Singhi & Co.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JK ENVIRO-TECH LIMITED

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying Financial statements of JK Enviro-Tech Ltd. ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion
We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Other Information
The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditors' report. Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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.

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KOLKATA MUMBAI CHENNAI BENGALURU AHMEDABAD

In preparing the Ind AS 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 objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies' (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A statements on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

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

   (a) We have 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 including the Statement of Other Comprehensive Income, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   (e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) 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:

      a. The Company did not have any pending litigations which would impact its financial position.

      b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

      c. The Company did not have any amounts required to be transferred to the Investor Education and Protection Fund.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Chanderkant Choraria
Chanderkant Choraria
Partner
Membership No. 521263

Place: New Delhi
Date: May 04, 2019

Annexure -A

Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: JK Enviro-Tech Limited)

(i) The Company has no Property, Plant & Equipment. Therefore, the provisions of clause 3 (i) of the Order are not applicable.

(ii) The Company has no inventory. Therefore, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted unsecured loans to a company covered in register maintained under section 189 of the Companies Act,2013. The terms and conditions on which the loans were granted to above company were not, prima facie, prejudicial to the interest of the Company. The Company has stipulated schedule of repay ment of principal including interest thereon. Payment of principal and interest is not overdue. The Company has not granted loan to firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of section 186 of the Companies Act, 2013 with respect of loan granted and investment made. According to information and explains given by the management, no loan or guarantee or security under section 185 and no guarantee and security under section 186 of the Companies Act, 2013 have been given or outstanding during the year.

(v) The Company has not accepted any deposit covered under section 76 of the Companies Act, 2013. Therefore, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Company has no operations during the year hence clause 3(vi) of the Order is not applicable.

(vii) a. According to the records of the Company, the Company is regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

b. According to information and explanation given to us , there are no dues outstanding on account of income-tax, sales-tax, service tax, duty of customs, duty of excise or value added tax on account of any dispute. Therefore, the provisions of clause 3(vii) (b) of the Order are not applicable.

(viii) The Company did not have any loan or borrowing from any financial institution, banks, Government or debenture holders during the year. Therefore, the provisions of clause 3(viii) of the Order are 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. Therefore, the provisions of clause 3 (ix) of the Order are not applicable.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind-AS financial statement and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

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(xi) The Company has not paid/provided for managerial remuneration. Therefore, the provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are 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 related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Ind-AS financial statements as required by the applicable accounting standards.

(xiv) The Company has made private placement of equity shares during the year and requirements of section 42 of the Companies Act'2013 in this respect have been complied with. Amount raised on private placement of equity shares has been used for the purpose for which funds were raised. The Company has not made any preferential allotment of equity shares and has not issued fully or partly convertible debentures.

(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 directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.Therefore, the provisions of clause 3 (xvi) of the Order are not applicable.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Chanderkant Choraria

Chanderkant Choraria
Partner
Membership No. 521263

Place: New Delhi
Date: May 04, 2019

ANNEXURE B

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 with reference to financial statements of JK Enviro-Tech Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind-AS 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the Ind-AS 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 with reference to financial statements

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 Ind-AS 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 Ind-AS financial statements in accordance with generally accepted accounting principles, and that

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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 Ind-AS financial statements.

Inherent Limitations of Internal Financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements 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 with reference to financial statements were operating effectively as at 31 March 2019, 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 with reference to financial statements issued by the Institute of Chartered Accountants of India.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Chanderkant Choraria

Chanderkant Choraria
Partner
Membership No. 521263

Place: New Delhi
Date: May 04, 2019

JK ENVIRO-TECH LIMITED
Balance Sheet at at 31st March 2019

(Amount in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I ASSETS			
1 Non-Current Assets			
Investments in Equity Instruments	4	13,000.00	-
2 Current Assets			
a Financial Assets			
Investments	5	952.35	-
Trade receivables	6	11.24	-
Cash and cash equivalents	7	23.16	4.19
Bank balances other than above	8	118.69	111.73
Loans	9	9,080.00	80.00
Other financial assets	10	27.36	1.19
b Current Tax Assets (Net)	11	5.97	0.45
c Other current assets		-	-
		10,218.77	**197.56**
Total Assets		**23,218.77**	**197.56**
II EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	12	1,165.00	165.00
Other Equity		2,759.29	32.37
		3,924.29	**197.37**
2 LIABILITIES			
I Non-Current Liabilities			
a Financial Liabilities			
Borrowings	13	18,489.11	-
b Provisions		-	-
b Deferred tax liabilities (Net)	14	668.72	-
		19,157.83	**-**
II Current Liabilities			
a Financial Liabilities			
Borrowings	15	120.00	-
Trade payables			
Micro & Small Enterprises		-	-
Others		8.41	0.13
Other financial liabilities	16	3.35	-
b Other current liabilities	17	4.89	0.06
		136.65	**0.19**
Total Equity and Liabilities		**23,218.77**	**197.56**
Significant Accounting Policies and other notes on Financial Statements	2&3		

The Notes Referred to above form an integral part of the Balance sheet.

As per our Report of even date attached.

FOR SINGHI & Co.
Chartered Accountants
Firm Reg No. 302049E

Chanderkant Choraria

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

(Chanderkant Choraria)
Partner
M.No. 521263
New Delhi, the 4th of May 2019

For and on behalf of the Board of Directors

Directors

Manager and Chief Finance Officer

Pooja
Company Secretary

JK ENVIRO-TECH LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Lakhs)

		Note	2018-19	2017-18
I	**Revenue from Operations**			
	Sales		-	-
II	Other Income	18	108.35	12.09
III	**Total Revenue (I+II)**		108.35	12.09
IV	**Expenses:**			
	Employee Benefits Expense	19	1.33	3.47
	Finance Costs	20	386.86	-
	Other Expenses	21	318.15	0.79
	Total Expenses		706.34	4.26
V	**Profit/(Loss) Before Tax (III-IV)**		(597.99)	7.83
VI	**Tax Expense:**			
	Current tax	28	0.08	1.49
	Deferred tax charges / (credit)		(109.64)	-
VII	**Profit/(Loss) for the year**		(488.43)	6.34
VIII	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Tax on (i) above		-	-
	(iii) Items that will be reclassified to profit or loss		-	-
	(iv) Tax on (iii) above		-	-
	Total Comprehensive Income(VII-VIII)		(488.43)	6.34
	BasicEarning Per Share (Rs.)		(5.97)	0.38
	Diluted Earning Per Share (Rs.)(Anti Dilutive)		(5.97)	0.38

Significant Accounting Policies and other notes on Financial Statements 2&3

The Notes Referred to above form an integral part of the Statement of Profit & Loss.

As per our Report of even date attached.

FOR SINGHI & Co.
Chartered Accountants
Firm Reg No. 302049E
Chanderkant Choraria

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

(Chanderkant Choraria)
Partner
M.No. 521263
New Delhi, the 4th of May 2019

For and on behalf of the Board of Directors

Directors

Pooja

Manager and Chief Finance Officer

Company Secretary

JK ENVIRO-TECH LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in Lakhs)

A. Equity Share Capital

As at April 1 2017	Changes in equity during 2017-18	As at March 31 2018	Changes in equity during 2018-19	As at March 31 2019
165.00	-	165.00	1,000.00	1,165.00

(Amount in Lakhs)

B. Other Equity

Particulars	Equity Component of Compound financial Instruments	Reserve and Surplus			Other Comprehensive Income (OCI)		Total
		Retained Earnings	Securities Premium Reserve	General Reserve	Items that will not be Reclassified to profit or loss	Items that will be reclassified to profit or loss	
As at March 31, 2017	-	**5.03**	-	**21.00**	-	-	**26.03**
Profit for the year		6.34		-	-	-	6.34
As at March 31, 2018		**11.37**		**21.00**	-	-	**32.37**
Profit for the year		(488.43)		-	-	-	(488.43)
Issue of Equity Share Capital		-	**200.00**		-	-	200.00
Issue of 0.1% Compulsory Convertible Preference Share	**800.00**						800.00
Issue of 0.1% redeemable preference Share to JK Paper Limited	**2,215.35**						2,215.35
As at March 31, 2019	**3,015.35**	**(477.06)**		**21.00**	-	-	**2,759.29**

As per our Report of even date attached.

FOR SINGHI & Co.
Chartered Accountants
Firm Reg No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

(Chanderkant Choraria)
Partner
M.No. 521263
New Delhi, the 4th of May 2019

For and on behalf of the Board of Directors

K. Tripathi

Directors

Manager and Chief Finance Officer

Pooja
Company Secretary

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Note – 1: Corporate Information

JK ENVIRO-TECH LIMITED(JKETL) was incorporated on December 19, 2007, and received its certificate of commencement of business on January 14, 2008. JETL is engaged in the business of establishing and operating of lime kilns for environmental protection and undertaking projects for ecological upgradation including research and development in the field of pollution control filtration and treatment plants and also carries on the business of manufacturers of and dealers in pulp and pulp products. Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Gujarat under section 391 to 394 of the Companies Act 1956, which has become effective on 10th April 2015, Lime Kiln Undertaking of the JK Enviro-Tech Ltd has been transferred and vested in the Company as a going concern on slump sale basis with effect from appointed date i.e. 1st April 2013.

These financial statements were approved and adopted by Board of Directors of the Company in their meeting held on May 04, 2019.

Note – 2: Basis of Preparation of Financial Statements

(I) Statement of Compliance :

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

(ii) **Basis of Preparation:**

The separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (India Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 ("the Act").

The financial statements have been prepared on an accrual basis and under the historical cost basis.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements are presented in INR and all values are rounded to the nearest INR Lakhs, except when otherwise indicated.

(iii) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(iv) Classification of Assets and Liabilities as Current and Non Current

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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Note – 3 : Significant Accounting Policies:

a) **Revenue Recognition:**
   (i) Revenue from operation is recognized on transfer of the risks and reward of title of the goods or commitments to the buyer and are stated inclusive of duties, taxes, trade discount and rebates (if any), and
   (ii) Interest Income recognized in proportion to time.

b) **Borrowing Costs:**
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

c) **Earnings Per Share:**
Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.
The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

d) **Impairment of Assets:**
The carrying amount of Property, plant and equipments, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

e) **Income Tax :**

Current income tax :

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax :

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax :

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

f) **Employee Benefits :**

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service

g) **Cash and Cash Equivalents :**

Cash and cash equivalents comprise cash on hand cash at bank and demand deposits with banks with an original maturity of three months or less which are subject to an insignificant risk of change in value.

h) **Financial Assets**

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.
At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

i. Assets at Amortised Cost

At the date of initial recognition, are held to collect contractual cash flows of principal on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

ii. Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

iii. Financial Assets at Fair value through Profit or Loss

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At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Trade Receivables.

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Investment in Equity Shares.

Investments in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

Investment in Associates, Joint Ventures and Subsidiaries.

The Company has accounted for its investment in subsidiaries, associates and joint venture at cost.

Investments in Mutual Funds

Investments in Mutual Funds are accounted for at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss Account.

IV. Derecognition of Financial Assets

Financial Asset is primarily derecognised when:

(i) The right to receive cash flows from asset has expired, or.

(ii) The Company has transferred its right 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) **Financial Liabilities**

Initial Recognition and Measurement.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent Measurement.

The measurement of financial liabilities depends on their classification, as described below :

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i) Financial Liabilities at Fair Value through Profit or Loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date with all the changes recognized in the Statement of Profit and Loss.

ii) Financial Liabilities measured at Amortised Cost.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

iii)Loans and Borrowings.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

iv)Redeemable preference shares

The redeemable preference shares issued by the Company is a compound financial instrument and is classified separately as financial liability and equity in accordance with the substance of the contractual arragement and the definitions of a financial liability and an equity instrument. At the date of issue, fair value of the liability component is estimated using the pervailing market interest rate of a similar non-compound instrument. This amount is recognised as liability on an amortised cost basis using the effective interest rate method until extinguished at the instrument's maturity date. The difference between the fair value of the liability component at the date of issue and the issue price is recognised as the other equity.

v)Trade and Other Payables.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

vi)De-recognition of Financial Liability.

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

vii)Offsetting of Financial Instruments.

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and

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there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) **Fair Value Measurement :**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

k) **Provisions and Contingent Liabilities /Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

l) **Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit 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.

m) **Recent Accounting Pronouncements.**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees.

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A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Amendment will come into force from April 1, 2019. The Company is evaluating accounting and reporting requirement. The effect of this on the financial statements will be given in the due course.

(Amount in Lakhs)

NOTE 4 :	Face Value per Share	Nos.	As at 31st March 2019 Book Value	As at 31st March, 2018 Book Value
INVESTMENTS IN EQUITY INSTRUMENTS				
Long Term Investments Carried at Amortised Cost				
The Sirpur Paper Mills Limited(Subsidiary)*	10	13,00,00,000	13,000.00	-
			13,000.00	**-**
* Opening		-	-	-
Purchase/subscribed during the year		13,00,00,000	-	-
Sale during the year		-	-	-
Closing Balance		13,00,00,000	-	-
Aggregate book value of quoted investments			-	-
Aggregate book value of unquoted investments			13,000	-
Aggregate market value of quoted investments			-	-

NOTE 5 :

CURRENT INVESTMENTS

Investments in Mutual Funds- at fair value through P&L		
Investment in Liquid Fund	952.35	
	952.35	**-**
Aggregate book value of quoted Investment	952.35	-

NOTE 6 :

TRADE RECEIVABLES

Unsecured		
Considered Good-The Sirpur Paper Mills Limited(Subsidiary)	11.24	-
	11.24	**-**

NOTE 7 :

CASH & CASH EQUIVALENTS

Cash & Cash Equivalents		
Balance with Banks		
Current Accounts	23.16	4.19
	23.16	**4.19**

NOTE 8 :

BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Bank Deposits with original maturity of 12 months or less	118.69	111.73
	118.69	**111.73**

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(Amount in Lakhs)

	As at 31st March 2019	As at 31st March, 2018
NOTE 9 :		
CURRENT FINANCIAL ASSETS - LOANS		
Global Strategic Technologies Limited	680.00	80.00
Bengal and Assam Company Limited	6,000.00	-
Deepti Electronics & Electro Optics Private Limited	2,400.00	-
	9,080.00	**80.00**
NOTE 10 :		
CURRENT FINANCIAL ASSETS - OTHER		
Interest Receivable	27.36	1.19
	27.36	**1.19**
NOTE 11 :		
CURRENT TAX ASSETS		
Advance Income Tax/ Tax deducted at source (Net)	5.97	0.45
	5.97	**0.45**

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	As at 31st March 2019	(Amount in Lakhs) As at 31st March, 2018

NOTE 12:

SHARE CAPITAL

	As at 31st March 2019	As at 31st March, 2018
Authorised		
Equity Shares 5,50,00,000 of Rs.10 each (Previous year - 1,00,00,000) of Rs.10 each	5,500.00	1,000.00
Preference Shares 2,80,00,000 of Rs.100 each (Previous year - 5,00,000) of Rs.100 each	28,000.00	500.00
	33,500.00	**1,500.00**
Issued, Subscribed and Fully Paid-up :		
Equity Shares 1,16,50,000 (Previous year 16,50,000) of Rs.10 each Fully Paid up.	1,165.00	165.00
	1,165.00	**165.00**

Notes :

(a) Reconciliation of Equity Share Capital (In numbers)

Shares outstanding at the beginning of the year	16,50,000	16,50,000
Add : Shares issued during the year	1,00,00,000	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,16,50,000	16,50,000

(b) Reconciliation of Preference Shares Capital (In numbers)

Preference Shares outstanding at the beginning of the year	-	-
Add : issued during the year (Nominal Value Rs. 100, Rs. 100 Paid up)	2,11,00,000	
Add : issued during the year (Nominal Value Rs. 100, Rs. 20 Paid up)	40,00,000	
Less : decrease during the year	-	
Preference Shares outstanding at the end of the year	2,51,00,000	-

During the current year, the Company issued following preference shares given below

During the current year, the Company issued following preference shares given below

1. Cumulative Redeemable Preference Shares(Nos 1,11,00,000) for the tenure of 5 years to JK Paper Limited with dividend of 0.01% per annum(Cumulative basis). The equity portion of these redeemable preference shares, on account of dividend percentage being lower than effective market rate, is recorded in Other equity.
2.Cumulative Redeemable Preference Shares(Nos 1,00,00,000), for the tenure of 10 years to JK Paper Limited with dividend of 3% per annum(Cumulative basis) and redumption at the end of 10th year at a premium of Rs. 48.5 per CRPS.
3. Compulsory Convertible Preference Shares(Series 1 and 2) having nominal Value of Rs.100/- (One Hundred) each, aggregating to Rs. 40,00,00,000 (Nos 40,00,000), having 0.01% dividend (on cumulative basis), with Rs.20 payable on application and balance Rs. 80 to be payable at the end of 5 years from the date of allotment or at the time of conversion whichever is earlier,to be convertible into Equity shares of the Company, having nominal value of Rs. 10 each, at a conversion price of Rs.12 per equity share (including premium of Rs 2 per equity share) at any time upto 7 years but further extendable with mutual consent of the Company. The equity portion of convertible preference share is recorded in Other equity.

(b) List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

JK Paper Limited (Holding Company)	1,08,16,652	16,50,000

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(Amount in Lakhs)

	As at 31st March 2019	As at 31st March, 2018

NOTE 13 :

NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31st March 2019	As at 31st March, 2018
Unsecured - at amortised cost		
Liability component of redeemable preference share - JK Paper Limited	18,489.11	-
	18,489.11	**-**

NOTE 14 :

DEFERRED TAX LIABILITIES

	As at 31st March 2019	As at 31st March, 2018
Redeemable preference share - JK Paper Limited	685.73	-
Tax on carried forward of Losses	(17.62)	-
Tax on Others	0.61	-
Total Deferred Tax Liability	**668.72**	**-**

NOTE 15 :

CURRENT FINACIAL LIABILITIES - BORROWINGS

	As at 31st March 2019	As at 31st March, 2018
UNSECURED		
Term Loan from JK Paper Limited (Holding Company)	120.00	-
	120.00	**-**

NOTE 16 :

CURRENT FINACIAL LIABILITIES - OTHER

	As at 31st March 2019	As at 31st March, 2018
Interest accrued but not due	3.35	-
	3.35	**-**

NOTE 17 :

OTHER CURRENT LIABILITIES

	As at 31st March 2019	As at 31st March, 2018
Statutory Dues	4.89	0.06
	4.89	**0.06**

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(Amount in Lakhs)

Note 18 :-

OTHER INCOME

	2018-19	2017-18
Interest Income	44.88	12.09
Profit on Sale/Fair value of Current investment	2.35	-
Supply of Service	61.12	-
	108.35	**12.09**

Note 19 :-

EMPLOYEE BENEFITS EXPENSE

	2018-19	2017-18
Salaries, Wages, Allowances, etc.	1.33	3.47
	1.33	**3.47**

Note 20 :-

FINANCE COSTS

Interest expense

	2018-19	2017-18
Interest on Short term Loan	3.97	-
On Redeemable preference shares	382.82	-
On Compulsory Convertible Preference Shares	0.07	-
	386.86	**-**

Note 21 :-

OTHER EXPENSES

	2018-19	2017-18
ROC Fees and Stamp Duty	254.04	-
Insurance	-	0.01
Directors' fees (including service tax/GST)	1.06	0.40
Professional Fees	62.13	-
Auditors Remuneration (including service tax/GST)		
for Audit Fees	0.15	0.14
for Other Services	0.04	0.04
for Out of pocket expenses	-	0.01
Miscellaneous Expenses	0.73	0.19
	318.15	**0.79**

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22. Estimated amount of contract remaining to be executed on Capital accounts (net of Advances) and not provided for is Rs. Nil (Previous year Nil).

23. Contingent Liability against the Company not acknowledged as debt – Rs. Nil (previous year Nil).

24. Disclosure as required under 'Related Party Disclosures' (IND AS-24), are as below:

List of Related Parties:

Holding Company
JK Paper Ltd.

Subsidiary
The Sirpur Paper Mills Limited (w.e.f 1st Aug 2018)

Fellow Subsidiary
Songadh Infrastructure & Housing Limited
Jaykaypur Infrastructure & Housing Limited
JK Paper International (Singapore) Pte. Ltd.

Key Management Personnel (KMP)
Non-Executive Directors :
Sh. P.S. Sharma (till 11th July 2018)
Sh. Vinit Marwaha
Sh. Ashok Gupta
Sh. Kalpataru Tripathy (w.e.f 19th July 2018)
Sh. Pramod Kumar Jain (w.e.f 19th July 2018)

Executives :
Sh. Ashok Gupta, Manager and Chief Finance Officer (w.e.f 19th July 2018)
Ms Pooja Gurwala, Company Secretary (w.e.f 19th July 2018)

The following transactions were carried out with related party in the ordinary course of business:

Amount in Lakhs

Sl. No.	Nature of Transactions	Holding Company	
		2018-19	2017-18
i	Interest on Loan	3.97	---
ii	Loans Received	225.00	---
iii	Loans & Advance Repaid	105,00	---
iv	Preference share issued	21,100.00	---
v	Equity Share capital	1,100.00	
vi	Outstanding at end of the year : a) Receivable b) Payable	 --- 21,220.00	 --- ---

Sl. No.	Nature of Transactions	Subsidiary	
		2018-19	2017-18
i	Investment in Equity Shares	13,000.00	
II	Supply of Services (Including Taxes)	72.12	
ii	Outstanding at end of the year : a) Receivable b) Payable	 11.24 ---	 --- ---

Sl. No.	Nature of Transactions	Key Management Personnel	
		2018-19	2017-18
i	Sitting Fees to Non-Executive Directors	0.92	0.34

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25. As per the requirements of "The Micro, Small and Medium Enterprises Development Act, 2006" the Company is required to identify the Micro, Small & Medium suppliers and pay interest on overdue amount to the Micro & Small enterprises beyond the specified period irrespective of the terms agreed with the suppliers. As informed, No such amount is outstanding at the end of period.

26. Segment Reporting :

The performance of the company is reviewed by the Board of Directors (Chief Operating Decision Makers) and has only one reportable/business segment.

27. Earning Per Share :

Amount in Lakhs

		31st March 2019	31st March 2018
a)	Profit (Operating) after tax for Basic Earnings Per share	(488.43)	6.34
	Add: Preference Share dividend	(13.86)	-
	Profit for Diluted Earnings Per Share	(502.29)	6.34
b)	Weighted Average Number of Ordinary Shares		
	Basic	84,17,123.29	16,50,000.00
	Effect of Conversion Option	45,11,415.53	-
	Diluted	1,29,28,538.81	16,50,000.00
c)	Nominal Value of Ordinary Shares	Rs. 10/-	Rs. 10/-
d)	Earning Per Ordinary Share (Rs.)		
	Basic	(5.97)	0.38
	Diluted(Anti Dilutive)	(5.97)	0.38

28. Reconciliation of Effective Tax Rate :

Amount in Lakhs

Particulars	**31-Mar-19**	**31-Mar-18**
Profit before tax	(597.99)	7.83
At applicable Statutory Income Tax Rate @ 26% PY @ 19.055%	(155.48)	1.49
Adjustment in respect of current income tax of earlier year	0.08	-
Share Issue Expenses	42.23	-
Dividend on Preference Shares including DDT	3.60	-
Reported Income Tax Expense	(109.56)	1.49
Effective Tax Rate	18.32%	19.03%

29. Financial Risk Factors

Liquidity risk :

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects.

The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

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Amount in Lakhs

Contractual maturities of Significant Financial Liabilities as 31st March 2019

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowing-Non Current	18,489.11		18,489.11	-	18,489.11
Borrowings - Current	120.00	120.00			
Trade payables	8.41	8.41	-	-	8.41
Other financial liabilities - Current	3.35	3.35	-	-	3.35

Contractual maturities of Significant Financial Liabilities as 31st March 2018

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Trade payables	0.13	0.13	-	-	0.13

Capital Risk :

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

Amount in Laksh

Particulars	Note Number	31.03.2019	31.03.2018
Equity Share Capital	12	1,165.00	165.00
Other Equity		2,759.29	32.37
Total Equity		**3,924.29**	**197.37**
Borrowing-Non Current	13	18,489.11	-
Current maturities of Non-Current Borrowings		-	-
Current Borrowings	15	120.00	-
Total Debts		**18,609.11**	-
Gearing Ratio			
Debt to Equity Ratio		**4.74**	-

Interest Rate and Credit Risk :

Company has borrowing from Holding company therefore company has no exposure to the risk of changes in market interest rates.
Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The company has no trade receivable so there has no exposure of credit risk on the reporting date.

30. Employee Benefit

The Company participates in defined contribution schemes and the amount charged to the statements of profit or loss is the total of contributions payable in the year. Gratuity & Leave Encashment liability has not been actuarially calculated due to limited number of employees and provided for on accrual basis, accordingly full disclosure as per Ind AS-19 is not considered necessary by the Management.

31. Fair Value of Financial Assets

Loan given during the year are held to collect contractual cash flows of principal on principal amount outstanding on specified dates. These financial assets are designated at amortised cost (Note 6 of Financial Statement)

32. Financial Intruments.

All financial assets and Financial liabilities are designated at amortised cost.

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33. Fair Value measurement

Financial Assets :

At initial recognition, all financial assets are measured at fair value and subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset.

Financial Liabilities :

All financial liabilities are recognized initially at fair value and subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method.

34. Previous year figures have been regrouped/rearranged, wherever considered necessary and figures have been rounded off to the nearest Rupee.

As per our report of even date attached

FOR SINGHI & Co.

Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

(Chanderkant Choraria)
Partner
Membership No. 521263
New Delhi, the 04th of May, 2019

For and on behalf of the board of directors

Directors

Manager and Chief Finance Officer

Pooja

Company Secretary

CASH FLOW STATEMENT
For the year ended 31st March, 2019

(Amount in Lakhs)

			2018-19		2017-18
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit Before Tax	(598.00)		7.83	
	Adjustments for :				
	Interest and Financial Income	341.97		(12.09)	
	Income from Investments	(2.35)		-	
	Operating Profit before Working Capital Changes	(258.38)		(4.26)	
	Adjustments for Working Capital Changes:				
	Trade and Other Receivables	(11.24)		-	
	Trade and Other Payables	13.11		0.06	
	Cash generated from Operations	(256.51)		(4.20)	
	Taxes paid	(5.59)		(1.33)	
	Net Cash from Operating Activities		(262.10)		(5.53)
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Sale / (Purchase) of Non Current Investments	(13,000.00)		-	
	Sale / (Purchase) of Current Investments	(950.00)			
	Loan Given	(9,000.00)		(80.00)	
	Interest Received	18.71		10.91	
	Net Cash from Investing Activities		(22,931.29)		(69.09)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from Issue of Equity Share Capital	1,200.00		-	
	Proceeds/(Repayment) from Preference Share Capital	21,900.00		-	
	Proceeds/(Repayment) from Short term Borrowing (Net)	120.00		-	
	Interest and Financial Charges	(0.68)		-	
	Net Cash from Financing Activities		23,219.32		-
D.	Increase/(Decrease) in Cash and Cash Equivalents - Cash & Bank Balance		25.93		(74.62)
E.	Cash and Cash Equivalents as at the beginning of the the year - Cash & Bank Balances		115.92		190.54
F.	Cash and Cash Equivalents as at the close of the year - Cash & Bank Balances		141.85		115.92

As per our Report of even date attached.

FOR SINGHI & Co.
Chartered Accountants
Firm Reg No. 302049E

Chanderkant Choraria

(Chanderkant Choraria)
Partner
M.No. 521263
New Delhi, the 4th of May 2019

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

For and on behalf of the Board of Directors

K. Tripathi

Directors

Manager and Chief Finance Officer

Pooja
Company Secretary