801,828	1,653,365	5,455,193
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	78,800	134,800	213,600
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	3,880,628	1,788,165	5,668,793

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the breach of any section of Companies Act, against the Company or its Directors or Other Officers in Default, if any, during the year.

For and on behalf of the Board of Directors

Biren De (DIN: 00011607)
Ravinder Nath (DIN: 00062186)
S K Nagpal (DIN: 01171148)
Shahana Basu (DIN: 07137715)
Directors

R. Krishna Kumar (DIN:05344619)
Managing Director

Date : 4th May, 2018
Place : New Delhi

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY OF VOITH

“In Business world one must be ethical, decent and honest. If the contracting party or competitor behaves unfairly, this does not give us a right to deviate from this principle.”

The governance processes and systems of your Company have strengthened over a period of time resulting in constant improvisation of sustainable and profitable growth.

Corporate Governance by Voith is manifestation of its culture and internal policies which founded its way back in 1927, long before this concept was reckoned by the Indian Corporate World. Firm commitment to our values is vital to gain and retain trust of our stakeholders. It aims at establishing and practicing a system of good corporate governance which will assist the management in managing the Company's business in an efficient and transparent manner for achieving the corporate objectives so as to provide best services in the best interests of the Stakeholders, Employees, Customers, Suppliers, Vendors, etc.

Your Company believes that good Corporate Governance is essential to achieve long-term goals and is committed to the adoption of best governance practices and its adherence in the true spirit at all levels and facets. Your Company is committed to sound principles of Corporate Governance with respect to all its procedures, policies and practices.

BOARD OF DIRECTORS

- Board's Composition – As at 31st March, 2018, the Board of Directors of the company comprised of six Directors including a Non-executive Chairman, a Managing Director, a Woman Director and three Non-executive Independent Directors. The Chairman of the Board is nominated by the holding company.

The Board has a balanced mix of persons, comprising of individuals possessing varied experience in areas like, finance, technical, legal & operations and is functioning quite good as a team. The Composition of Board is in conformity with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations). All Statutory and material information are made available to the Board of Directors to ensure adequate disclosures and transparent decision making process.

- Details of Board Meetings – Between the period from 1st April, 2017 and 31st March, 2018, the Board met on five occasions as follows:
 - On 25th May, 2017 in first Quarter of 2017/18.
 - On 6th July, 2017 & 12th August, 2017 in second Quarter of 2017/18.
 - On 7th November, 2017 in third Quarter of 2017/18.
 - On 12th February, 2018 in last Quarter of 2017/18.
- Meeting of Independent Directors – As per requirement of Regulation 25 of Listing Regulations and provisions of Section 149 read with Schedule IV of Companies Act, 2013, an exclusive meeting of Independent Directors was also held without the presence of Non-independent Directors & members of management, on 12th February, 2018, at which all Independent Directors were present.
- Names and Categories of Directors on the Board, their attendance at the Board Meeting and Annual General Meeting and number of Directorships and Committee positions held by them in other companies, as at 31/03/2018, are as given below:

Name of Director	Category	Number of Board Meetings attended during the year	Attendance at the last AGM held on 06/07/2017	No. of Directorships held as on 31/03/2018 in other Indian companies (Public and Private)		No. of Committee Memberships in other Indian Public Companies as on 31/03/2018	
				As Chairman	As Director	As Chairman	As Member
Mr. Martin Gustav Scherrer (Chairman of the Board)	Non-executive, Non-independent Director (Nominee of the Holding Company)	1	Present	-	1	-	-
Mr. Biren De	Non-executive and Independent Director	5	Present	-	-	-	-
Mr. Ravinder Nath	Non-executive and Independent Director	4	Present	-	8	-	5
Mr. Surinder Kumar Nagpal	Non-executive and Independent Director	4	Present	-	2	1	4
Ms. Shahana Basu	Non-executive Woman Director	5	Present	-	-	-	-
Mr. R. Krishna Kumar	Managing Director	5	Present	-	2	-	-

- Details of shareholding by Directors and their relatives as on 31/03/2018

Name of Director	Shares held by Director in the Company	Shares held by Relatives	Total Shares held
Mr. Martin Gustav Scherrer	NIL	NIL	NIL
Mr. Biren De	1,370	NIL	1,370
Mr. Ravinder Nath	NIL	NIL	NIL
Mr. Surinder Kumar Nagpal	NIL	NIL	NIL
Ms. Shahana Basu	NIL	NIL	NIL
Mr. R. Krishna Kumar	NIL	NIL	NIL

- Familiarization Programme for Independent Directors:

The Independent Directors are already conversant about their roles, rights, duties and responsibilities in the company, nature of industry in which the company operates, business model of the company etc., as they have been associated with the company for many years.

Further, various updates about Companies Act, 2013, Listing Regulations, as well as changes in provisions or procedures under relevant legislations proposed by authorities through circulars and notifications, industry status, business model, etc. are presented to the Directors by Managing Director, Company Secretary and Statutory Auditors of the Company, on periodical basis.

The necessary disclosures about the familiarization programme for independent directors is available at link of 'Investor Relations' on 'Investor Corner' page on the company's website at http://voith.com/ind-en/Voith-Paper-Fabrics-India-Limited_Investors-Corner.htm

- Committees of the Board – The company has constituted the following four Committees of the Board:

A. AUDIT COMMITTEE:

Terms of reference: The Audit Committee provides direction to the audit function in the company and monitors/reviews the quality of financial management and internal audit. It also oversees the financial reporting process for proper disclosure in the financial statements and recommends appointment, re-appointment and removal of the auditors and about fixing their remuneration.

The Committee also reviews the quarterly, half-yearly as well as annual financial statements before the same are submitted to the Board, with particular reference to matters to be included in Directors' Responsibility Statement; changes, if any, in the accounting policies and practices; major accounting entries involving estimates based on exercise of judgment by the management; significant adjustments made in financial statements; compliance with listing and other legal requirements relating to financial statements; disclosure and approval of related party transactions; qualifications, if any, in the draft audit report; etc. It also oversees the working of the Internal Audit system, including the internal control mechanism of the company.

Composition - In accordance with the provisions of Section 177 of Companies Act, 2013 and Regulation 18 of Listing Regulations, 2015, the Company has constituted an Audit Committee of its Board, comprising of three Non-executive & Independent Directors under the Chairmanship of Mr. Surinder Kumar Nagpal.

Meetings and Attendance - Four meetings of the Audit Committee of the Board of Directors took place during the year under review.

As at 31/03/2018, the composition of the committee and the attendance details of Committee Members at the meetings held on 25th May, 2017, 12th August, 2017, 7th November, 2017 and 12th February, 2018, during the year under review is as follows:

Name & Designation of Director in the Committee	Category	No. of meetings attended
Mr. Surinder Kumar Nagpal, Chairman	Non-executive & Independent Director	3
Mr. Biren De, Member	Non-executive & Independent Director	4
Mr. Ravinder Nath, Member	Non-executive & Independent Director	3

Mr. S.K. Nagpal attended the last Annual General Meeting of the Company as the Chairman of the Audit Committee.

Mr. C.S. Gugliani, Company Secretary, is the Secretary to the Committee.

Related Party Transaction Policy

Company has formulated a Policy on Related Party Transactions as per the requirements of Listing Regulations.

The relevant Policy can be accessed at link of 'Company Policies' on 'Investor Corner' page on the company's website at http://voith.com/ind-en/Voith-Paper-Fabrics-India-Limited_Investors-Corner.htm

B. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

Terms of Reference - The salient functions of the Stakeholders' Relationship Committee (SRC) include, overseeing the allotment/ approvals & rejection of transfer/transmission of shares, split/consolidation, etc.; issue of duplicate share certificates; reviewing the mechanism for redressal of investors' complaints & measures for improvement etc.; and compliance with the listing requirements for Securities of the Company, including dematerialization and/or rematerialization of securities and all allied matters related thereto.

Composition - In accordance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of Listing Regulations, the Company has constituted SRC, comprising of two Directors, under the Chairmanship of a Non-executive & Independent Director, Mr. Ravinder Nath, an advocate by profession.

Meetings and Attendance - Three meetings of SRC of the Board of Directors took place during the year under review. As at 31/03/2018, the composition of the SRC and the attendance details of Committee Members at the three Committee Meetings held on 12th August, 2017, 7th November, 2017 and 12th February, 2018 during the year under review, is as follows:

Name & Designation of Director in the Committee	Category	No. of meetings attended
Mr. Ravinder Nath, Chairman	Non-executive & Independent Director	3
Mr. R. Krishna Kumar, Member	Managing Director	3

Mr. C.S. Gugliani, Company Secretary, is the Compliance Officer.

Details of Investor Complaints received & disposed-off during the year are as follows:

Particulars	Related to Share Transfers	Other Complaints
Number of complaints pending as on 01/04/2017	0	0
Number of complaints received during the period from 01/04/2017 to 31/03/2018	0	0
Number of complaints disposed-off during the period from 01/04/2017 to 31/03/2018	0	0
Number of complaints pending as on 31/03/2018	0	0

C. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Terms of Reference - The CSR Committee has been entrusted with responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013; recommending to the Board the amount of expenditure to be incurred; monitoring the implementation of framework of CSR Policy and ensuring that implementation of the project and programme is in compliance with the CSR Policy of the company.

The Company has received an appreciation award from Faridabad Industries Association (FIA) for the years 2015/16 and 2016/17 for best practice in CSR.

Composition - In accordance with the provisions of Section 135 of Companies Act, 2013 read with Rule 5 of Companies (CSR Policy) Rules, 2014, the Company has constituted its CSR Committee, which presently comprises of three directors. Two of whom are Non-executive Directors. Mr. Martin Gustav Scherrer, Chairman of the Board is also the Chairman of the CSR Committee.

Meetings and Attendance - One meeting of the CSR Committee of the Board of Directors took place during the year under review. As at 31/03/2018, the composition of the CSR Committee and the attendance details of the Members at the Committee Meeting held on 6th July, 2017 during the year under review is as follows:

Name & Designation of the Director in the Committee	Category	No. of meeting attended
Mr. Martin Gustav Scherrer, Chairman	Non-executive & Non-Independent Director	1
Mr. Biren De, Member	Non-executive & Independent Director	1
Mr. R. Krishna Kumar, Member	Managing Director	1

D. NOMINATION AND REMUNERATION COMMITTEE (NRC)

Terms of Reference: Salient Features of Nomination and Remuneration Committee (NRC) includes, recommending to the Board about appointment and removal of the Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs); carry out evaluation of every director's performance and recommend to the Board a policy pertaining to remuneration for director(s), KMPs, SMPs and other employees.

Composition - In accordance with the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of Listing Regulations, 2015, the Company has constituted NRC of the Board of Directors comprising of three Non-executive Directors, two of whom are Independent Directors. Mr. Biren De, an Independent Director is the Chairman of the NRC.

Meetings and Attendance - One meeting of the NRC of the Board of Directors took place during the year under review. As at 31/03/2018, the composition of the committee and the attendance details of Members at the Committee Meeting held on 25th May, 2017 during the year under review, is as follows:

Name & Designation of the Director in the Committee	Category	No. of meeting attended
Mr. Biren De, Chairman	Non-executive & Independent Director	1
Mr. Martin Gustav Scherrer, Member	Non-executive & Non-Independent Director	0
Mr. Surinder Kumar Nagpal, Member	Non-executive & Independent Director	1

PERFORMANCE EVALUATION CRITERIA OF DIRECTORS

The NRC evaluates the performance of every Director on the basis of defined parameters as spelt out in the Remuneration Policy, and forwards its report along with recommendation, to the Board on annual basis. The criteria for appointment, removal and remuneration are as per the remuneration policy of the company.

Following process is adopted for evaluation of performance of Directors, Committees and the Board:

The relevant Evaluation Forms are circulated to all the Directors to evaluate the performance of other Directors, Committees and Board as a whole.

The evaluation is made on the basis of duties & responsibilities, devotion of sufficient time and attention to their professional obligations, constructive participation in the Meetings of the Committees and the Board, etc.

Thereafter, the NRC submits its recommendation & suggestions for improvement, if any, in respect of any Director, Committee and the Board; as well as the results of evaluation are placed and discussed at the Board Meeting. Individual Directors are also provided necessary feedback by the Board, at least once in a year.

Remuneration Policy - Executive Directors including Managing Director (MD) and Whole Time Director (WTD) shall be paid remuneration comprising several components (including fixed as well as variable), as the case may be, decided and approved by the Board from time to time, on the recommendation of the NRC and also approved by the shareholders and the Central Government, if so required. Such remuneration will be determined according to the industry standards, experience, laws and regulations, prevailing market conditions and scale of Company's business relating to the position. The policy also contains the scope and criteria for evaluation of Independent Directors and the Board as a whole.

Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) shall be paid such remuneration as recommended by the NRC and approved by the Board from time to time. However, for all KMPs (except for the MD/WTD) and/or SMPs or other employees, the NRC/Board may also authorize the person in-charge of day-to-day affairs of the company to decide their remuneration based on their qualification, experience, expertise and their performance.

Details of payment made to Non-executive Directors - In order to retain seasoned professionals on Board & to receive their valuable guidance, the Non-executive Directors, resident in India, were paid only the sitting fee for attending the meetings of the Board and/or its Committees at the following rates during the year under review:

- For meetings of the Board: Rs.30,000/- per meeting till 31st July, 2017; and Rs.50,000/- per meeting thereafter.
- For meetings of Committees of the Board: Rs.15,000/- per meeting till 31st July, 2017; and Rs.25,000/- per meeting thereafter.

Name of the Director	Sitting Fees (in Rs.) paid, during the year under review, for attending the meetings of					Total Sitting Fees Paid (Rs.)
	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	
Mr. Biren De	210,000	90,000	15,000	-	15,000	330,000
Mr. Ravinder Nath	180,000	75,000	-	75,000	-	330,000
Mr. S. K. Nagpal	160,000	65,000	15,000	-	-	240,000
Ms. Shahana Basu	210,000	-	-	-	-	210,000

PAYMENTS MADE TO THE MANAGING DIRECTOR (CEO FOR THE PURPOSE OF LISTING REQUIREMENT):

Following are the details of remuneration (including perquisites and retirement benefits) paid/payable to the Managing Director, Mr. R. Krishna Kumar, for the financial year ended on 31st March, 2018:

Particulars	Amount (in Rs.)
Basic	2,855,589.00
Performance Linked Reward	5,191,700.00
Allowances and perquisites	6,689,302.00
Contribution to Provident Fund	12% of basic salary
Contribution to Gratuity Fund	Through Group Gratuity Scheme with LIC of India
Contribution to Superannuation Fund	15% of basic salary

GENERAL BODY MEETINGS

➤ Details of last three Annual General Meetings held

Year (AGM)	Venue	Day & Date	Time
2017 (47 th)	Magpie Tourist Complex of Haryana Tourism Corporation Limited, Sector 16A, Mathura Road, Faridabad - 121002, Haryana	Thursday 06/07/2017	3:30 p.m.
2016 (46 th)	Magpie Tourist Complex of Haryana Tourism Corporation Limited, Sector 16A, Mathura Road, Faridabad - 121002, Haryana	Friday 08/07/2016	3:30 p.m.
2015 (45 th)	Magpie Tourist Complex of Haryana Tourism Corporation Limited, Sector 16A, Mathura Road, Faridabad - 121002, Haryana	Sunday 31/05/2015	3:30 p.m.

➤ Special Resolutions:

The following Special Resolutions were passed at the last three Annual General Meetings:

Year (AGM)	Matter(s) for which Special Resolution was passed
2017 (47 th)	None
2016 (46 th)	None
2015 (45 th)	Appointment of Auditors, Appointment of Managing Director & Alteration of Articles

SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT:

There was no item during the year under review that was required to be passed through the process of Postal Ballot. Further, there is no special resolution proposed to be passed at the ensuing Annual General Meeting which is required to be approved by the shareholders through Postal Ballot.

Requirement of Postal Ballot shall be complied with, wherever applicable, as required by law.

DISCLOSURES

- During the year ended 31st March, 2018, there has been no materially significant transaction entered by the company with any party which is considered to have potential conflict with interest of the company at large. The details of all related party transactions are placed and approved by the Audit Committee and Board of Directors on periodical basis.
- During the last three years there has been no instance of non-compliance and no penalties or strictures imposed on the Company by Stock Exchanges or the SEBI or any other statutory authorities on any matter related to capital market.
- In accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has formulated a 'Vigil Mechanism/Whistle Blower Policy' which provides an avenue to the Directors and employees of the Company to directly report, their genuine concerns including unethical behavior and violation of code of conduct, to the Chairman of the Audit Committee.
No person has been denied access to the Chairman of the Audit Committee of the Board of Directors of the Company.
- The Company has complied with the mandatory requirements of Listing Regulations. Compliance status about the non-mandatory requirements of the Listing Regulations are disclosed separately elsewhere.

DISCLOSURES OF ACCOUNTING TREATMENT

While preparation of Financial Statements, the applicable Accounting Standards, issued by The Institute of Chartered Accountants of India (ICAI), have been followed.

MEANS OF COMMUNICATION

- Intimation to Stock Exchange - Your Company believes that all the stakeholders should have access to adequate information about the Company. All information, which could have a material bearing on the share prices, is released at the earliest to the BSE in accordance with the requirements of Listing Regulations.
- Newspapers - The financial results and other communications of the Company were normally published in 'The Hindu Business Line/ Financial Express' and 'Rashtriya Sahara/Naya India'.
- Website - The financial Results were also displayed on 'Financial Results' link on 'Investor Corner' page on the company's website at http://voith.com/ind-en/Voith-Paper-Fabrics-India-Limited_Investors-Corner.htm The Company also updates the website with other relevant information, as and when required.
- The Company did not make any official news release nor made any presentation to the institutional investors or analysts, during the year under review.

GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Day & Date	Time	Venue
Thursday 5 th July, 2018	3:30 p.m.	Hotel Radisson Blu Faridabad, Sector 20-B, Mathura Road, Faridabad - 121001. Haryana.

Financial Calendar (From 1st April, 2018 to 31st March, 2019)

Results for quarter ending:

- 30th June, 2018 - By 14th August, 2018
- 30th September, 2018 - By 14th November, 2018
- 31st December, 2018 - By 14th February, 2019
- 31st March, 2019 - By 30th May, 2019

Book Closure and Dividend Payment date:

Book Closure: From Saturday, 23rd June, 2018 to Thursday, 5th July, 2018 (both days inclusive).

Dividend Payment Date: Dividend would either be credited in the account or dispatched to all eligible shareholders within thirty days of declaration at the Annual General Meeting.

Further, the amount of unpaid/unclaimed dividend for the year 2009-10, that became due to be transferred during the year under review, was transferred to the Investor Education and Protection Fund (IEPF) in accordance with the provisions of Section 124 of the Companies Act, 2013.

Further, 17023 shares in respect of which dividends have remained unclaimed/unpaid for seven consecutive years, were also transferred to the Investor Education and Protection Fund (IEPF) in accordance with the applicable provisions of the Companies Act, 2013, and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2017, as amended, during the year under review. Relevant details in this regard has also been made available on the website of the company at 'Investor Relations' link on 'Investors Corner' page at http://voith.com/ind-en/Voith-Paper-Fabrics-India-Limited_Investors-Corner.htm

LISTING ON STOCK EXCHANGE

The Equity Shares of the Company are currently listed for trading under Group/Index 'XT' of the BSE Limited, Mumbai (BSE). Company confirms that it has paid the annual listing fees to BSE for the year 2018/19.

The Company also confirms that it has paid the annual custodial fees to the Central Depository Services (India) Limited (CDSL) for the year 2018/19. The annual custodial fee shall also be paid to the National Securities Depository Limited (NSDL) upon receipt of necessary bill from NSDL.

STOCK CODE

BSE Limited (BSE) : 522122

ISIN for NSDL/CDSL : INE285C01015

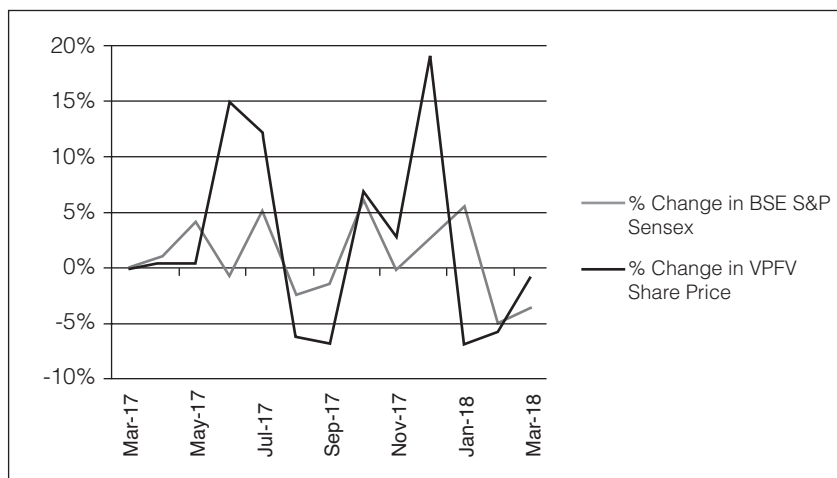
MARKET PRICE INFORMATION

The monthly 'high' and 'low' closing prices (rounded off to the nearest rupee) of the shares traded during the period from April, 2017 to March, 2018 on BSE are given below:

Month	High (in Rs.)	Low (in Rs.)
April, 2017	630	585
May, 2017	650	572
June, 2017	755	617
July, 2017	848	708
August, 2017	820	706
September, 2017	771	665
October, 2017	834	677
November, 2017	792	726
December, 2017	949	747
January, 2018	1002	855
February, 2018	885	776
March, 2018	810	746

Source : BSE Website

SHARE PRICE VIS-A-VIS SENSEX MOVEMENT



REGISTRAR & TRANSFER AGENT (RTA)

MCS Share Transfer Agent Limited
 F-65, First Floor, Okhla Industrial Area Phase - I, New Delhi - 110020
 Phone: 011 - 41406149 to 51
 Fax: 011 - 41709881, E-mail: helpdeskdelhi@mcsregistrars.com

SHARE TRANSFER SYSTEM

Investors may kindly note that SEBI has mandated that in case of securities market transactions and off-market/private transactions involving transfer of shares of a listed company in physical mode, it shall be compulsory for the transferee(s) to furnish a copy of the PAN Card to the Company/RTA, together with the transfer documents for registering transfer of such shares.

MCS Share Transfer Agent Limited handles the investor services of the Company and also share transfer related work in respect of shares held in physical form. Such transfers are registered within the stipulated time prescribed under applicable laws, if the documents are found correct and valid in all respects.

As per the requirements of Regulation 40(9) of the Listing Regulations, Company has regularly obtained the necessary certificate from a Company Secretary in Practice and submitted the same to BSE on half-yearly basis, confirming due compliance of share transfer related activities by the Company.

As per the requirement of SEBI guidelines, the Company's shares are to be traded only in dematerialized form.

INFORMATION ON SHAREHOLDING**A. Shareholding Pattern of the Company as on 31st March, 2018**

Category code	Category of Shareholder/Member	Total No. of Members	Total No. of shares	No. of Shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a % of (a+b)	As a % of (a+b+c)
(a)	Shareholding of Promoter and Promoter group					
	(1) Indian	Nil	Nil	Nil	N.A.	N.A.
	Sub Total (a)(1)	Nil	Nil	Nil	N.A.	N.A.
	(2) Foreign					
	Bodies Corporate	1	32,52,418	Nil	74.04	74.04
	Sub Total (a)(2)	1	32,52,418	Nil	74.04	74.04
	Total Shareholding of Promoter & Promoters Group (a)=(a)(1)+(a)(2)	1	32,52,418	Nil	74.04	74.04
(b)	Public shareholding					
	(1) Institutions					
	Financial Institutions / Banks	5	706	432	0.01	0.01
	Insurance Companies	2	51,406	51,331	1.17	1.17
	Sub Total (b)(1)	7	52,112	51,763	1.18	1.18
	(2) Non institutions					
	a) Bodies Corporate	121	125,993	123,889	2.87	2.87
	b) Individuals					
	i. Individual shareholders holding nominal share capital up to Rs.2 Lakh	3,910	930,331	818,629	21.18	21.18
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 Lakh	0	0	0	0	0
	c) NBFC registered with RBI	1	448	448	0.01	0.01
	NRIs (with Repat)	32	5,610	4,266	0.13	0.13
	NRIs (without Repat)	26	8,349	6,059	0.19	0.19
	d) Any Other (Specify)					
	Trust	1	275	275	0.01	0.01
	Government	1	17,023	17,023	0.39	0.39
	Sub-Total (b)(2)	4,092	1,088,029	970,589	24.78	24.78
	Total Public shareholding (b)=(b)(1)+(b)(2)	4,099	1,140,141	1,022,352	25.96	25.96
	TOTAL (a)+(b)	4,100	4,392,559	1,022,352	100.00	100.00
(c)	Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil	Nil	N.A.	N.A.
	Grand Total (a+b+c)	4,100	4,392,559	1,022,352	100.00	100.00

B. Shareholders with more than one percent holding as on 31st March, 2018

Sl. No.	Name of the Shareholder	No. of shares held	% of shares held
1.	VP Auslandsbeteiligungen GmbH	3,252,418	74.04
2.	The Oriental Insurance Company Limited	51,331	1.17

Distribution of Shareholding as on 31st March, 2018

No. of Shares held (Range)	No. of Shareholders	% to total Shareholders	No. of Shares	% to total Shares
1 - 500	3703	90.32	343,315	7.82
501 - 1000	227	5.54	161,845	3.68
1001 - 2000	86	2.10	117,760	2.68
2001 - 3000	30	0.73	76,646	1.75
3001 - 4000	15	0.37	52,245	1.19
4001 - 5000	8	0.19	36,569	0.83
5001 - 10000	15	0.37	111,774	2.54
10001 - 50000	14	0.34	188,656	4.30
50001 - 100000	1	0.02	51,331	1.17
100001 and above	1	0.02	3,252,418	74.04
Total	4100	100.00	4,392,559	100.00

DEMATERIALISATION OF SHARES

The Company's shares are available for trading in the depository systems of both the NSDL and the CDSL.

3,252,418 equity shares owned by the holding company are held in physical mode.

Out of remaining 1,140,141 equity shares; 1,022,352 equity shares of the company forming 23.27% of the total shareholding, stand dematerialized as on 31st March, 2018.

LIQUIDITY OF SHARES

The Equity shares of the Company have been included in the 'XT' Group of the BSE Limited, Mumbai (BSE).

OUTSTANDING ADR'S / GDR'S / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

Till date your company has not issued any ADR/GDR/Warrant or any other Convertible Instruments.

PLANT LOCATION

113/114-A, Sector-24, Faridabad - 121005 (Haryana). Delhi NCR, India.

ADDRESS FOR CORRESPONDENCE

The Company Secretary,
Voith Paper Fabrics India Limited
113/114-A, Sector-24, Faridabad - 121005 (Haryana), Delhi NCR, India
Phone: 0129 - 4292200 Fax: 0129 - 2232072
E-mail: investorcare.vffa@voith.com (dedicated e-mail for investors as per Regulation 13 of Listing Regulations)

PARTICULARS OF UNCLAIMED/UNDELIVERED SHARES

The shareholders may kindly take note that as per Regulation 39 read with Schedule VI of the Listing Regulations, the Company has consolidated and transferred the unclaimed/undelivered shares lying with the Company, in one folio in dematerialized mode. It may kindly be noted that the voting rights on such shares shall remain frozen till the shares are reclaimed by the rightful owners.

The details of such unclaimed / undelivered shares are as follows:

Sr. No.	Particulars	No. of cases	No. of Shares
1	Status as on 01/04/2017	107	11,718
2	Total request received during the year, from shareholders for dispatch of shares to them	-	-
3	Shares dispatched in pursuance of valid requests received from shareholders	-	-
4	Undelivered / unclaimed shares lying with the Company as on 31/03/2018	107	11,718

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

In accordance with the requirements for a listed company, as stipulated by SEBI, a 'Reconciliation of Share Capital Audit' is conducted on a Quarterly basis by a firm of Company Secretaries, for the purpose of, inter alia, reconciliation and confirmation of the total admitted equity share capital with the depositories and in the physical form with the total issued / paid-up equity share capital of the Company as listed on the BSE.

Certificates issued in this regard are placed before the Board of Directors and forwarded to the BSE, where the equity shares of the company are listed.

CEO & CFO CERTIFICATION

The Board confirms that CEO & CFO certificate relating to the financial statements has been placed before it regularly.

CODE OF CONDUCT

The company has formulated a Code of Conduct for its Board of Directors and members of Senior Management. The Code of Conduct is available on the website of the Company.

DECLARATION BY THE MANAGING DIRECTOR

It is hereby declared that in terms of Regulation 17(5) and 34 read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Conduct for the Board of Directors and the Senior Management Team of the Company is available for reference of public at large, on the website of the Company www.voithpaperfabricsindia.com

Further, the Company has also obtained affirmation from each individual member of the Board of Directors and the Senior Management Team confirming compliance with the conditions of the said Code of Conduct.

For Voith Paper Fabrics India Limited

R. Krishna Kumar
Managing Director
DIN: 05344619

STATUS OF ADOPTION OF NON-MANDATORY/DISCRETIONARY REQUIREMENTS

1. The Board - The Corporate Office of the Company does not bear the expenses of the office of the Chairman, as he is stationed outside India.
2. Shareholders Rights - The quarterly financial results and other material information, if any, are published in an English newspaper having nation-wide circulation and a local language newspaper. The results are also displayed on the website of the Company besides being available for public viewing through the website of BSE. Therefore, the half yearly results including summary of the significant events are not separately sent to the shareholders.
3. Audit Qualifications - The Company does not have any qualifications from the Auditors in its Financial Statements as on 31st March, 2018.
4. Chairman & CEO - The positions of Chairman and CEO are held by two different individuals.
5. Reporting by the Internal Auditor - The Audit Committee and the Board were duly briefed about the Internal Audit Report submitted by the Internal Auditor.

COMPLIANCE CERTIFICATE

The Company has obtained a certificate from a Company Secretary in practice regarding compliance of conditions of Corporate Governance as stipulated in Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the same is reproduced below:

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 34 READ WITH SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015

To
The Members of
Voith Paper Fabrics India Limited
113/114-A, Sector-24
Faridabad - 121005 (Haryana)

I have reviewed the implementation of Corporate Governance procedures by **VOITH PAPER FABRICS INDIA LIMITED** for the financial year ended on 31st March, 2018, with the relevant records and documents maintained by the Company, furnished to me for my review and the report on Corporate Governance as approved by the Board of Directors.

The compliances of the conditions of Corporate Governance are the responsibility of the management. Our examination was limited to a review of procedures and implementations thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

I 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.

On the basis of my review and according to the information and explanation provided to me, it is hereby certified and confirmed:

- That the conditions of Corporate Governance as stipulated in the Listing Regulations, 2015 with the stock exchange have been complied with in all material respect by the Company; and
- That 'No' investor grievance is pending for a period exceeding one month as per the records maintained by the Company.

FOR M. BANGIA & ASSOCIATES
COMPANY SECRETARIES

(Manoj Bangia)
PROPRIETOR

CP No.: 3655; FCS No.: 5607

Place: New Delhi
Dated: May 4, 2018

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

The paper industry is one of the flourishing and thriving industries of India. It is the 15th largest in the world and accounts for about 1.6% of the world's production of paper. The paper industry is expected to surpass 20 million tonnes in production by the end of year 2020.

Paper is one of the core industries and is linked to the basic human needs. Paper is the pre-requisite for education & literacy and its use is an index of advancement in these two fields as well as the overall well being of the society. The population of India has been growing at a significant pace which has led to the increase in the paper consumption, as each individual utilizes paper and related products. Paper Industry in India is moving up with a strong demand push and is in expansion mode to meet the projected future demand of paper.

Owing to the strong domestic consumer base, share of India's paper consumption to the world's total has been rising consistently. The increasing demand for paper brings with it new challenges of economies of scale, efficient usage of resources, need to develop and expand sustainable use of fibre, and value chain management, etc. Despite the fact that the Indian Paper Industry holds its importance to the national economy, however it stands fragmented unfortunately.

OUR STRENGTHS

India has the second most populous market for paper in the world. Indian paper industry not only serves a public utility but fulfils a critical national requirement. One of the key factors is large and growing domestic paper market, well developed printing industry, local market knowledge, etc.

The Company's products enjoy very high standing in the market due to constant enhancement in quality and efficient after sales services, provided by a dedicated and experienced technical support team. Also, the Company belongs to the Voith Group of Germany and gets full support of the Group in carrying out its operations locally. The Company is the only Indian supplier of complete range of paper machine clothing in the region and shares a major part of the total market size. Further, the enthusiasm and untiring efforts of employees at all levels has enabled your Company to progress, despite increased competition.

OUR WEAKNESSES

Paper industry in India faces some problems as well, which may restrict its future growth prospects. One of the serious problems for this industry is scarcity of raw materials. Most of the materials used for manufacturing paper are derived from the forests. With the increasing degradation of forest and fast depletion of forest based raw materials, like bamboo, the paper industry is facing raw material crisis.

There is a need for industrial plantation policies which will allow the growing of wood on a large scale, thereby reducing its cost which will, in turn, lower the cost of production of paper.

THE OPPORTUNITIES

The paper industry in India has become more promising as the domestic demand is on the rise. Increasing population and literacy rate, growth in GDP, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India. One encouraging aspect is that Indian paper industry has trained manpower whose skill can be gainfully used to adapt with modern technology for manufacturing paper and paper board of international standard at relatively lower manpower cost inputs. Thus, we may overcome some of the weaknesses which have plagued the paper industry over the years.

THE THREATS

The Indian paper industry experienced little slack period for some time during 2017. However, as per one of the paper industry expert, it is expected that prices of paper in the domestic market may increase by two to four per cent in near future. Indian industry's raw material challenge is big because price is higher as compared to global players where cost of production is cheaper, and they have their own captive plantations whereas, Indian paper industry has to depend on other sources for raw material procurement.

The paper industry in India may also suffer due to use of old technology, as adoption of new technology would require significant capital investments by paper manufacturing companies to effectively tackle competition from global players.

Also, the policies of government relating to environment protection, may create additional threat for the paper industry in future. Anyhow, we are prepared to face any challenge and expect to come out of it successfully.

SEGMENT WISE REPORTING

As per Ind AS 108, the operating segment of the Company is identified to be as "manufacturing and selling of felts", as the 'Chief Operating Decision Maker' ("CODM") reviews business performance at an overall Company level as one segment. Hence, there is no separate reportable segment.

OUTLOOK

Paper industry plays a vital role in the economic growth of a country through revenue generations and earnings. In 2018, the global paper industry is still under recovery and profitability is expected to improve in future. Also, there has been a constant rise in foreign direct

investment in the paper industry in India. Growing demand from industries such as food, packaging, e-commerce etc. are expected to be major driving factor for the growth of paper & paperboard market in future.

The growing Indian economy will create more demand for paper. Further, more offices and more jobs will create higher demand for office/printer paper.

RISKS & CONCERNS

The Company has a Risk Management Team that meets periodically to analyze and minimize the potential risks to the Company.

INTERNAL CONTROL SYSTEMS & ADEQUACY

The Company has adequate internal control systems commensurate with its size. The Audit Committee of its Board of Directors, comprising of Independent Directors, also reviews the systems on regular intervals. Moreover, the Company has appointed M/s Lodha & Co., Chartered Accountants, as its internal auditors and they periodically test the efficacy of the internal control systems.

Also, the statutory auditors, M/s B S R & Co. LLP, Chartered Accountants, have evaluated and given their opinion on the Internal Financial Control, as per the provisions of the Companies Act, 2013.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, the company had been able to enhance its sales & profits due to its operational efficiency brought about through better utilisation of available resources and proper execution of business strategies. The Company continued the implementation of 'Operational Excellence (OPEX) Programme' which also contributed to the bottom line.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

Your Company views its human capital as a key source of competitive advantage. A blend of youth and seasoned experience has created a multi-skilled team that has imparted flexibility to the organization to capitalize on the opportunities and deliver value to all stakeholders. The industrial relations in the Company continue to remain healthy, cordial and harmonious.

There were 106 permanent employees on the rolls of the Company as on 31st March, 2018.

CERTIFICATIONS

The Company is conscious of protecting the environment and has initiated various eco-friendly practices including rainwater-harvesting system. It is our continuous effort to keep the premises and surroundings clean and green. The Company is continuing with the ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 certifications by TUV.

CAUTIONARY STATEMENT

Statements in the forgoing paragraphs of this report describing the current industry structure, outlook, opportunities etc. reflect the estimation and opinion of the Company. The same are based on certain assumptions and expectations of future events. The actual results may substantially diverge from the same as they depend upon the global political, economic and social situation. Further, Government regulations, tax structure, demand & supply conditions, cost of raw materials & their availability and other related factors can also have a bearing on the above statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Voith Paper Fabrics India Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Voith Paper Fabrics India Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

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

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

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.- Refer Note 37 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed. - Refer Note 44 to the Ind AS financial statements.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Vikram Advani

Partner

Membership No: 091765

Place: New Delhi

Date: 4th May, 2018

Annexure A referred to in paragraph 5 (i) of the Independent Auditor's Report to the Members of Voith Paper Fabrics India Limited on the financial statements for the year ended 31 March 2018

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in every two years. In accordance with the said programme, fixed assets were physically verified by the management during the previous year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties are held in the name of the Company (also refer Note 3 to the financial statements).
- (ii) The inventories except goods-in-transit and stock lying with third parties have been physically verified by the management during the year. For stock lying with third party, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. As informed to us, no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances covered under the provisions of section 185 and 186 of the Act. Thus, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the product sold by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of customs, duty of excise, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of customs, duty of excise, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of duty of excise, sales tax, duty of customs, service tax, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount Involved (Rs.)	Amount paid under protest (Rs.)	Amount not paid (Rs.)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of repair expenses on Machinery and others	6,614,020	6,614,020	-	AY 2007-08	*
Income Tax Act, 1961	Disallowance of repair expenses on Machinery and others	1,715,600	1,715,600	-	AY 2008-09	*
Income Tax Act, 1961	Disallowance of technical know-how, repair expenses on Machinery and others	6,385,564	-	6,385,564	AY 2009-10	Income tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of technical know-how	10,169,127	-	10,169,127	AY 2010-11	Income tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of technical know-how	11,756,960	-	11,756,960	AY 2011-12	Income tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of technical know-how	11,845,150	36,11,900	8,233,250	AY 2012-13	Income tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of technical know-how	8,393,370	-	8,393,370	AY 2013-14	Income tax Appellate Tribunal

* During the year, the Company has received favourable orders from Income tax Appellate Tribunal in respect of AY 2007-08 and 2008-09. However, according to information and explanations given to us, the department is expected to initiate further proceedings against the order of Income tax Appellate Tribunal with the higher appellate authority. Hence, these amounts are continue to be disclosed in the above table.

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Vikram Advani

Partner

Membership No: 091765

Place: New Delhi

Date: 4th May, 2018

Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Voith Paper Fabrics India Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Vikram Advani

Partner

Membership No: 091765

Place: New Delhi

Date: 4th May, 2018

BALANCE SHEET AS AT 31 MARCH 2018

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	371,434,601	415,983,818	460,357,990
Capital work-in-progress	3	99,190,960	12,019,865	13,949,890
Financial assets				
i. Other financial assets	4	4,178,217	4,417,217	3,980,217
Other tax assets (net)	5	26,013,554	23,289,020	23,443,862
Other non-current assets	6	12,730,781	-	2,637,213
Total non-current assets		513,548,113	455,709,920	504,369,172
Current assets				
Inventories	7	83,866,090	99,967,573	92,314,951
Financial assets				
i. Trade receivables	8	177,241,059	202,892,951	190,246,049
ii. Cash and cash equivalents	9(a)	59,230,075	44,109,552	31,625,038
iii. Other bank balance	9(b)	1,294,902,766	1,119,289,452	949,653,105
iv. Other financial assets	10	1,565,000	1,325,000	1,496,702
Other current assets	11	12,111,127	18,364,874	17,901,100
Total current assets		1,628,916,117	1,485,949,402	1,283,236,945
Total assets		2,142,464,230	1,941,659,322	1,787,606,117
EQUITIES AND LIABILITIES				
Equity				
Equity share capital	12	43,925,590	43,925,590	43,925,590
Other equity	13	1,896,839,587	1,734,662,924	1,580,444,862
Total equity		1,940,765,177	1,778,588,514	1,624,370,452
Liabilities				
Non-current liabilities				
Provisions	14	23,582,053	21,875,950	16,795,256
Deferred tax liabilities (net)	15	4,266,060	7,412,830	9,317,464
Total non-current liabilities		27,848,113	29,288,780	26,112,720
Current liabilities				
Financial liabilities				
i. Trade payable	16	98,537,708	71,467,501	78,113,920
ii. Other financial liabilities	17	38,761,873	20,238,021	25,901,653
Other current liabilities	18	18,820,257	16,822,321	11,063,883
Provisions	19	16,809,665	20,917,422	21,122,052
Income tax liabilities (Net)	20	921,437	4,336,763	921,437
Total current liabilities		173,850,940	133,782,028	137,122,945
Total liabilities		201,699,053	163,070,808	163,235,665
Total equity and liabilities		2,142,464,230	1,941,659,322	1,787,606,117

Significant accounting policies

Notes to the financial statements

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3-47

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP

ICAI Firm Registration Number: 101248W/W-100022

Chartered Accountants

Vikram Advani

Partner

Membership No. 091765

For and on behalf of the Board of Directors of**Voith Paper Fabrics India Limited**

Biren De

Director

DIN : 00011607

R. Nath

Director

DIN : 00062186

S.K.Nagpal

Director

DIN : 01171148

Shahana Basu

Director

DIN : 07137715

R. Krishna Kumar

Managing Director

DIN : 05344619

Kalyan Dasgupta

Finance Controller

CMA No. : 25152

C.S. Gugliani

Company Secretary

FCS No. : 4301

Place : New Delhi

Date : 4 May 2018

Place : New Delhi

Date : 4 May 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017
REVENUE FROM OPERATIONS	21	964,534,485	900,846,113
Other income	22	86,422,905	78,765,118
Total income		1,050,957,390	979,611,231
EXPENSES			
Cost of materials consumed	23	199,572,099	169,422,692
Purchase of stock-in-trade	24	108,650,961	51,308,776
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	6,630,081	(6,475,920)
Excise duty	26	23,407,467	85,649,856
Employee benefits expense	27	123,437,568	108,647,647
Depreciation expense	28	58,453,037	59,570,342
Other expenses	29	254,437,236	239,831,513
Total expenses		774,588,449	707,954,906
Profit before tax		276,368,941	271,656,325
Tax expense			
- Current tax	30	100,164,643	95,874,236
- Income tax (credit)/charge relating to earlier years	30	(1,236,846)	154,842
- Deferred tax (credit)	30	(3,711,287)	(1,154,780)
Total tax expense		95,216,510	94,874,298
Profit for the year		181,152,431	176,782,027
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of defined benefit obligations/ asset		2,735,873	(2,166,690)
Income tax related to above		(8,614)	749,848
Reversal of income tax relating to earlier years that will not be reclassified to profit or loss		(555,904)	-
Other comprehensive income for the year (net of tax)		2,171,355	(1,416,842)
Total comprehensive income for the year		183,323,786	175,365,185
Earnings per equity share of INR 10 each			
Basic	43	41.24	40.25
Diluted		41.24	40.25
Significant accounting policies	2		
Notes to the financial statements	3-47		
The accompanying notes form an integral part of the financial statements			
As per our report of even date attached			

For B S R & Co. LLP
ICAI Firm Registration Number: 101248W/W-100022
Chartered Accountants

Vikram Advani
Partner
Membership No. 091765

For and on behalf of the Board of Directors of
Voith Paper Fabrics India Limited

Biren De <i>Director</i> DIN : 00011607	R. Nath <i>Director</i> DIN : 00062186	S.K.Nagpal <i>Director</i> DIN : 01171148	Shahana Basu <i>Director</i> DIN : 07137715
R. Krishna Kumar <i>Managing Director</i> DIN : 05344619	Kalyan Dasgupta <i>Finance Controller</i> CMA No. : 25152	C.S. Gugliani <i>Company Secretary</i> FCS No. : 4301	

Place : New Delhi
Date : 4 May 2018

Place : New Delhi
Date : 4 May 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017
Cash flow from operating activities		
Profit before tax	276,368,941	271,656,325
Adjustments :		
Depreciation expense	58,453,037	59,570,342
(Gain)/loss on sale/disposal/discard of property, plant and equipment (net)	(76,535)	185,939
Unwinding of discount on security deposits	(81,584)	(76,510)
Provisions no longer required written back	(35,653)	(1,575,559)
Provision for doubtful debts (written back)/charged (net) (including effect of expected loss allowance)	(2,834,493)	490,831
Provision for doubtful advances (written back) (net)	(215,055)	-
Bad debts written off	29,377	252,423
Unrealised foreign exchange (gain) (net)	(294,993)	(61,271)
Mark to market (gain) / loss (net)	(263,719)	440,440
Interest income on bank deposits	(79,648,105)	(72,636,978)
Operating cash flow before working capital changes	<u>251,401,218</u>	<u>258,245,982</u>
Movements in working capital :		
Decrease/ (Increase) in trade receivables	28,675,519	(13,859,876)
(Increase) in other financial assets	(1,000)	(265,298)
Decrease/ (Increase) in other assets	6,468,802	(463,774)
Decrease/ (Increase) in inventories	16,101,483	(7,652,622)
Increase/ (decrease) in trade payables	27,470,338	(4,980,315)
Increase in other financial liabilities	801,924	122,417
Increase in other liabilities	1,997,936	5,758,438
Increase in provisions	334,219	2,709,374
Cash generated from operations	<u>333,250,439</u>	<u>239,614,326</u>
Income tax paid (net of refund)	(105,067,657)	(92,458,910)
Net Cash generated from operating activities (a)	<u>228,182,782</u>	<u>147,155,416</u>
Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in- progress)	(96,186,569)	(16,680,451)
Sale of property, plant & equipment	88,398	142,081
Interest received	74,673,741	71,694,388
Movement in other bank balances	(170,638,950)	(168,693,757)
Net cash used in investing activities (b)	<u>(192,063,380)</u>	<u>(113,537,739)</u>
Cash flows from financing activities		
Dividend paid (including dividend distribution tax)	(20,998,879)	(21,133,163)
Net cash used in financing activities (c)	<u>(20,998,879)</u>	<u>(21,133,163)</u>
Net increase/(decrease) in cash and cash equivalents (a+b+c)	<u>15,120,523</u>	<u>12,484,514</u>
Add : Cash and cash equivalents at the beginning of the year	44,109,552	31,625,038
Cash and cash equivalents at the end of the year	<u>59,230,075</u>	<u>44,109,552</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts/ EEFC accounts	44,572,224	42,593,402
- On deposit accounts with original maturity upto three months	13,002,048	-
- Unclaimed dividend account	1,642,411	1,494,167
Cash on hand	13,392	21,983
Cash and cash equivalents in Cash Flow Statement	59,230,075	44,109,552
Significant accounting policies	2	
Notes to the financial statements	3-47	
The accompanying notes form an integral part of the financial statements		

As per our report of even date attached

For B S R & Co. LLP

ICAI Firm Registration Number: 101248W/W-100022
Chartered Accountants

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Partner

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**For and on behalf of the Board of Directors of
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Director

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R. Krishna Kumar

Managing Director

DIN : 05344619

Kalyan Dasgupta

Finance Controller

CMA No. : 25152

C.S. Gugliani

Company Secretary

FCS No. : 4301

Place : New Delhi

Date : 4 May 2018

Place : New Delhi

Date : 4 May 2018

Statement of Changes in equity for the year ended March 31, 2018

(All amounts are in Indian Rupees, unless otherwise stated)

A Equity share capital

Particulars	Numbers	Amount
Equity share capital		
Balance as at 1 April 2016	4,392,559	43,925,590
Changes in equity share capital during 2016-17	-	-
Balance as at 31 March 2017	4,392,559	43,925,590
Changes in equity share capital during 2017-18	-	-
Balance as at 31 March 2018	4,392,559	43,925,590

B Other equity

	Attributable to owners of the Company			Total attributable to owners of the Company
	Reserves and surplus		Other comprehensive income	
	General reserve	Retained earnings	Remeasurement of defined benefit obligation/ (assets)	
Balance as at 1 April 2016	577,529,654	1,002,553,077	362,131	1,580,444,862
Total comprehensive income for the year ended 31 March 2017:				
Profit for the year	-	176,782,027	-	176,782,027
Other comprehensive income/(loss) (net of tax)	-	-	(1,416,842)	(1,416,842)
Total comprehensive income	-	176,782,027	(1,416,842)	175,365,185
Distributions:				
Dividend	-	(17,570,236)	-	(17,570,236)
Dividend distribution tax	-	(3,576,887)	-	(3,576,887)
Total distribution	-	(21,147,123)	-	(21,147,123)
Balance as at 31 March 2017	577,529,654	1,158,187,981	(1,054,711)	1,734,662,924
Total comprehensive income for the year ended 31 March 2018:				
Profit for the year	-	181,152,431	-	181,152,431
Other comprehensive income/(loss) (net of tax)	-	-	2,171,355	2,171,355
Total comprehensive income	-	181,152,431	2,171,355	183,323,786
Distributions:				
Dividend	-	(17,570,236)	-	(17,570,236)
Dividend distribution tax	-	(3,576,887)	-	(3,576,887)
Total distribution	-	(21,147,123)	-	(21,147,123)
Balance as at 31 March 2018	577,529,654	1,318,193,289	1,116,644	1,896,839,587

Notes:

- (1) During the year ended 31 March 2018 and 31 March 2017, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.
- (2) Refer note 13 for nature and purpose of other equity.

Significant accounting policies

2

Notes to the financial statements

3-47

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLPICAI Firm Registration Number: 101248W/W-100022
Chartered Accountants

Vikram Advani

Partner

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For and on behalf of the Board of Directors of

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Company Secretary

FCS No. : 4301

Place : New Delhi

Date : 4 May 2018

Place : New Delhi

Date : 4 May 2018

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

1. Corporate information

Voith Paper Fabrics India Limited ('the Company') is a public limited company domiciled in India and with its registered office at Plot No. 113/114 - A, Sector - 24, Faridabad - 121005, Haryana, India under the provisions of Indian Companies Act, 1956 and its equity shares are listed on Bombay Stock Exchange in India. The Company is a subsidiary of VP Auslandsbeteiligungen GmbH which holds 74.04% paid up equity share capital of the Company. The Company is primarily involved in the business of manufacturing and selling of paper machine clothing for pulp, paper and board industry.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the act. The company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under section 133 of the Act and other relevant provisions of the Act.

The standalone financial statements for the year ended 31 March 2018 are the first financial statements of the Company prepared under Ind AS. Accordingly, the Company has followed the provisions of Ind AS 101, 'First Time Adoption of Indian Accounting Standards', in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. 1 April 2016. Certain of the Company's Ind AS accounting policies used in the Opening Balance sheet differed from its Indian GAAP policies applied as at 31 March 2016, and accordingly adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1 April 2016.

Refer Note 42 for the effect of transition to Ind AS on the reported financial position, financial performance and cash flows of the Company

(ii) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

(iii) Historical cost convention

The financial statements have been prepared under the historical cost convention on accrual basis, unless otherwise stated.

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- i) It is expected to be realised or intended to be sold or consumed in normal operation cycle;
- ii) It is held primarily for the purpose of trading;
- iii) It is expected to be realised within twelve months after the reporting period; or
- iv) It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle;
- ii) It is held primarily for the purpose of trading;
- iii) It is due to be settled within twelve months after the reporting period; or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current non-current classification of assets and liabilities.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

(c) Property, plant and equipment (PPE)

(i) Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(ii) Subsequent expenditure

Expenditure incurred on substantial expansion upto the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(iii) Depreciation and amortization methods, estimated usual lives and residual value

Depreciation is provided on straight line basis on the original cost/acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful live specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
4 looms and 2 pre-tackers	10 Years	10-15 years
Needle loom, weaving loom, 1 oil heated cylinder, 1 chiller and 1 thermax heater	12 Years	10-15 years
1 oil heated cylinder, 1 loom and 1 warping machine	13.48 Years	10-15 years

The assets; residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation and amortization on property, plant and equipment added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

A property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(v) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2016, as per the previous GAAP and used that carrying value as its deemed cost of such property, plant and equipment (Note no. 3).

(d) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Any subsequent gain in fair value less costs to sell of an asset is recognized, but not in excess of the cumulative impairment loss that has been recognised either in accordance with this Ind AS or previously in accordance with Ind AS 36, Impairment of Assets. Once classified as held-for sale, property, plant and equipment and intangible assets are no longer amortised or depreciated.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

(e) Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(f) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI- debt instrument
- FVOCI- equity instrument
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost and is not designated as at FVTPL if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After such initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables and other receivables.

Financial assets at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

Financial asset at Fair value through profit and loss (FVPL)

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

Impairment of financial assets

The Company recognises loss allowance using the Expected Credit Loss (ECL) model for the financial assets measured at amortised cost. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to the lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- a) The right to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Transition to Ind AS

Under previous GAAP, the Company has derecognized any asset or liability for accounting purposes as and when the asset was written off or liability written back. On transition to Ind AS, the Company has elected to apply the de-recognition provision of Ind AS 109 prospectively from the date of transition to Ind AS.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on Derecognition is also recognised in Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss."

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously."

(g) Inventories

Inventories are valued at lower of cost or net realisable value.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

The methods of determining cost of various categories of inventories are as follows:

Raw Material	Weighted average method
Stores and spares	First in first out (FIFO) method
Work-in-progress and finished goods (manufactured)	Weighted average method
Finished goods (traded)	-
Goods in transit	Cost of purchase

Cost includes expenditure incurred in acquiring inventories, production or conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

(h) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand (including imprest) and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk or change in value.

(i) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount of receivable can be measured reliably.

Warranty provisions

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data.

(j) Revenue recognition

(i) Sale of goods

Revenue from sale of products is recognised when the property in the goods, or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of produces as well as regarding its collection. Revenues includes excise duty are shown net of goods and services tax and applicable discount and allowances, if any.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns.

(ii) Rendering of services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

(iii) Commission

Commission is recognized as and when these services are rendered and it is probable that economic benefits will flow to the Company as per the terms of the agreement.

(iv) Rental income

Rental income from investment property is recognised as a part of revenue from operations in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

(v) Interest

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(vi) **Export incentives**

Export incentives are accrued when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist and all the conditions attached to export benefits have been complied with.

(k) **Employee benefits**

(i) **Short-term employee benefits**

All employee benefits falling due within twelve months from the end of the period in which employees render the related services are classified as short-term employee benefits, which includes benefits like salaries, wages, performance linked reward etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) **Post-employment benefits**

Post employment benefits plans are classified into defined benefits plans and defined contribution plans as under:"

a) **Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of the employment. The liability in respect of gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary at each balance sheet date using projected unit credit method. The gratuity liability of the Company is funded with Life Insurance Corporation of India.

b) **Superannuation**

Certain employees of the Company are also participants in the superannuation plan, a defined contribution plan. Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

c) **Provident fund**

The Company makes contribution to the recognised provident fund - VPFIL Employees Provident Fund Trust for its employees, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(iii) **Other long-term employee benefits**

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to the future periods to either be utilised during the service, or encashed. Encashment can be made during service, or early retirement, on withdrawal of scheme, at resignation and upon death of employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognised in the books of accounts based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(l) **Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in comprehensive income.

a) **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

measured using tax rates enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets are recognised on deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relates to income taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets or liabilities will be realised.

(m) Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Lease payments

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Profit or Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases."

(n) Segment reporting

The Company is mainly in the business of manufacturing and selling of paper machine clothing for pulp, paper and board industry. This is the main source of risk and returns. The Managing Director of the Company is identified as chief operating decision maker (CODM). The company has a single reportable segment which is reviewed by Chief Operating Decision Maker (CODM).

(o) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian rupees.

(ii) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when fair value was determined. Non- monetary assets and liabilities that are measured based on a historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI.

- equity investment at fair value through OCI (FVOCI)

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that hedge is effective; and

- qualifying cash flow hedges to the extent that the hedges are effective.

(p) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

- the profit attributable to the owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(q) Measurement of fair values

A number of accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Significant valuation adjustments are reported to the Company's Audit Committee meeting.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 : quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

(r) Critical estimates and judgements

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect of the amounts recognised in the financial statements is included in the following notes:-

a) Recognition and estimation of tax expense including deferred tax	Note 30
b) Estimated impairment of financial assets and non-financial assets	Note 34
c) Assessment of useful life of property, plant and equipment	Note 2 (d) (iii)
d) Estimation of assets and obligations relating to employee benefits	Note 32
e) Valuation of inventories	Note 2 (h)
f) Fair value measurement	Note 33

(s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized since it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in financial statements.

(t) Cash flow statement

Cash flows are reported using the indirect method, whereby profit or loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

3. Property, plant and equipment

Particulars	Freehold Land		Buildings		Plant and machinery	Furniture and fixtures	Office equipment's (including Computers)	Vehicles	Sub-total (A)	Capital work-in-progress (B)	Total (A) + (B)
	Owned	Under lease	Owned	Under lease							
Gross carrying amount											
Deemed cost as at 1 April 2016 [^]	1,809,080	-	48,792,894	13,541,502	379,037,219	3,572,045	13,082,615	522,635	460,357,990	13,949,890	474,307,880
Additions during the year	-	-	-	-	14,263,546	25,354	1,235,290	-	15,524,190	10,998,876	26,523,066
Disposals/ adjustments during the year	-	-	-	-	627,233	-	90,120	-	717,353	12,928,901	13,646,254
Balance as at 31 March, 2017	1,809,080	-	48,792,894	13,541,502	392,673,532	3,597,399	14,227,785	522,635	475,164,827	12,019,865	487,184,692
Additions during the year	-	-	-	-	10,737,539	442,356	2,735,788	-	13,915,683	89,954,052	103,869,735
Disposals/ adjustments during the year	-	-	-	-	-	-	30,985	64,481	95,466	2,782,957	2,878,423
Balance as at 31 March, 2018	1,809,080	-	48,792,894	13,541,502	403,411,071	4,039,755	16,982,588	458,154	488,985,044	99,190,960	588,176,004
Accumulated depreciation											
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	2,399,599	465,603	49,510,235	639,048	6,296,647	259,210	59,570,342	-	59,570,342
Disposals during the year	-	-	-	-	340,163	-	49,170	-	389,333	-	389,333
Balance as at 31 March, 2017	-	-	2,399,599	465,603	49,170,072	639,048	6,247,477	259,210	59,181,009	-	59,181,009
Depreciation for the year	-	-	2,399,698	465,611	49,314,159	468,940	5,665,662	138,967	58,453,037	-	58,453,037
Disposals during the year	-	-	-	-	-	-	19,122	64,481	83,603	-	83,603
Balance as at 31 March, 2018	-	-	4,799,297	931,214	98,484,231	1,107,988	11,894,017	333,696	117,550,443	-	117,550,443
Carrying amounts (net)											
As at 1 April 2016	1,809,080	-	48,792,894	13,541,502	379,037,219	3,572,045	13,082,615	522,635	460,357,990	13,949,890	474,307,880
As at 31 March 2017	1,809,080	-	46,393,295	13,075,899	343,503,460	2,958,351	7,980,308	263,425	415,983,818	12,019,865	428,003,683
As at 31 March 2018	1,809,080	-	43,993,597	12,610,288	304,926,840	2,931,767	5,038,571	124,458	371,434,601	99,190,960	470,625,561
[^] Reconciliation of deemed cost as at 1 April 2016 under Indian GAAP and Ind AS :											
Gross Block	1,809,080	-	96,921,864	13,967,871	741,751,556	8,223,566	34,787,074	4,070,216	901,531,227	13,949,890	915,481,117
Accumulated depreciation	-	-	48,128,970	426,369	362,714,337	4,651,521	21,704,459	3,547,581	441,173,237	-	441,173,237
Deemed cost as at 1 April 2016	1,809,080	-	48,792,894	13,541,502	379,037,219	3,572,045	13,082,615	522,635	460,357,990	13,949,890	474,307,880

* Land measuring 145,200 square yards consisting site no. 113 and half of the 114 is titled in the name of the Company vide conveyance deed dated 16 March 1970.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

4. Other financial assets (Non-current)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	4,178,217	4,417,217	3,980,217
Total other financial assets (Non-current)	4,178,217	4,417,217	3,980,217

5. Other tax assets (net)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income tax (net of provision for tax Rs. 348,000,083; 31 March 2017 : 224,249,252; 1 April 2016 : 224,094,410)	26,013,554	23,289,020	23,443,862
Total income tax assets (net)	26,013,554	23,289,020	23,443,862

6. Other non-current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital advances	12,730,781	-	2,637,213
Total other non-current assets	12,730,781	-	2,637,213

7. Inventories

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials (including goods in transit Rs. 11,012,958; 31 March 2017 : 6,475,124; 1 April 2016 : 9,280,728)	54,392,437	57,618,447	61,907,510
Work-in-progress	13,753,102	12,700,405	12,681,582
Finished goods	4,139,426	13,608,149	10,868,525
Stock-in-trade (including goods in transit Rs. 6,509,545; 31 March 2017 : Rs. 4,723,600; 1 April 2016 : Rs. 1,006,127)	6,509,545	4,723,600	1,006,127
Stores and spare parts (including goods in transit Rs. Nil; 31 March 2017 : 176,103; 1 April 2016 : Rs. Nil)	5,071,580	11,316,972	5,851,207
Total inventories	83,866,090	99,967,573	92,314,951

The write-down of inventories to net realisable value during the year amounted to Rs. 7,691,784; (31 March 2017 : 11,035,832; 1 April 2016 : 12,845,614). The reversal of write-downs during the year amounted to Rs. 5,150,814 (31 March 2017 : 6,337,176; 1 April 2016 : 14,837,513). The write-down and reversal are included in cost of materials or changes in inventories of finished goods and work-in-progress.

8. Trade receivables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured and good			
Trade receivables*	177,241,059	202,892,951	190,246,049
Doubtful	2,378,240	5,353,472	5,421,817
Less : Loss allowances for doubtful debts**	(2,378,240)	(5,353,472)	(5,421,817)
Total trade receivables	177,241,059	202,892,951	190,246,049

* Refer note 36 for related party balances. Related party balance on 31 March 2018 : 10,429,479; 31 March 2017 : 17,019,541; 1 April 2016 : 4,730,808.

* Refer note 34 for the Company's exposure to currency and liquidity risks related to trade receivable.

** Loss allowances for doubtful debts include allowance as per expected credit loss method.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

9(a). Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks:			
- On current accounts/ EEFC account	44,572,224	42,593,402	30,124,372
- Deposits with original maturity of less than 3 months	13,002,048	-	-
- Unclaimed dividend account	1,642,411	1,494,167	1,480,207
Cash on hand	13,392	21,983	20,459
Total cash and cash equivalents	59,230,075	44,109,552	31,625,038

9(b). Other bank balances

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deposits due to mature within 12 months of reporting date*	1,294,902,766	1,117,623,156	948,087,860
Deposits due to mature within 12 months of reporting date held as margin money (1)	-	1,666,296	1,565,245
Total other bank balances	1,294,902,766	1,119,289,452	949,653,105

* Includes interest accrued on fixed deposits amounting to INR 35,904,814 (31 March 2017 - INR 30,930,450, 1 April 2016 - INR 29,987,860)

(1) These have restricted use.

10. Other financial assets (Current)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	1,565,000	1,325,000	1,375,000
Mark-to-market on foreign exchange forward contract	-	-	121,702
Total other financial assets	1,565,000	1,325,000	1,496,702

11. Other current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses	2,592,722	8,710,587	2,279,861
Balances with government authorities	745,846	2,662,819	7,121,118
Advance to employees	2,049,496	445,879	604,837
Net defined benefit asset	-	-	87,315
Advance for supply of goods and services	5,313,589	4,362,483	4,550,612
Advance to VPFIL provident fund trust	-	-	2,000,000
Other advances	152,117	925,749	-
SVB claim recoverable			
Secured and good	1,257,357	1,257,357	1,257,357
Doubtful	201,456	416,509	416,509
Less : Loss allowances for doubtful assets	(201,456)	(416,509)	(416,509)
Total other current assets	12,111,127	18,364,874	17,901,100

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

12. Equity Share Capital

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Authorised						
Equity shares of Rs. 10 each	25,000,000	250,000,000	25,000,000	250,000,000	25,000,000	250,000,000
	25,000,000	250,000,000	25,000,000	250,000,000	25,000,000	250,000,000
Issued, Subscribed and Paid-up						
Equity shares of Rs. 10 each	4,392,559	43,925,590	4,392,559	43,925,590	4,392,559	43,925,590
	4,392,559	43,925,590	4,392,559	43,925,590	4,392,559	43,925,590

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2018		31 March 2017	
	Numbers	Amount	Numbers	Amount
Equity shares				
At the commencement and at the end of the year	4,392,559	43,925,590	4,392,559	43,925,590

b) Rights, preferences and restrictions attached to equity shares

The company has only one class of shares referred to as equity shares having par value of INR 10 each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company

	31 March 2018		31 March 2017	
	Numbers	Amount	Numbers	Amount
Equity shares of Rs. 10 each held by -				
VP Auslandsbeteiligungen GmbH, Germany	3,252,418	32,524,180	3,252,418	32,524,180
	3,252,418	32,524,180	3,252,418	32,524,180

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

	31 March 2018		31 March 2017	
	Numbers	% of holding	Numbers	% of holding
Equity shares of Rs. 10 each held by -				
VP Auslandsbeteiligungen GmbH, Germany	3,252,418	74.04%	3,252,418	74.04%
	3,252,418	74.04%	3,252,418	74.04%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of equity shares.

13. Other equity

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Attributable to the owners of the Company :			
General reserve (a)	577,529,654	577,529,654	577,529,654
Retained earnings	1,318,193,289	1,158,187,981	1,002,553,077
Other comprehensive income - remeasurement of defined benefit (obligation) / asset (b)	1,116,644	(1,054,711)	362,131
Total attributable to the owners of the Company	1,896,839,587	1,734,662,924	1,580,444,862

Nature and purpose of other equity

(a) General reserve

This represents appropriation of profits by the Company and is available for distribution of dividend.

(b) Remeasurement of defined benefit obligation

Remeasurement of defined benefit obligation comprises actuarial gains and losses and return on plan assets.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

14. Provisions (Non-current)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for Employee benefits			
Provision for gratuity	2,039,362	3,464,701	-
Provision for compensated absences	20,028,528	16,903,399	15,312,262
Provision for other retirement benefits	114,082	121,472	191,065
Provision for long service award	1,400,081	1,386,378	1,291,929
Total provisions (Non-current)	23,582,053	21,875,950	16,795,256

15. Deferred tax

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax liabilities			
Excess of depreciation on fixed assets under income-tax law over depreciation charged in accounts	21,290,205	27,666,902	27,933,228
Others	1,252	6,134	214,661
Total (I)	21,291,457	27,673,036	28,147,889
Deferred tax assets			
Provision for gratuity and other retirement benefits	40,501	1,275,711	44,558
Provision for expenses	5,087,500	7,651,867	7,988,548
Expenditure covered by section 43B of the Income-tax Act, 1961	8,906,341	9,335,753	8,776,790
Provision for loss allowances for doubtful debts and inventory	2,991,055	1,996,875	2,020,529
Total (II)	17,025,397	20,260,206	18,830,425
Net deferred tax liability (I)-(II)	4,266,060	7,412,830	9,317,464

16. Trade payables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
Trade payables*	98,537,708	71,467,501	78,113,920
Total trade payables	98,537,708	71,467,501	78,113,920

* Refer note 31 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

* Refer note 36 for related party balances. Related party balance on 31 March 2018 : 45,960,783; 31 March 2017 : 37,845,082; 1 April 2016 : 39,478,215.

* Refer note 34 for the Company's exposure to currency and liquidity risks related to trade payables.

17. Other financial liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unpaid dividend (1)	1,642,411	1,494,167	1,480,207
Security deposit received (Refer note 36)	1,312,094	1,230,510	1,154,000
Capital creditors*	17,931,305	300,315	6,023,814
Mark-to-market on foreign exchange forward contract	55,019	318,738	-
Employee benefits payables	17,821,044	16,894,291	17,243,632
Total other financial liabilities	38,761,873	20,238,021	25,901,653

(1) Investor Education and Protection Fund will be credited as and when due.

* Refer note 36 for related party balances. Related party balance on 31 March 2018 : 3,780,983 ; 31 March 2017 : Nil; 1 April 2016 : Nil.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

18. Other current liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances from customers	13,517,380	13,333,220	5,946,451
Statutory liabilities	5,302,877	3,489,101	5,117,432
Total other current liabilities	18,820,257	16,822,321	11,063,883

19. Provisions (Current)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for Employee benefits			
Provision for compensated absences	1,598,524	1,553,634	1,337,195
Provision for other retirement benefits	25,000	100,000	25,000
Provision for long service award	205,000	205,000	450,000
	1,828,524	1,858,634	1,812,195
Other provisions			
Provision for warranties (Refer note 19(a))	7,834,472	11,912,119	12,163,188
Provision for litigations (Refer note 19(b))	7,146,669	7,146,669	7,146,669
	14,981,141	19,058,788	19,309,857
Total provisions (Current)	16,809,665	20,917,422	21,122,052

19(a). Provision for warranty represents costs associated with providing sales and support services which are accrued at the time of recognition of revenue and are expected to be utilized over a period of 1 year. Assumption used to calculate the provision for warranties were based on current sales level and current information about actual claims settlement based on the five year warranty period for all products sold. A summary of activity is as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
At the commencement of the year	11,912,119	12,163,188	11,253,812
Provision made during the year	2,485,457	5,521,092	5,203,601
Provision utilised during the year	(6,563,104)	(5,772,161)	(4,294,225)
At the end of the year	7,834,472	11,912,119	12,163,188

19(b). Provision for litigation primarily made for probable liabilities/claims arising out of pending disputes/litigations with various regulatory authorities. These provisions are affected by numerous uncertainties and management has taken all efforts to make a best estimate. Timing of outflow of resources will depend upon timing of decision of cases. A summary of activity is given below:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
At the commencement of the year	7,146,669	7,146,669	7,956,614
Provision made during the year	-	-	-
Provision utilised during the year	-	-	(40,256)
Unutilised provision written back during the year	-	-	(769,689)
At the end of the year	7,146,669	7,146,669	7,146,669

20. Income tax liabilities (net)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for taxation (net of advances Rs. Nil (31 March 2017 : 92,458,910 ; 1 April 2016 : Nil))	921,437	4,336,763	921,437
Total other tax liability	921,437	4,336,763	921,437

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

21. Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products (including excise duty)		
- manufactured	804,389,666	792,825,311
- traded goods	137,132,787	60,435,858
Total sale of goods (A)	941,522,453	853,261,169
Sale of services		
- Services	356,500	-
- Commission	8,834,346	40,148,269
Total sale of services (B)	9,190,846	40,148,269
Other operating revenues		
- Scrap sales (including excise duty)	3,894,344	2,584,300
- Export incentive - duty drawback	176,514	78,323
- Liabilities/provisions no longer required, written back	35,653	1,575,559
- Provision for doubtful debts written back (net) (including effect of expected loss allowance)	2,834,493	-
- Provision for doubtful advances written back (net)	215,055	-
- Foreign exchange fluctuation gain (net)	2,176,784	1,374,797
- Miscellaneous income	4,488,343	1,823,696
Other operating revenues (C)	13,821,186	7,436,675
Total revenue from operations (A+B+C)	964,534,485	900,846,113

22. Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income on bank deposits	79,648,105	72,636,978
Net gain on disposal of property, plant and equipment	76,535	-
Mark to market loss/(gain) on foreign exchange forward contracts	263,719	-
Rental income	6,434,546	6,128,140
Total other income	86,422,905	78,765,118

23. Cost of materials consumed

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventory of materials at the beginning of the year	57,618,447	61,907,510
Add: Purchases	196,346,089	165,133,629
Less: Inventory of materials at the end of the year	54,392,437	57,618,447
Total cost of materials consumed	199,572,099	169,422,692

24. Purchase of stock-in-trade

	For the year ended 31 March 2018	For the year ended 31 March 2017
Fabrics	97,177,735	24,710,994
Qualiflex sleeves	9,583,226	26,597,782
Rolls	1,890,000	-
Total purchase of stock-in-trade	108,650,961	51,308,776

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

25. Changes in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the end of the year		
Work-in-progress	13,753,102	12,700,405
Finished goods - Manufactured	4,139,426	13,608,149
Finished goods - Traded	6,509,545	4,723,600
	<u>24,402,073</u>	<u>31,032,154</u>
Inventories at the beginning of the year		
Work-in-progress	12,700,405	12,681,582
Finished goods - Manufactured	13,608,149	10,868,525
Finished goods - Traded	4,723,600	1,006,127
	<u>31,032,154</u>	<u>24,556,234</u>
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	<u><u>6,630,081</u></u>	<u><u>(6,475,920)</u></u>

26. Excise duty

	For the year ended 31 March 2018	For the year ended 31 March 2017
Excise duty	23,407,467	85,649,856
Total excise duty	<u><u>23,407,467</u></u>	<u><u>85,649,856</u></u>

27. Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	103,003,633	91,711,503
Contribution to provident and other funds	4,235,006	4,032,597
Contribution to super annuation fund	2,956,767	2,412,552
Expenses related to post-employment defined benefit plans (Refer note 32)	2,294,797	1,639,050
Expenses related to compensated absences	3,987,515	2,489,183
Other retirement benefit (Refer note 32)	22,190	23,703
Long service award	323,703	269,449
Staff welfare expenses	6,613,957	6,069,610
Total employee benefits expense	<u><u>123,437,568</u></u>	<u><u>108,647,647</u></u>

28. Depreciation expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on property, plant and equipment	58,453,037	59,570,342
Total depreciation on property, plant and equipment	<u><u>58,453,037</u></u>	<u><u>59,570,342</u></u>

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

29. Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Consumption of stores and spares	41,334,740	36,294,522
Contract labour cost	34,665,994	32,753,620
Increase/(decrease) of excise duty on inventory of finished goods	(2,363,433)	445,583
Power and fuel	41,144,901	37,493,453
Freight and forwarding charges	3,639,294	3,947,002
Rates and taxes	4,706,533	10,348,314
Insurance	1,651,736	1,825,552
Repairs and maintenance		
- Plant and machinery	18,810,203	18,712,697
- Buildings (owned)	4,993,774	5,554,660
- Others	7,122,815	7,215,275
Sales commission	611,848	631,148
Travelling and conveyance	13,148,411	10,184,574
Communication expenses	4,628,708	4,395,716
Legal and professional fees	7,331,481	5,814,790
Directors' sitting fees	1,110,000	693,450
Payments to auditor (see Note 29(a) below)	2,912,241	2,467,282
Warranties	2,485,457	5,521,092
Bad debts written off	170,116	811,599
Less : Provision utilized	(140,739)	(559,176)
Provision for doubtful debts (net) (including effect of expected loss allowance)	-	490,831
Net loss on sale of property, plant and equipment	-	185,939
Mark to market loss/(gain) on foreign exchange forward contracts	-	440,440
Technical know how fees/Royalty	39,140,355	35,387,001
Advertising and sales promotion	98,293	121,802
Security charges	3,151,616	3,182,726
Expenditure on corporate social responsibility (Refer note 39)	5,654,000	5,100,000
Training and development charges	6,518,340	553,552
Miscellaneous expenses	11,910,552	9,818,069
	<u>254,437,236</u>	<u>239,831,513</u>

29(a). Other expenses (continued)

	For the year ended 31 March 2018	For the year ended 31 March 2017
(i) Payment to auditors (excluding applicable taxes)		
As auditor:		
Statutory audit	1,451,083	1,050,000
Tax audit	150,000	150,000
Limited review of quarterly results	750,000	750,000
In other capacity:		
Group audit	324,000	324,000
Certification fee	50,000	25,000
Reimbursement of expenses	187,158	168,282
Total payment to auditors	<u>2,912,241</u>	<u>2,467,282</u>

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

30. Income Tax

The major components of income tax expense for the year ended 31 March 2018 and 31 March 2017 are:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax:		
Current income tax charge for the year	100,164,643	95,874,236
Adjustments in respect of current income tax of previous years	<u>(1,236,846)</u>	<u>154,842</u>
	98,927,797	96,029,078
Deferred tax:		
Deferred tax on profits for the year	<u>(3,711,287)</u>	<u>(1,154,780)</u>
	<u>(3,711,287)</u>	<u>(1,154,780)</u>
Income tax expense reported in the Statement of Profit and Loss	<u>95,216,510</u>	<u>94,874,298</u>
OCI		
Tax related to items that will not be classified to Profit & Loss	(8,614)	749,848
Reversal of income tax relating to earlier years that will not be reclassified to profit or loss	<u>(555,904)</u>	<u>-</u>
Income tax charged to OCI	<u>(564,518)</u>	<u>749,848</u>

Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2018 and 31 March 2017:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Accounting profit before income tax	276,368,941	271,656,325
At India's statutory income tax rate of 34.608% (31 March 2017 : 34.608%)	95,645,763	94,014,821
- Effect of non-deductible expenses and exempt income	978,368	783,006
- Change in estimates related to prior years	<u>(1,236,846)</u>	<u>154,842</u>
- Deferred tax assets (recognised)/not recognised in earlier years	643,598	-
- Rate difference	<u>(802,803)</u>	<u>-</u>
- Others	<u>(11,570)</u>	<u>(78,371)</u>
Income tax expense reported in the Statement of Profit and Loss	<u>95,216,510</u>	<u>94,874,298</u>

During the year ending 31 March 2018 and 31 March 2017, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of shareholders. Hence DDT paid is charged to equity. Distribution tax on dividend represents distribution tax on dividend paid during the year ended 31 March 2018 amounting to Rs. 3,576,887 (31 March 2017 3,576,887).

31. Micro, small and medium enterprises

There are no Micro, small and medium enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at the end of the year. The information as required to be disclosed in relation to Micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
The principal amount remaining unpaid to any supplier as at the end of the year	-	-	-
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of payment made to the supplier beyond the appointed day during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-	-	-

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

32. Employee benefits in respect of the Company have been calculated as under:

(A) Defined Contribution Plans

The company has certain defined contribution plan such as provident fund, employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employer's contribution to provident fund	2,320,969	2,171,731
Employer's contribution to employees' pension scheme 1995	1,339,941	1,316,848
Employer's contribution to superannuation fund	2,956,767	2,412,552
Employer's contribution to employee deposit linked insurance	322,369	279,816
Employer's contribution to employee state insurance	225,507	181,395
Employer's contribution to state welfare fund	26,220	24,615

(B) Defined Benefit Plans

(i) Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.70% p.a. (31 March 2017 : 7.30% p.a.; 1 April 2016 : 7.85% p.a.) which is determined by reference to market yield at the balance sheet date on government bonds. The retirement age has been considered at 58 years (31 March 2017 : 58 years; 1 April 2016 : 58 years).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. (31 March 2017 : 10%; 1 April 2016: 10%), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return based on LIC statement on plan assets is 8.25% p.a. (31 March 2017 : 8.25% p.a.; 1 April 2016 : 8.25% p.a.)

Reconciliation of opening and closing balances of present value of defined benefit obligation:

Particulars	31 March 2018	31 March 2017
Present value of obligation at the beginning of the year	28,248,986	24,474,438
Current service cost	2,182,629	1,893,039
Interest cost	1,921,421	1,847,354
Benefits paid	(2,703,088)	(1,882,544)
Actuarial loss	(2,578,574)	1,916,699
Present value of obligation at the end of the year	27,071,374	28,248,986

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of obligation at the end of the year	27,071,374	28,248,986	24,474,438
Fair value of plan assets at the end of the year	25,032,012	24,784,284	24,561,753
Net liabilities recognised in the Balance Sheet	2,039,362	3,464,702	(87,315)

Fair value of plan assets:

Particulars	31 March 2018	31 March 2017
Plan assets at the beginning of the year	24,784,284	24,561,753
Expected return on plan assets	1,809,253	2,101,343
Contribution by employer	1,013,844	247,020
Actual benefits paid	(2,703,087)	(1,882,544)
Actuarial gain / (loss)	127,718	(243,288)
Plan assets at the end of the year	25,032,012	24,784,284

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

Expense recognised in the Statement of Profit and Loss under employee benefits expenses:

Particulars	31 March 2018	31 March 2017
Current service cost	2,182,629	1,893,039
Interest cost	112,168	(253,989)
Expense recognised in the Statement of Profit and Loss	2,294,797	1,639,050

Amount recognised in the other comprehensive income:

Particulars	31 March 2018	31 March 2017
Actuarial loss/ (gain) due to financial assumption change	(1,015,249)	1,319,637
Actuarial loss due to experience adjustment	(1,563,325)	597,062
Actuarial (gain)/ loss on plan assets	(127,718)	243,288
Amount recognised in the Other Comprehensive Income	(2,706,292)	2,159,987

Sensitivity analysis:

Particulars	31 March 2018	31 March 2018
Assumption	Discount rate	Future salary increase
Sensitivity level	1 % increase	1 % increase
Impact on defined benefit	(2,279,210)	2,581,365
Sensitivity level	1 % decrease	1 % decrease
Impact on defined benefit	2,667,135	(2,254,129)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

(ii) Retirement benefit award

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has also been carried out in respect of retirement benefit award. The discount rate assumed is 7.70% p.a. (31 March 2017 : 7.30% p.a.; 1 April 2016 : 7.85% p.a.) which is determined by reference to market yield at the balance sheet date on government bonds. The retirement age has been considered at 58 years (31 March 2017 : 58 years; 31 March 2016 : 58 years).

Reconciliation of opening and closing balances of present value of defined benefit obligation:

Particulars	31 March 2018	31 March 2017
Present value of obligation at the beginning of the year	221,472	216,065
Current service cost	9,673	7,723
Interest cost	12,517	15,980
Benefits paid	(74,999)	(24,999)
Actuarial loss	(29,581)	6,703
Present value of obligation at the end of the year	139,082	221,472

Reconciliation of the net liabilities recognised in the balance sheet

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of obligation at the end of the year	139,082	221,472	216,065
Net liabilities recognised in the Balance Sheet	139,082	221,472	216,065

Expense recognised in the Statement of Profit and Loss under employee benefits expenses:

Particulars	31 March 2018	31 March 2017
Current service cost	9,673	7,723
Interest cost	12,517	15,980
Expense recognised in the Statement of Profit and Loss	22,190	23,703

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

Amount recognised in the other comprehensive income:

Particulars	31 March 2018	31 March 2017
Actuarial loss/ (gain) due to financial assumption change	(2,296)	3,611
Actuarial loss due to experience adjustment	(27,285)	3,092
Amount recognised in the Other Comprehensive Income	(29,581)	6,703

Sensitivity analysis:

Particulars	31 March 2018
Assumption	Discount rate
Sensitivity level	1 % increase
Impact on defined benefit	-5,401
Sensitivity level	1 % decrease
Impact on defined benefit	5,898

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

(iii) Provident Fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of Nil (31 March 2017 : Nil; 1 April 2016 : Nil) has been charge to Statement of Profit and Loss during the year.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Discount rate	7.70%	7.30%	7.85%
Guaranteed rate of return	8.65%	8.65%	8.65%

The Company has contributed Rs. 2,320,969 to provident fund for the year.

(C) Other long term benefits

(i) Compensated absences

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of obligation at the end of the year	21,627,052	18,457,033	16,649,457

(ii) Long service award

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of obligation at the end of the year	1,605,081	1,591,378	1,741,929

33. Fair value management

	Note	Level of hierarchy Refer Note 2 (q)	31 March 2018			31 March 2017			1 April 2016		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets											
Trade receivables	(a)		-	-	177,241,059	-	-	202,892,951	-	-	190,246,049
Cash and cash equivalents	(a)		-	-	59,230,075	-	-	44,109,552	-	-	31,625,038
Other bank balance	(a)		-	-	1,294,902,766	-	-	1,119,289,452	-	-	949,653,105
Other financial assets	(a)	1	-	-	5,743,217	-	-	5,742,217	121,702	-	5,355,217
Total financial assets			-	-	1,537,117,117	-	-	1,372,034,172	121,702	-	1,176,879,409
Financial liability											
Trade payable	(a)		-	-	98,537,708	-	-	71,467,501	-	-	78,113,920
Other financial liabilities	(a)	1	55,019	-	38,706,854	318,738	-	19,919,283	-	-	25,901,653
Total financial liabilities			55,019	-	137,244,562	318,738	-	91,386,784	-	-	104,015,573

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- (b) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

34. Financial risk management

(A) Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defence namely policies and procedures, review mechanism and assurance, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The audit committee of the board with top management oversees the formulation and implementation of the Risk Management Policies. The risks and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (i))
- liquidity risk (see (ii))
- market risk (see (iii))
- liquidity risk (see (iv))

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivable and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information and business intelligence.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivable:

The Company based on internal assessment which is driven by the historical experience / current facts available in relation to defaults and delays in collection thereof, the credit risk for trade receivable is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due (net of expected credit loss allowance), excluding receivable from group companies and government companies is 160,546,394.

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2018	31 March 2017
Balance at the beginning of the year	439,130	229,195
Add : Provided during the year (net of reversal)	<u>(48,371)</u>	<u>209,935</u>
Balance at the end of the year	<u>390,759</u>	<u>439,130</u>

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

ii. Liquidity risk

Liquidity risk is the risk that Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's finance department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by finance. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to the liquidity risk

The following are remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

31 March 2018	Contractual cash flows			
	Carrying amount	Total	Within one year	More than 1 year
Non-derivative financial liabilities				
Trade payables	98,537,708	98,537,708	98,537,708	-
Other financial liabilities	38,761,873	38,761,873	38,761,873	-

31 March 2017	Contractual cash flows			
	Carrying amount	Total	Within one year	More than 1 year
Non-derivative financial liabilities				
Trade payables	71,467,501	71,467,501	71,467,501	-
Other financial liabilities	20,238,021	20,238,021	20,238,021	-

1 April 2016	Contractual cash flows			
	Carrying amount	Total	Within one year	More than 1 year
Non-derivative financial liabilities				
Trade payables	78,113,920	78,113,920	78,113,920	-
Other financial liabilities	25,901,653	25,901,653	25,901,653	-

iii. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between currencies in which sales and purchases are denominated and the functional currency of the Company. The currencies which the Company is exposed to risk are EUR, USD, GBP and NOK.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company as follows:

	As at 31 March 2018			
	USD	EUR	GBP	SEK
Cash and cash equivalents	6,853,989	593,889	-	-
Trade receivables	11,675,302	2,279,883	-	-
Other financial assets	-	-	-	-
Trade payables	(25,857,990)	(8,432,151)	-	(261,164)
Capital creditors	(9,367,748)	(443,244)	(1,127,209)	-
Against open purchase orders	(5,629,264)	(7,041,363)	-	-
Net statement of financial position exposure	(22,325,711)	(13,042,986)	(1,127,209)	(261,164)

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31 March 2017		
	USD	EUR	NOK
Cash and cash equivalents	903,771	4,240,289	-
Trade receivables	11,502,852	7,211,958	-
Other financial assets	-	-	-
Trade payables	(19,978,764)	(4,623,923)	(130,644)
Capital creditors	-	-	-
Net statement of financial position exposure	(7,572,141)	6,828,324	(130,644)

	As at 1 April 2016			
	USD	EUR	NOK	GBP
Cash and cash equivalents	2,664,234	196,041	-	-
Trade receivables	7,484,316	2,555,221	-	-
Other financial assets	-	-	-	-
Trade payables	(17,695,878)	(6,823,554)	-	(29,789)
Capital creditors	-	(341,892)	(1,730,614)	-
Net statement of financial position exposure	(7,547,328)	(4,414,184)	(1,730,614)	(29,789)

Sensitivity analysis

A reasonable possible strengthening (weakening) of the USD, EUR, GBP and NOK against all other currencies at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact on forecast sales and purchases.

	Profit or Loss (before tax)	
	Strengthening	Weakening
31 March 2018		
USD (1% movement)	(168,080)	168,080
EUR (1% movement)	(59,795)	59,795
GBP (1% movement)	(11,299)	11,299
SEK (1% movement)	(2,676)	2,676
31 March 2017		
USD (1% movement)	58,964	(58,964)
EUR (1% movement)	67,893	(67,893)
NOK (1% movement)	(1,381)	1,381

iv. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's fixed deposits.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	31 March 2018	31 March 2017	1 April 2016
Fixed-rate instruments			
Financial assets - Bank deposits	1,307,904,814	1,119,289,452	949,653,105
	<u>1,307,904,814</u>	<u>1,119,289,452</u>	<u>949,653,105</u>

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity on bank deposits has not been disclosed as interest rate on such deposits is equivalent to market rate.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

35. Capital management

Dividends

(a) The following dividends were declared and paid by the Company during the year:

Particulars	31 March 2018	31 March 2017
Equity shares		
Final dividend paid during the year ended 31 March 2018 of Rs. 4 per fully paid equity share (31 March 2017 of Rs. 4 per fully paid up equity share)	17,570,236	17,570,236
	<u>17,570,236</u>	<u>17,570,236</u>

(b) Dividend not recognised at the end of the reporting period

	31 March 2018	31 March 2017
Equity shares		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 9 per fully paid equity share (31 March 2017 : Rs. 4). This proposed dividend is subject to the approval of shareholders in the ensuing general meeting and would attract dividend distribution tax when declared or paid.	39,533,031	17,570,236

36. Related Party Disclosures

(A) Related Party Names

(a) Related parties where control exists

- | | |
|-----------------------------|--|
| a) Holding Company | VP Auslandsbeteiligungen GmbH, Germany |
| b) Ultimate Holding Company | Voith Paper Holding GmbH & Co. KG, Germany
(Holds 100% Equity of VP Auslandsbeteiligungen GmbH) |

(b) Fellow subsidiaries

- Syn Strand Inc., United State of America
- Voith Paper Fabrics Stubbins Ltd., United Kingdom
- Voith Digital Solutions GmbH, Germany
(Formerly known as Voith IT Solutions GmbH, Germany)
- Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia
- Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia
- Voith Paper Fabrics & Rolls Systems GmbH & Co. KG, Germany
- Voith Paper Technology (India) Private Limited, India
- Voith Hydro Private Limited, India
- Voith Paper Fabric & Roll Systems Inc. (Wilson), United State of America
- Voith Paper Fabric & Roll Systems Inc. (Shreveport), United State of America
- Voith Paper GmbH & Co. KG, Germany
- Voith Paper Rolls GmbH & Co KG, Austria
- Voith Paper Fabrics GmbH, Austria
- Voith Paper Fabrics Högsjö AB, Sweden
- Voith Paper Fabrics Waycross, LLC
- PT. Voith Paper Rolls Indonesia
- Voith Paper (China) Co., Ltd., China
- Voith Paper Fabrics BV, Nedarland
- Voith Digital Solutions India Private Ltd., India

(c) Key Management Personnel

- R. Krishna Kumar, Managing Director
- Kalyan Dasgupta, Financial Controller
- C. S. Gugliani, Company Secretary

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

(d) Others:

VPFIL Employees' Provident Fund Trust

(B) Related Party Transactions

S.No. Particulars	31 March 2018	31 March 2017
1 Transactions with Holding Company		
Payment of Dividend	13,009,672	13,009,672
	<u>13,009,672</u>	<u>13,009,672</u>
2 Transactions with Fellow Subsidiaries		
i) Sale of goods		
Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia	4,248,706	277,631
Voith Paper Fabrics & Rolls Systems GmbH & Co. KG, Germany	1,818,489	3,841,152
Voith Paper (China) Co., Ltd., China	4,132,756	-
Voith Paper GmbH & Co. KG, Germany	-	377,225
Voith Paper Technology (India) Private Limited, India	12,160,343	-
Voith Paper Fabrics Waycross, LLC	185,666	191,872
	<u>22,545,961</u>	<u>4,687,880</u>
ii) Sale of services		
Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia	3,643,090	10,934,810
Voith Paper Fabrics & Rolls Systems GmbH & Co. KG, Germany	771,705	6,189,901
Voith Paper Rolls GmbH & Co KG, Austria	913,631	1,330,883
PT. Voith Paper Rolls Indonesia	3,505,920	13,778,057
Voith Paper (China) Co., Ltd., China	-	7,914,619
	<u>8,834,347</u>	<u>40,148,270</u>
iii) Lease rent income		
Voith Paper Technology (India) Private Limited, India	6,434,546	6,128,140
	<u>6,434,546</u>	<u>6,128,140</u>
iv) Purchase of materials		
Voith Paper Fabrics GmbH, Austria	4,105,773	6,730,539
Syn Strand Inc., United State of America	20,898,965	22,801,307
Voith Paper Fabrics Stubbins Ltd., United Kingdom	-	7,474,498
Voith Paper (China) Co., Ltd., China	11,963,267	2,956,448
Voith Paper Fabrics Högsjö AB, Sweden	626,309	334,558
Voith Paper Fabrics BV, Nedarland	240,609	-
Voith Paper Fabric & Roll Systems Inc. (Shreveport), United State of America	3,514,632	-
	<u>41,349,555</u>	<u>40,297,350</u>
v) Purchase of traded goods		
Voith Paper (China) Co., Ltd., China	47,518,519	16,134,120
Voith Paper Fabrics GmbH, Austria	6,170,481	-
Voith Paper Rolls GmbH & Co KG, Austria	-	-
Voith Paper GmbH & Co. KG, Germany	9,583,226	24,569,446
Voith Paper Fabrics Högsjö AB, Sweden	22,850,890	-
Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia	20,043,176	9,708,505
	<u>106,166,292</u>	<u>50,412,071</u>
vi) Purchase of capital goods & services		
Voith Paper Fabric & Roll Systems Inc. (Wilson), United State of America	11,905,153	-
Voith Digital Solutions India Private Ltd., India	71,400	-
	<u>11,976,553</u>	<u>-</u>

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

S.No.	Particulars	31 March 2018	31 March 2017
vii)	Technical know-how fees/Royalty		
	Voith Paper Fabrics & Rolls Systems GmbH & Co. KG, Germany* (formerly known as Voith Paper Fabrics GmbH & Co. KG, Germany)	39,140,355	35,387,001
		<u>39,140,355</u>	<u>35,387,001</u>
viii)	Communication expenses		
	Voith Digital Solutions GmbH, Germany (Formerly known as Voith IT Solutions GmbH, Germany)	3,751,595	3,428,533
	Voith Digital Solutions India Private Ltd., India	137,976	-
	Voith Hydro Private Limited, India	-	186,020
		<u>3,889,571</u>	<u>3,614,553</u>
ix)	Reimbursement of expenses from related parties		
	Voith Paper Technology (India) Private Limited, India	1,888,014	1,878,755
	Voith Paper Fabrics Waycross, LLC	59,743	-
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia	164,615	-
	Voith Paper Fabrics Högsjö AB, Sweden	13,241	-
	Voith Paper (China) Co., Ltd., China	372,220	-
	Voith Paper Fabrics & Rolls Systems GmbH & Co. KG, Germany	86,880	-
	PT. Voith Paper Rolls Indonesia	9,283	-
		<u>2,593,996</u>	<u>1,878,755</u>
x)	Reimbursement of expenses to related parties		
	Voith Paper Technology (India) Private Limited, India	807,008	1,853,231
		<u>807,008</u>	<u>1,853,231</u>
3	Transactions with Key Management Personnel		
i)	Remuneration paid		
	R. Krishna Kumar	15,507,600	14,035,632
	Kalyan Dasgupta	4,087,358	3,822,661
	C.S. Gugliani	1,884,241	1,671,654
		<u>21,479,199</u>	<u>19,529,947</u>
ii)	Reimbursement of expenses to related parties		
	R. Krishna Kumar	256,214	309,128
		<u>256,214</u>	<u>309,128</u>
4	Transactions with Others		
i)	Contribution by the Company		
	VPFIL Employees' Provident Fund Trust	2,320,969	2,171,731
		<u>2,320,969</u>	<u>2,171,731</u>

(C) Related Parties' Year End Balances

	31 March 2018	31 March 2017	1 April 2016
1	Amount Outstanding - Fellow Subsidiaries		
i)	Trade Receivable		
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia	2,212,409	1,289,610
	Voith Paper Fabrics & Rolls Systems GmbH & Co. KG, Germany	638,353	2,079,948
	Voith Paper (China) Co., Ltd., China	227,108	4,997,311
	Voith Paper Fabrics Waycross, LLC	217,492	186,944
	Voith Paper GmbH & Co. KG, Germany	-	-
	Voith Paper Technology (India) Private Limited, India	5,539,572	858,658
	Voith Paper Rolls GmbH & Co KG, Austria	222,978	134,699
	Voith Paper Fabrics Högsjö AB, Sweden	13,237	-
	PT. Voith Paper Rolls Indonesia	1,358,330	-
		<u>10,429,479</u>	<u>17,019,541</u>
			<u>4,730,808</u>

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

	31 March 2018	31 March 2017	1 April 2016
ii) Trade Payable (including capital creditors)			
Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia	4,901,542	634,912	56,400
Voith Paper (China) Co., Ltd., China	5,050,100	3,849,705	1,245,381
Voith Digital Solutions GmbH, Germany (Formerly known as Voith IT Solutions GmbH, Germany)	301,326	253,160	251,603
Voith Hydro Private Limited, India	-	26,566	43,848
Voith Paper Technology (India) Private Limited, India	361,057	-	925,818
Voith Paper GmbH & Co. KG, Germany	-	6,487,866	-
Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia	-	-	14,576
Voith Paper Fabrics GmbH, Austria	4,318,359	-	6,571,951
Voith Paper Fabrics & Rolls Systems GmbH & Co. KG, Germany*	18,089,339	15,967,787	16,527,782
Voith Paper Fabrics Högsjö AB, Sweden	626,309	-	-
Voith Paper Fabric & Roll Systems Inc. (Wilson), United State of America	3,551,765	-	-
Syn Strand Inc., United State of America	9,016,580	10,625,086	13,840,856
Voith Digital Solutions India Private Ltd., India	10,757	-	-
Voith Paper Fabric & Roll Systems Inc. (Shreveport), United State of America	3,514,632	-	-
	<u>49,741,766</u>	<u>37,845,082</u>	<u>39,478,215</u>
iii) Advances receivable			
Voith Digital Solutions GmbH, Germany (Formerly known as Voith IT Solutions GmbH, Germany)	-	-	15,576
	<u>-</u>	<u>-</u>	<u>15,576</u>
iv) Other liabilities (Security Deposit)			
Voith Paper Technology (India) Private Limited, India	1,500,000	1,500,000	1,500,000
	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
2 Amount Outstanding - Key Management Personnel			
i) Remuneration payable			
R. Krishna Kumar	215,724	408,699	441,322
Kalyan Dasgupta	143,128	178,763	159,602
C.S. Gugliani	113,288	62,836	89,372
	<u>472,140</u>	<u>650,298</u>	<u>690,296</u>
ii) Reimbursement of expenses			
R. Krishna Kumar	240,325	-	162,314
	<u>240,325</u>	<u>-</u>	<u>162,314</u>
iii) Travel advance			
R. Krishna Kumar	-	556,944	-
	<u>-</u>	<u>556,944</u>	<u>-</u>
3 Amount Outstanding - Others			
i) Contribution payable			
VPFIL Employees' Provident Fund Trust	607,002	551,062	622,378
	<u>607,002</u>	<u>551,062</u>	<u>622,378</u>

* Includes amount not invoiced Rs. 254,686

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

37. Contingent liabilities to the extent not provided for:

A Guarantees

Outstanding guarantees furnished by Banks on behalf of the Company is Rs. 5,483,075 (31 March 2017: 6,609,027; 1 April 2016: 5,253,346)

B Claims against Company, disputed by the Company not acknowledged as debt:

	31 March 2018	31 March 2017	1 April 2016
Income Tax	<u>10,966,764</u>	<u>10,966,764</u>	<u>14,715,184</u>
	<u>10,966,764</u>	<u>10,966,764</u>	<u>14,715,184</u>

- (a) Rs. 2,637,144 (31 March 2017 : Rs. 2,637,144; 1 April 2016 : Rs. 6,385,564) as the amount of demand raised by the assessing officer for assessment year 2009-10 on account of disallowances in respect of shifting expenses & repair building etc. (previous year shifting expenses, repair building and technical know-how fees).

The assessing officer disallowed in his assessment order expenses on shifting, repair building, provision for leave encashment & warranty and technical know-how fees/royalty. The Company had filed an appeal with the Commissioner (Appeals) - Income Tax against the said order. The Commissioner (Appeals) had allowed all other grounds in favour of the company except shifting expenses pursuant to which the Company and the department have filed cross appeals in Income Tax Appellate Tribunal.

- (b) Rs. 1,715,600 (31 March 2017 : 1,715,600; 1 April 2016 : Rs. 1,715,600) as the amount of demand raised by the assessing officer for assessment year 2008-09 on account of shifting expenses.

The assessing officer disallowed in his assessment order expenses on shifting, repair, forex expenditure on capital assets, legal expenses and additional depreciation. The Company had filed an appeal with the Commissioner (Appeals)- Income Tax against said order. The Commissioner (Appeals) had allowed only repair expenses in favour of the company. Aggrieved by the order, the Company had preferred its appeal to Income Tax Appellate Tribunal. Department has also filed an appeal in Income Tax Appellate Tribunal against one ground allowed in favour of the company.

During the year, the Company has received favourable order from Income tax Appellate Tribunal. However, the department is expected to initiate further proceedings against the order of Income tax Appellate Tribunal with the higher appellate authority. Hence, the amount is continue to be disclosed in the above table.

- (c) Rs. 6,614,020 (31 March 2017 : 6,614,020; 1 April 2016 : 6,614,020) as the amount of demand raised by assessing officer for assessment year 2007-08 on account of repair expenses.

The assessing officer re-opened the assessment u/s 147/148 and disallowed all the repair expenditure claimed in the Statement of Profit & Loss account. Aggrieved by the order, the Company filed an appeal with Commissioner (Appeals) which was allowed in favour of the Company. Pursuant to this order, the department has filed an appeal in the Income Tax Appellate Tribunal.

During the year, the Company has received favourable order from Income tax Appellate Tribunal. However, the department is expected to initiate further proceedings against the order of Income tax Appellate Tribunal with the higher appellate authority. Hence, the amount is continue to be disclosed in the above table.

In all of the above cases, the management is confident of a favorable outcome from higher appellate authority.

C Other contingent liabilities

Labour case:

15 contractual ex-employees had filed a case against the Company under Industrial Tribunal cum Labour Court II, Haryana. The dispute pertains to reinstatement of these employees with continuity of service, full back wages and all consequential benefits since the date of termination. The labour court had decided the case in favour of the workmen. The Company had filed a writ petition in High Court (Punjab & Haryana) based on a legal opinion sought in the matter. 8 employees out of the above filed an appeal for the execution of the labour court award order decided earlier. The Company brought the High Court (Punjab & Haryana) writ petition in notice of the Labour court II, Haryana, but the application has been dismissed for stay on the ground that the stay order by the High Court pertains to criminal prosecution and not the civil execution of the Award. The Company further filled a writ petition in High Court (Punjab & Haryana) against the execution order of Labour Court II, Haryana and currently awaiting for hearing. Based on the opinion from legal consultant, the Company is of the view that the likelihood of potential favorable judgement in the Company's favour is probable. Further, the financial implications can't be quantified in this case and will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Further, the Company has certain other labour cases for which the liability is not ascertainable.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

38. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 95,498,072 (31 March 2017 : Nil; 1 April 2016 : 4,190,412)

39. Corporate Social Responsibility (CSR) Expense

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	5,653,245	5,098,379
Details of CSR spent during the financial year		
a) Construction / acquisition of any asset		
b) On purposes other than (a) above	5,654,000	5,100,000

40. Hedging and derivative instruments:

i) The Company uses foreign exchange forward contracts to selectively hedge its exposure. These derivative instruments are not used for speculative or trading purposes.

a) Forward contract outstanding

Purpose	Currency hedged	As at 31 March 2018	
		(in original currency)	(in Rupees)
Trade payable	EUR	84,857	6,813,669
Trade payable	USD	316,937	20,654,785
Trade receivable	USD	74,280	4,840,828
Creditor for capital goods	USD	115,585	7,532,699
Against open purchase orders	EUR	86,638	7,041,363
Against open purchase orders	USD	86,166	5,629,264
Purpose	Currency hedged	As at 31 March 2017	
		(in original currency)	(in Rupees)
Trade payable	USD	207,367	13,460,432
Purpose	Currency hedged	As at 1 April 2016	
		(in original currency)	(in Rupees)
Trade payable	EUR	87,127	6,571,951

b) Foreign currency exposure not hedged by forward contracts

Purpose	Currency	As at 31 March 2018	
		(in original currency)	(in Rupees)
Trade payable	EUR	20,156	1,618,482
Trade payable	USD	79,841	5,203,205
Trade payable	SEK	33,450	261,164
Creditor for capital goods	EUR	5,520	443,244
Creditor for capital goods	GBP	12,282	1,127,209
Creditor for capital goods	USD	28,158	1,835,050
Trade receivable	EUR	28,393	2,279,883
Trade receivable	USD	104,871	6,834,474
Cash & cash equivalents	EUR	7,396	593,889
Cash & cash equivalents	USD	105,171	6,853,989
Purpose	Currency	As at 31 March 2017	
		(in original currency)	(in Rupees)
Trade payable	USD	100,419	6,518,332
Trade payable	EUR	66,631	4,623,923
Trade payable	NOK	17,260	130,644
Trade receivable	EUR	103,924	7,211,958
Trade receivable	USD	177,209	11,502,852
Cash & cash equivalents	EUR	61,102	4,240,289
Cash & cash equivalents	USD	13,923	903,771

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

Purpose	Currency	As at 1 April 2016	
		(in original currency)	(in Rupees)
Trade payable	EUR	3,336	251,603
Trade payable	USD	267,093	17,695,878
Trade payable	GBP	313	29,789
Creditor for capital goods	EUR	4,533	341,892
Creditor for capital goods	NOK	216,000	1,730,614
Trade receivable	EUR	33,875	2,555,221
Trade receivable	USD	112,965	7,484,316
Cash & cash equivalents	EUR	2,599	196,041
Cash & cash equivalents	USD	40,213	2,664,234

- ii) Mark to market loss/ (gain) amounting to Rs. (263,719) (31 March 2017: 440,440) in respect of forward contracts have been credited/charged to the Statement of Profit and Loss. The mark to market losses on forward contract outstanding liability as at 31 March 2018 is Rs. 55,019 (31 March 2017: 318,738)

41. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on financial statements, particularly on the amount of tax expense and that of provision for taxation.

42. First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The significant accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

(A) Exemptions and exemptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

1. Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

Ind AS mandatory exemptions

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were an error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP

The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP

- Impairment of financial assets based on expected credit loss model.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

2. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initial accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

42(B).Reconciliation of equity as previously reported under Indian GAAP to Ind AS

Particulars	Note	1 April 2016			31 March 2017		
		Previous IGAAP*	Ind AS Adjustments	Ind AS	Previous IGAAP*	Ind AS Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		460,357,990	-	460,357,990	415,983,818	-	415,983,818
Capital work-in-progress		13,949,890	-	13,949,890	12,019,865	-	12,019,865
Financial assets		-	-	-	-	-	-
i. Other financial assets		3,980,217	-	3,980,217	4,417,217	-	4,417,217
Income tax assets (net)		23,443,862	-	23,443,862	23,289,020	-	23,289,020
Other non-current assets	1	3,201,875	(564,662)	2,637,213	912,093	(912,093)	-
Total non-current assets		504,933,834	(564,662)	504,369,172	456,622,013	(912,093)	455,709,920
Current assets							
Inventories		92,314,951	-	92,314,951	99,967,573	-	99,967,573
Financial assets		-	-	-	-	-	-
i. Trade receivables	2	190,475,244	(229,195)	190,246,049	203,332,081	(439,130)	202,892,951
ii. Cash and cash equivalents		31,625,038	-	31,625,038	44,109,552	-	44,109,552
iii. Other bank balance		949,653,105	-	949,653,105	1,119,289,452	-	1,119,289,452
iv. Other financial assets	3	1,375,000	121,702	1,496,702	1,325,000	-	1,325,000
Other current assets		17,901,100	-	17,901,100	18,364,874	-	18,364,874
Total current assets		1,283,344,438	(107,493)	1,283,236,945	1,486,388,532	(439,130)	1,485,949,402
Total assets		1,788,278,272	(672,155)	1,787,606,117	1,943,010,545	(1,351,223)	1,941,659,322
EQUITIES AND LIABILITIES							
Equity							
Equity share capital		43,925,590	-	43,925,590	43,925,590	-	43,925,590
Other equity		1,559,564,865	20,879,997	1,580,444,862	1,735,397,810	(734,886)	1,734,662,924
Total equity		1,603,490,455	20,879,997	1,624,370,452	1,779,323,400	(734,886)	1,778,588,514
Liabilities							
Non-current liabilities							
Provisions		16,795,256	-	16,795,256	21,875,950	-	21,875,950
Deferred tax liabilities (net)	8	9,343,107	(25,643)	9,317,464	7,944,375	(531,545)	7,412,830
Total non-current liabilities		26,138,363	(25,643)	26,112,720	29,820,325	(531,545)	29,288,780
Current liabilities							
Financial liabilities							
i. Trade payable	3	78,147,306	(33,386)	78,113,920	71,601,541	(134,040)	71,467,501
ii. Other financial liabilities	3,4	26,247,653	(346,000)	25,901,653	20,188,773	49,248	20,238,021
Other current liabilities		11,063,883	-	11,063,883	16,822,321	-	16,822,321
Provisions	5	42,269,175	(21,147,123)	21,122,052	20,917,422	-	20,917,422
Current Tax Liabilities (Net)		921,437	-	921,437	4,336,763	-	4,336,763
Total current liabilities		158,649,454	(21,526,509)	137,122,945	133,866,820	(84,792)	133,782,028
Total liabilities		184,787,817	(21,552,152)	163,235,665	163,687,145	(616,337)	163,070,808
Total equity and liabilities		1,788,278,272	(672,155)	1,787,606,117	1,943,010,545	(1,351,223)	1,941,659,322

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

42(C). Reconciliation of Statement of Profit and Loss as previously reported Indian GAAP to Ind AS

	Note	Year ended 31 March 2017		
		Previous GAAP*	Ind AS Adjustments	Ind AS
Revenue from operations	6, 3	815,095,597	85,750,516	900,846,113
Other income	1	79,112,549	(347,431)	78,765,118
Total income		894,208,146	85,403,085	979,611,231
Expenses				
Cost of materials consumed		169,422,692	-	169,422,692
Purchase of stock-in-trade		51,308,776	-	51,308,776
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(6,475,920)	-	(6,475,920)
Excise duty	6	-	85,649,856	85,649,856
Employee benefits expense	7	110,814,337	(2,166,690)	108,647,647
Depreciation expense		59,570,342	-	59,570,342
Other expenses	2,3,4	239,104,628	726,885	239,831,513
Total expenses		623,744,855	84,210,051	707,954,906
Profit before taxes		270,463,291	1,193,034	271,656,325
Tax expense				
- Current tax		95,874,236	-	95,874,236
- Income tax (credit)/charge relating to earlier years		154,842	-	154,842
- Deferred tax (credit)	8	(1,398,732)	243,952	(1,154,780)
Income tax expense		94,630,346	243,952	94,874,298
Profit for the year		175,832,945	949,082	176,782,027
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of defined benefit obligations / asset	7	-	(2,166,690)	(2,166,690)
Income tax on above	8	-	749,848	749,848
Other comprehensive income for the year (net of tax)		-	(1,416,842)	(1,416,842)
Total comprehensive income for the year		175,832,945	(467,760)	175,365,185

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

42(D). Equity reconciliation

Particulars	Note	As at	
		1 April 2016	31 March 2017
Reported earlier under previous GAAP		1,559,564,865	1,735,397,810
Accounting for proposed dividend and dividend distribution tax on payment basis		21,147,123	-
Others *		(267,126)	(734,886)
Now reported under Ind AS		1,580,444,862	1,734,662,924

* Others include adjustments resulting from differences in accounting for classification of actuarial gain/loss to other comprehensive income, reversal of lease equalization reserve etc.

43(E) Statement of cash flows

Other than effect of certain reclassifications due to difference in presentation, there was no other material effect on cash flow from operating, financing and investing activities for all periods presented.

Note 1 : Lease equalisation reserve

Under previous GAAP, lease rentals on operating lease were required to be recognised as income on straight line basis over the lease term by recognising corresponding lease equalisation reserve. However, under Ind AS, there is no such requirement unless under specific circumstances specified in the Ind AS.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

The impact arising from the change is summarised as follows:

Statement of profit and loss	Year ended 31 March 2017	
<i>Other income</i>		
Rental income from property		(347,431)
Adjustment before income tax		<u>(347,431)</u>
Balance Sheet	1 April 2016	31 March 2017
<i>Other financial assets</i>		
Lease equalisation reserve	(564,662)	(912,093)
Related tax impact	-	315,656
Adjustment to retained earnings	<u>(564,662)</u>	<u>(596,437)</u>

Note 2 : Expected credit loss allowance

On transition to Ind AS, the Company has recognised impairment loss on trade receivable measured at amortized cost based on the expected credit loss model as required by Ind AS 109. Consequently, trade receivable have been reduced with a corresponding decrease in retained earnings on the date of transition and there has been an incremental provision for the year ended 31 March 2017.

The impact arising from the change is summarised as follows:

Statement of profit and loss	Year ended 31 March 2017	
<i>Other expenses</i>		
Provision for doubtful debts		209,935
Adjustment before income tax		<u>209,935</u>
Balance Sheet	1 April 2016	31 March 2017
<i>Trade receivable</i>		
Expected credit loss allowance	229,195	439,130
Related tax impact	<u>(79,320)</u>	<u>(151,974)</u>
Adjustment to retained earnings	<u>149,875</u>	<u>287,156</u>

Note 3 : Mark-to-market gain/loss recognition on Derivative contracts

Recognition of unrealized mark-to-market gain/loss on forward contracts as at 1 April 2016 which was not permitted under previous GAAP. The amount was realized during the year ended 31 March 2017.

The impact arising from the change is summarised as follows:

Statement of profit and loss	Year ended 31 March 2017	
a) <i>Other operating revenue</i>		
Forward contract premium as per previous GAAP reversed (b) - (d)		(100,658)
		<u>(100,658)</u>
b) <i>Other expenses</i>		
Mark to market loss/(gain) (a) - (c)		440,440
		<u>440,440</u>
Adjustment before income tax		<u>339,782</u>
Balance Sheet	1 April 2016	31 March 2017
<i>Other financial assets</i>		
Mark-to-market gain/loss (a)	(121,702)	-
Reversal of previous year mark-to-market gain/loss (b)	33,386	-
<i>Other financial liability</i>		
Mark-to-market gain/loss (c)	-	318,738
Reversal of previous year mark-to-market gain/loss (d)	-	134,040
Mark-to-market gain/loss	(155,088)	184,698
Related tax impact	53,677	(63,915)
Adjustment to retained earnings	<u>(101,411)</u>	<u>120,783</u>

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

Note 4 : Other financial liabilities

Under the previous GAAP, liability for security deposit were classified as other current liabilities based on the realisability. Liability for security deposit was carried at cost. Under Ind AS, this security deposit is required to be measured at fair value. The resulting changes before the date of transition have been recognised in retained earnings.

The impact arising from the change is summarised as follows:

Statement of profit and loss	Year ended 31 March 2017	
<i>Other expense</i>		
Discounting of liability for security deposit		76,510
Adjustment before income tax		<u>76,510</u>
Balance Sheet	1 April 2016	31 March 2017
<i>Other financial assets</i>		
Security deposit	(346,000)	(269,490)
Adjustment to retained earnings	<u>(346,000)</u>	<u>(269,490)</u>

Note 5 : Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend distribution tax, was recognised as a liability. Under Ind AS, dividends so proposed by the board are considered to be non-adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised under previous GAAP has been reversed.

The impact arising from the change is summarised as follows:

Statement of profit and loss	Year ended 31 March 2017	
Adjustment before income tax		-
		<u>-</u>
Balance Sheet	1 April 2016	31 March 2017
<i>Provisions</i>		
Proposed dividend including dividend distribution tax	(21,147,123)	-
Adjustment to retained earnings	<u>(21,147,123)</u>	<u>-</u>

Note 6 : Excise duty

Under the previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year ended and equity as at 31 March 2017 has remained unchanged.

The impact arising from the change is summarised as follows:

Statement of profit and loss account	Year ended 31 March 2017	
Revenue from operations		85,649,856
Excise duty		85,649,856
Adjustment before income tax		<u>-</u>
Balance Sheet	1 April 2016	31 March 2017
Adjustment to retained earnings	<u>-</u>	<u>-</u>

Note 7 : Remeasurement of post employment benefit obligation

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP, the Company recognised actuarial gains and losses in statement of profit or loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 or as on 31 March 2017.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

Note 8 : Tax expenses

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Also, the above changes (decreased)/increased the deferred tax liability as follows based on a tax rate of 34.608 percent:

	1 April 2016	31 March 2017
Lease equalisation reserve	-	(315,656)
Credit loss allowance	(79,320)	(151,974)
Mark-to-market gain/loss	53,677	(63,915)
(Decrease) / increase in deferred tax liability	(25,643)	(531,545)

43. Earning per share

	31 March 2018	31 March 2017
Profit for basic and diluted earnings per share of Rs. 10 each	181,152,431	176,782,027
Weighted average number of equity shares used in computing earnings per share :		
For basic earnings per share	4,392,559	4,392,559
For diluted earnings per share	4,392,559	4,392,559
Earnings per share (Face value of Rs. 10 each)		
Basic	41.24	40.25
Diluted	41.24	40.25

44. During the year, the company had no Specified Bank Notes (SBNs) as defined in the MCA notification, G.S.R.308(E), dated 31 March 2017. The details of SBNs held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination-wise SBNs and other notes as per notification are as follows:

Particulars	SBNs	Other denomination notes	
			Total
Closing cash in hand as on 8 November 2016	90,500	14,256	104,756
(+) Permitted receipts	-	85,802	85,802
(-) Permitted payments	-	76,616	76,616
(-) Amount deposited in Banks	90,500	-	90,500
Closing cash in hand as on 30 December 2016	-	23,442	23,442

45. a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and is of the view that no change in accounting policy is required and the impact is not material.

b) Ind AS 115- Revenue from Contracts with Customers:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Moreover, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method as defined under standard and accordingly, comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

While, the Company is in the process of implementing Ind AS 115 on financial statement, it is of the view that there will not be any significant change in its revenue recognition policy and the impact of the same will not be material.

46. Figures in bracket indicate deductions

47. Previous period's/ year's figures have been regrouped / reclassified, where necessary, to conform to current year's classification as per Ind AS.

For B S R & Co. LLP

ICAI Firm Registration Number: 101248W/W-100022

Chartered Accountants

Vikram Advani

Partner

Membership No. 091765

For and on behalf of the Board of Directors of

Voith Paper Fabrics India Limited

Biren De

Director

DIN : 00011607

R. Nath

Director

DIN : 00062186

S.K.Nagpal

Director

DIN : 01171148

Shahana Basu

Director

DIN : 07137715

R. Krishna Kumar

Managing Director

DIN : 05344619

Kalyan Dasgupta

Finance Controller

CMA No. : 25152

C.S. Gugliani

Company Secretary

FCS No. : 4301

Place : New Delhi

Date : 4 May 2018

Place : New Delhi

Date : 4 May 2018

Voith Paper Fabrics India Limited

(CIN: L74899HR1968PLC004895)

Regd. Office: 113/114A, Sector-24, Faridabad (Haryana) - 121 005

Phone: +91-129-4292200 Fax: +91-129-2232072

Website: <http://www.voithpaperfabricsindia.com>

E-mail: voithfabrics.faridabad@voith.com

FORM NO. MGT-12 POLLING PAPER

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1) (c) of the Companies
(Management and Administration) Rules, 2014]

BALLOT PAPER		
Sr. No.	Particulars	Details
1.	*Name of Sole/First Shareholder OR Proxy Holder (In Block Letters)	
2.	Postal Address	
3.	Registered Folio No. or DP ID No. & Client ID No.	
4.	Class of Share	Equity Shares

*Please strike-off which-ever is not applicable OR select the appropriate option by ticking it.

I hereby exercise my vote in relation to each business item enumerated below, for the proposed Ordinary Resolutions, by recording my assent or dissent to the respective resolution in the following manner:

Item No.	Description	No. of shares held	I assent (agree) to the Resolution	I dissent (disagree) from the Resolution
	Ordinary Business (Ordinary Resolutions)			
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31 st March 2018, together with the Board's Report and Auditor's Report thereon.			
2.	To declare a dividend.			
3.	To consider the re-appointment of Ms. Shahana Basu as Director who retires by rotation.			
4.	To ratify the appointment of Statutory Auditors.			

Place: _____

Date : _____

(Signature & Name of Sole/First Shareholder or Proxy)*

*Please strike-off which-ever is not applicable.

FORM NO. MGT.11

PROXY FORM

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

CIN: L74899HR1968PLC004895

Name of the Company: Voith Paper Fabrics India Limited

Registered office: 113/114-A, Sector-24, Faridabad - 121005, Haryana.

Name of the member(s):

Sole/First

Second

Third

Registered Address:

E-mail ID:

Folio No./Client ID:

DP ID:

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name:

Address:

E-mail ID:

Signature: _____, or failing him

2. Name:

Address:

E-mail ID:

Signature: _____, or failing him

3. Name:

Address:

E-mail ID:

Signature: _____

as my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the Forty Eighth Annual General Meeting of the company, to be held on Thursday, the 5th day of July, 2018 at 3:30 p.m. at Hotel Radisson Blu Faridabad, Sector 20-B, Mathura Road, Faridabad - 121001, Haryana, and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my proxy to vote in the manner as indicated in the box below:

RESOLUTIONS	FOR (Approved)	AGAINST (Rejected)
1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31 st March 2018, together with the Board's Report and Auditor's Report thereon.		
2. To declare a dividend.		
3. To consider the re-appointment of Ms. Shahana Basu as Director who retires by rotation.		
4. To ratify the appointment of Statutory Auditors.		

**This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this _____ day of _____, 2018

Sign of the Member(s):

Sole/First

Second

Third

Sign of Proxy holder(s):

Sole/First

Second

Third

Affix Revenue Stamp

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 113/114-A, Sector-24, Faridabad - 121005, Haryana, not less than 48 hours before the commencement of the Meeting.
- Appointing a proxy does not prevent a member from attending the meeting in person if he/she so desires.

NOTICE

Notice is hereby given that the Forty Eighth Annual General Meeting of the members of Voith Paper Fabrics India Limited will be held on **Thursday, 5th July, 2018 at 3:30 p.m.**, at Hotel Radisson Blu Faridabad, Sector 20-B, Mathura Road, Faridabad - 121001, Haryana, to transact the following business:

ORDINARY BUSINESS

- To consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2018, together with the Board's Report & Auditor's Report thereon.
- To declare a dividend.
- To consider the re-appointment of Ms. Shahana Basu (DIN: 07137715) as a Director, who retires by rotation and being eligible, offers herself for re-appointment.
- To consider and if thought fit, to pass the following resolution as an Ordinary Resolution to ratify the appointment of Statutory Auditors of the Company and to fix their remuneration:

“**RESOLVED THAT**, pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, as amended from time to time, and in continuation of the resolutions passed by the members at 45th, 46th and 47th Annual General Meetings (AGMs) in this regard; the appointment of M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), having their office at Building No. 10, 8th Floor, Tower B, DLF Cyber City, Phase II, Gurgaon - 122002, Haryana, as statutory auditors of the Company from the conclusion of this AGM until the conclusion of 50th AGM of the Company be and is hereby ratified and confirmed, at such remuneration as may be mutually acceptable and decided by the Board of Directors, from time-to-time, and that such remuneration may be paid on a progressive billing basis.”

Registered Office:

113/114-A, Sector - 24,
Faridabad - 121005 (Haryana) Delhi NCR, India.
CIN: L74899HR1968PLC004895
Telephone: +91 129 4292200; Fax: +91 129 2232072
Website: www.voithpaperfabricsindia.com, E-mail: investorcare.vffa@voith.com
Place: New Delhi
Date: 4th May, 2018

By Order of the Board
For Voith Paper Fabrics India Limited

C. S. Gugliani
Company Secretary
FCS No. 4301

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED/ELIGIBLE TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS OF THE COMMENCEMENT OF THE MEETING.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company.

A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

- Corporate members are requested to send a duly certified copy of the resolution passed by their Board of Directors authorizing their representatives to attend and vote at the Annual General Meeting.
- Members/Proxies for members should bring with them the duly filled in Attendance Slip along with their copy of the Annual Report. Members/Proxies for members holding shares in dematerialized form should bring their latest statement of account with the concerned Depository Participant, for attending the meeting.
- The details of the shareholding of Director who is proposed to be re-appointed at the Forty Eighth Annual General Meeting of the Company are as follows:-

Name of the Director	Shares of the Company held in own name	Shares of the Company held by relatives	Shares of the Company held by/for any other person on a beneficial basis	Aggregate share-holding in the Company
Ms. Shanana Basu	NIL	NIL	NIL	NIL

- The Register of Members and Share Transfer Books of the company will remain closed from Saturday, 23rd June, 2018 to Thursday, 5th July, 2018 (both days inclusive) in terms of the provision of Section 91 of the Companies Act, 2013.
- The dividend as recommended by the Board of Directors, if declared at the meeting, would be paid to those members whose name would appear in the Register of Members as at Thursday, 5th July, 2018. In respect of shares held in dematerialized mode, dividend would be paid to the beneficial owners of shares as at the end of business hours on Friday, 22nd June, 2018 as per details furnished by the depositories for this purpose.

7. In accordance with a circular issued by SEBI, the NECS facility should mandatorily be used by a company for distribution of dividend to its members. Accordingly, the Company has sent required forms and other details to the members on several occasions in the past. Members who have still not begun to avail the benefits of NECS facility are once again requested to complete the formalities for the same at the earliest, to receive direct credit of dividend in their designated bank account.
8. **Members holding shares in physical form are requested to promptly notify the change in their respective address and / or their NECS/ bank details to the Registrar & Share Transfer Agent (RTA), MCS Share Transfer Agents Limited, New Delhi.**
9. **Members holding shares in electronic / dematerialized mode are requested to notify the change, if any, in their respective addresses and/or their NECS / bank details, to their respective Depository Participant (DP) and not to the company or RTA.**
10. Members are requested to note that the equity shares of the company are compulsorily traded in dematerialized form. Members are therefore advised to immediately dematerialize their shareholding to avoid any inconvenience in future.
11. In order to render better and efficient service, we request you to consolidate the multiple folios existing in the same name and in identical order. Please note that consolidation of folios does not amount to transfer of shares and therefore, no stamp duty will be payable for the same. In case you wish to consolidate your folios, kindly forward your request along with the relevant share certificates to the company or its RTA, MCS Share Transfer Agent Limited, New Delhi.
12. Pursuant to the applicable provisions of the Companies Act 2013, unpaid/unclaimed dividends up to the financial year 2009-10, stand transferred to the Investor Education & Protection Fund (IEPF) as at the end of year under review. **Besides the dividend so transferred, company has also transferred relevant shares to the demat account of IEPF Authority, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder.** It may be noted that once the unclaimed / unpaid dividend and/or shares are so transferred; the same can only be reclaimed from the IEPF Authority in accordance with the applicable provisions of the Companies Act 2013 and relevant Rules made thereunder, by following the prescribed procedure in this regard. The IEPF Rules and the application Form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs, are available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic mode are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in the physical form are requested to submit their PAN details to the RTA.
14. Electronic copy of the Annual Report for the year ended 31st March, 2018 along with the Notice of the 48th Annual General Meeting of the Company (including Ballot Form, Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with RTA/Depository Participants. Members who have not yet registered their email addresses, physical copy of the Annual Report is being sent to such members by other permissible means.
15. Members may further note that the Notice of 48th Annual General Meeting and the Annual Report for the year ended 31st March, 2018 will also be available on the company's website www.voithpaperfabricsindia.com and on the website of CDSL, www.evotingindia.com for their download. Even after registering for e-communication, members are entitled to receive the Annual Report in physical mode through any permissible mode, free of cost, upon making a specific request for the same.
16. Members are requested to kindly bring their own copy of Annual Report to the Meeting, as the Annual Report will not be distributed at the AGM.
17. Briefcase, Bag(s), Carry Bag(s), Helmets, Eatables, Drinks, etc. will not be allowed inside the Meeting Hall. **Members will have to make their own arrangements for safekeeping of such of their belongings, if they choose to bring such items at the meeting venue.**
18. Members may kindly note that no 'gifts' will be distributed at the Annual General Meeting.
19. Members / Proxy coming to attend the Annual General Meeting are requested to carry their original photo ID (Passport/Driving license/ Voter's card/PAN card/Aadhar card) proof with them for the purpose of verification at the venue.
20. Members wishing to seek further information or clarification on the Financial Statements or operations of the Company at the Meeting are requested to send their queries, at least 10 days before the date of the meeting, addressed to the Company Secretary at the Registered Office of the Company.
21. Members must always mention their Folio or DP-ID & Client ID Number in all correspondence with the Company or the RTA.
22. **E-voting**
 - a. In compliance with the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your company is pleased to offer E-voting facility to the Members of the Company to exercise their rights to vote by electronic means in respect of the items contained in the Notice. The Company has engaged the services of Central Depository Services (India) Limited as the Authorized Agency to provide E-voting facility. E-voting is optional and members may physically vote at the Annual General Meeting at their discretion.
 - b. The Board of Directors has appointed M/s. P.C. Jain & Co., Company Secretaries, Faridabad, as the Scrutinizer for conducting the E-voting process in fair and transparent manner.

- c. The remote E-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for E-voting. Once the vote on the resolution is cast by any member, he/she shall not be allowed to change it subsequently.

Commencement of remote E-voting	Monday, 2 nd July, 2018, 9:00 a.m.
End of remote E-voting	Wednesday, 4 th July, 2018, 5:00 p.m.

- d. The cut-off date (record date) for the purpose of E-voting is, 29th June, 2018. The voting rights of members shall be in proportion to their equity shareholding in the paid up equity share capital of the company as on cut-off date.
- e. The results of remote E-voting and physical voting at the Annual General Meeting along with scrutinizers' report shall be communicated to the Stock Exchange and shall also be placed on the website of the company viz. www.voithpaperfabricsindia.com

The Instructions for shareholders voting electronically are as under:

- i. The voting period begins on 02/07/2018 at 09:00 a.m. and ends on 04/07/2018 at 05:00 p.m. 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 29th June, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com
- iv. Click on Shareholders / Members
- v. 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. Members holding shares in physical form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (as mentioned on the address label of the envelope of this Annual Report) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters, e.g. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> • If both the details are not recorded in the depository or company please enter the Member ID / Folio Number in the Dividend Bank Details field as mentioned in instruction (v)

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- xi. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the Notice.
- xii. Click on the **EVS**N of **Voith Paper Fabrics India Limited**.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same 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.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. If demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App store and Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx. **Note for Non-Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - 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.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and E-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 29th June, 2018, may follow the same instructions as mentioned above for E-voting.

The result declared, along with the Scrutinizer's Report shall be placed on Company's website, www.voithpaperfabricsindia.com and on the website of CDSL e-Voting, www.evotingindia.com within two days of passing of the resolutions at the 48th AGM of the Company and shall also be communicated to BSE Limited - where shares of the Company are listed.

Registered Office:

113/114-A, Sector - 24,
Faridabad - 121005 (Haryana) Delhi NCR, India.
CIN: L74899HR1968PLC004895
Telephone: +91 129 4292200; Fax: +91 129 2232072
Website: www.voithpaperfabricsindia.com, E-mail: investorcare.vffa@voith.com
Place: New Delhi
Date: 4th May, 2018

By Order of the Board
For Voith Paper Fabrics India Limited

C. S. Gugliani
Company Secretary
FCS No. 4301

FORM NO. SH-13

Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies
(Share Capital and Debentures) Rules, 2014]

To

Voith Paper Fabrics India Limited
113/114A, Sector - 24,
Faridabad - 121005, Haryana.

I/We _____ the holder(s) of the securities, particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made), HELD IN PHYSICAL MODE:

Nature of securities	Folio Number	Number of Shares	Certificate Numbers	Distinctive Numbers
Equity Shares				

2. PARTICULARS OF NOMINEE/S -

- Name:
- Date of Birth:
- Father's/Mother's/Spouse's name:
- Occupation:
- Nationality:
- PAN:
- Address:
- E-mail id:
- Relationship with the share-holder:

3. IN CASE NOMINEE IS A MINOR -

- Date of Birth:
- Date of attaining majority:
- Name of guardian:
- Address of guardian:

4. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY -

- Name:
- Date of Birth:
- Father's/Mother's/Spouse's name:
- Occupation:
- Nationality:
- PAN:
- Address:
- E-mail id:
- Relationship with the share-holder:
- Relationship with minor nominee:

Name of Sole/First Shareholder:

Registered Address:

Name of the Share-holder(s)	Signature	Witness (Sign with name and address)
1.		
2.		
3.		

FORM NO. SH-14
CANCELLATION OR VARIATION OF NOMINATION

[Pursuant to sub-section (3) of Section 72 of the Companies Act, 2013 and Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014]

Voith Paper Fabrics India Limited
113/114A, Sector - 24,
Faridabad - 121005, Haryana.

I/ We _____ hereby cancel the nomination(s) made by me/us in favour of:

_____ (name and address of nominee) in respect of below mentioned securities.

Or

I / We _____ hereby nominate the following person in place of _____, as nominee in respect of the below mentioned securities in whom shall vest, all the rights in the event of my / our death.

1 PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled / varied), HELD IN PHYSICAL MODE:

Nature of securities	Folio Number	Number of shares	Certificate Numbers	Distinctive Numbers
Equity Shares				

2 (I) PARTICULARS OF THE NEW NOMINEE-

- a. Name:
- b. Date of Birth:
- c. Father's / Mother's /Spouse's name:
- d. Occupation:
- e. Nationality:
- f. PAN:
- g. Address:
- h. E-mail id:
- i. Relationship with the share-holder:

(II) IN CASE NEW NOMINEE IS A MINOR -

- a. Date of Birth:
- b. Date of attaining majority:
- c. Name of guardian:
- d. Address of guardian:

3 PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY -

- a. Name:
- b. Date of Birth:
- c. Father's / Mother's /Spouse's name:
- d. Occupation:
- e. Nationality:
- f. PAN:
- g. Address:
- h. E-mail id:
- i. Relationship with the share-holder:
- j. Relationship with the minor nominee:

Name of Sole/First Shareholder:

Registered Address:

Name of the Share-holder(s)	Signature	Witness (Sign with name and address)
1.		
2.		
3.		

ATTENDANCE SLIP

Voith Paper Fabrics India Limited

(CIN: L74899HR1968PLC004895)

Registered Office: 113/114-A, Sector-24, Faridabad - 121 005, (Haryana), Delhi NCR, India

Folio No.(s) :

Client ID No.:

No. of shares held :

DP ID No. :

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional slip on request in advance or they may use a copy of this Attendance Sheet.

Name and Address of the Shareholder :
.....
.....
.....

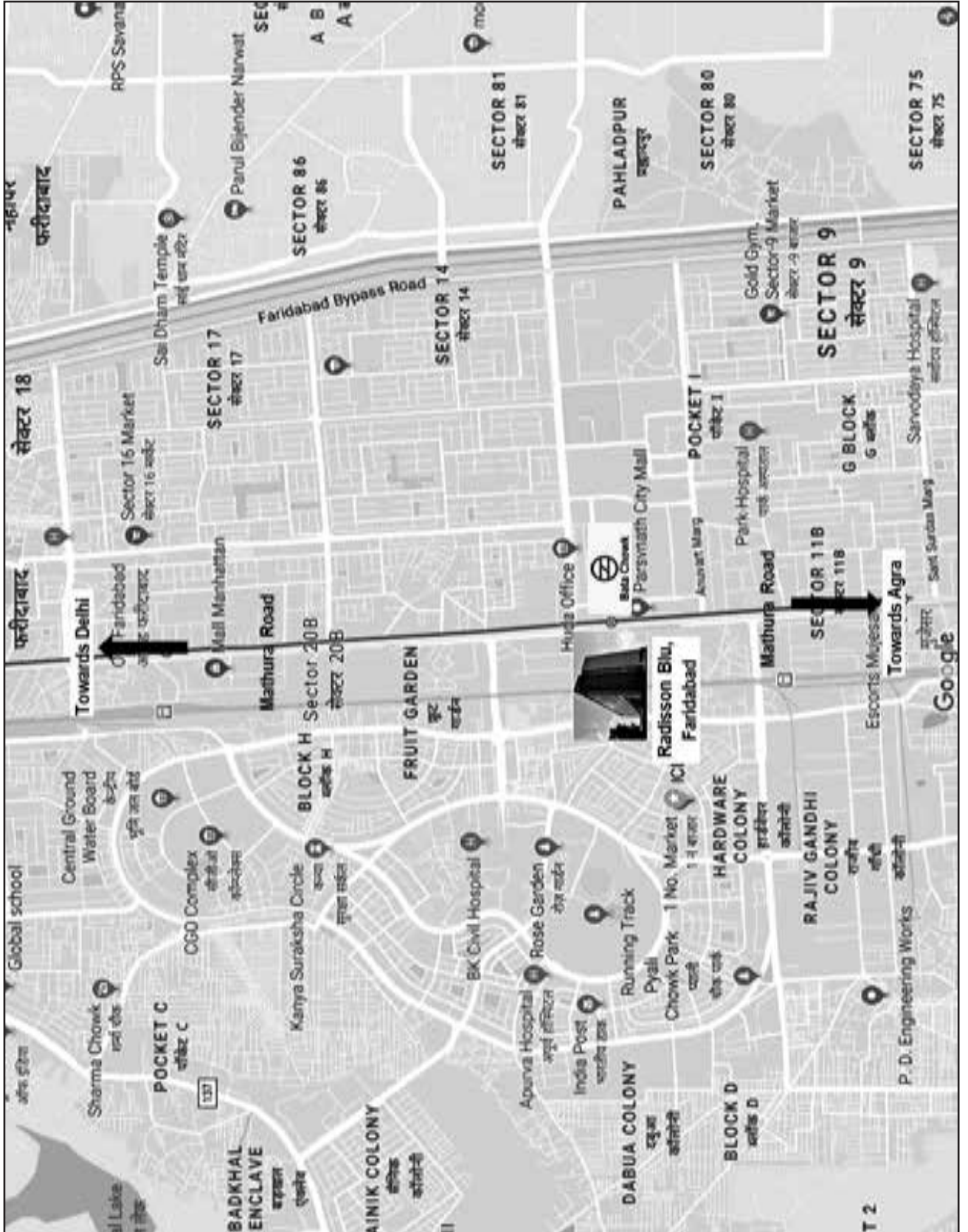
I/We hereby record my presence at the 48th Annual General Meeting of the Company, held on Thursday, 5th July, 2018, at 3:30 p.m. at Hotel Radisson Blu Faridabad, Sector 20-B, Mathura Road, Faridabad - 121001, Haryana.

Signature of the Shareholder/Proxy*

*Strike-out whichever is not applicable and also write the name in legible Capital Letters.

AGM VENUE MAP

LOCATION MAP



Voith Paper Fabrics India Limited

Registered Office: 113/114-A, Sector-24

Faridabad 121005 (Haryana)

Delhi NCR, India

CIN: L74899HR1968PLC004895

Tel. + 91 129 4292200; Fax + 91 129 2232072

www.voithpaperfabricsindia.com

email: voithfabrics.faridabad@voith.com

VOITH
Inspiring Technology
for Generations