LODHA
& CO
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Sirpur paper Mills Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the financial statements of **The Sirpur Paper Mills Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its loss (including Other Comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 during the course of our 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.

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Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, financial performance, 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) specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Act, 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 ability of the Company 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

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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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

Emphasis of Matter

As per the order of the National Company Law Tribunal ("NCLT) ,Hyderabad Bench, certain accounting treatments have been carried out to capital reserve , credited (net) (under the head " Other Equity"), which is considered to override the relevant provisions of Ind AS -109 " Financial Instruments " (refer Note No.31(b) of the Financial Statements).

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended 31st March , 2018 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor i.e. M/s B.N. Associates, whose audit report dated 13th Jan 2019 expressed qualified opinion, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have not been audited by us.

Our opinion is not modified in respect of this matter.

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" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

a) We have 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.

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c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 read with Note No. 31 (b).

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial statements.

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 financial statements – Refer Note No. 32 to the financial statements;

   ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. No managerial remuneration for the year ended 31st March, 2019 has been paid/ provided for by the Company to its directors/Manager in accordance with section 197, hence we offer no comment on the same.

For LODHA & CO.
Chartered Accountants
Firm's Registration No.301051E

LODHA & CO. New Delhi Chartered Accountants

(N. K. Lodha)
Partner
Membership No. 85155

Place: New Delhi
Date: 1st May 2019

"Annexure A" referred to in the Independent Auditors' report to the members of The Sirpur Paper Mills Limited on the financial statements for the year ended 31st March, 2019, we report that:

i a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) Major items of fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion is reasonable considering the size of the Company and the nature of fixed assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records the Company, the title deeds of immovable properties are held in the name of the Company.

ii The inventories of the Company (except stock in transit), have been physically verified by the management and the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.

iii The Company has not granted any loans during the year, secured or unsecured, to companies, firms, limited liability partnerships or other parties required to be covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable.

iv The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has not given any loan, given any guarantee or provided any security and acquired security within the meaning of Section 186 of the Act.

v The Company has not accepted deposits during the year from the public within the provisions of section 73 to 76 or any other provisions of the Companies Act, 2013 and the Rules framed there under.

vi We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of the cost records under section 148(1) of the act in respect of the company's products to which the said rules are made applicable and are on the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

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vii a) According to the information and explanation and based on records except for some delays in payment , the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' 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 were no arrears of undisputed statutory dues as at 31st March, 2019, which were outstanding for a period of more than six months from the date they became payable. (Read with Note No. 31 and 32)

b) There are no disputed dues which have remained unpaid as on 31st March, 2019 on account of Income-tax, sales-tax, duty of customs and value added tax. (Read with Note no.31)

viii The company defaulted in the repayment of dues (principal and interest) amounting to Rs. 56782.47 lacs to banks (taken in earlier years) and was classified as NPA since November 2014 till the implementation of resolution plan, as approved by the NCLT from 1st August 2018. Subsequent to the completion date of resolution plan there was no delay in repayment of dues to banks / financial institution.

ix On the basis of information and explanation given to us, term loans have been applied for the purposes for which they were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).

x Based on the audit procedure performed and on the basis of information and explanation provided by the management, we report that no material fraud by the company or on the company by its officers or employee has been noticed or reported during the year under audit.

xi No managerial remuneration for the year ended 31st March, 2019 has been paid/ provided for by the Company to its directors/Manager. (Refer Note no.40(b))

xii 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 the representation obtained from the management, the Company has complied with section 188 of the Act in respect of transactions with related parties.

xiv According to the information and explanations give to us, the Company has not made any preferential allotment of shares or private placement of shares or fully / partly convertible debentures during the year in terms of provisions of section 42 of the Act. However, in terms of resolution plan as approved by the NCLT, equity shares have been issued to successful corporate resolution applicant and its group and preference shares have been issued to financial creditors (lenders) against satisfaction of their dues, subsequent to completion date.

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xv According to the information and explanations given to us and the representation obtained from the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable.

xvi In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For LODHA & CO.
Chartered Accountants
Firm's Registration No.301051E

LODHA & CO. New Delhi Chartered Accountants

(N. K. Lodha)
Partner
Membership No. 85155

Place: New Delhi
Date: 1st May 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 The Sirpur Paper Mills Limited ("the Company") as of March 31, 2019 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 Board of Directors of the Company 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. 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 respective 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company.

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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, to the best of our information and according to the explanations given to us, 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 March 31, 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 Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO.
Chartered Accountants
Firm's Registration No. 301051E

LODHA & CO. New Delhi Chartered Accountants

(N. K. Lodha)
Partner
Membership No. 85155

Place: New Delhi
Date: 1st May 2019

THE SIRPUR PAPER MILLS LIMITED

ANNUAL ACCOUNTS
FINANCIAL YEAR 2018-19

Date: 1st May, 2019
NEW DELHI

Registered Office	H.No. 5-9-22/1/1, 1st Floor, Opp. New MLA Quarter's Gate, Adarshnagar, Hyderabad - 500 063
Banker	ICICI Bank Limited
Auditors	Lodha & Co. (Chartered Accountants) C-1, Upasana Building, 1, Hailey Road, New Delhi-110001

THE SIRPUR PAPER MILLS LIMITED

BALANCE SHEET AS AT MAR 31,2019

Rs. in Lacs

	Note	March 31, 2019	March 31, 2018
ASSETS			
Non-Current Assets			
Property,Plant and Equipment	2	7,497.94	24,997.02
Capital Work-in-Progress		27,554.39	-
Other Intangible Assets	3	-	-
Financial Assets			
Other Financial Assets	4	168.52	1,199.34
Other Non-Current Assets	5	638.39	-
		35,859.24	26,196.36
Current Assets			
Inventories	6	2,379.93	682.98
Financial Assets			
Trade Receivables	7	-	647.74
Cash and Cash Equivalents	8	570.36	19.08
Bank Balances other than above	9	443.89	102.38
Other Financial Assets	10	36.94	404.54
Current Tax Assets (Net)	11	4.10	297.51
Other Current Assets	12	2,741.24	498.15
		6,176.46	2,652.38
Total Assets		42,035.70	28,848.74
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	18,200.01	1,699.36
Other Equity		(695.73)	(26,664.47)
		17,504.28	(24,965.11)
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	21,254.84	2,837.66
Other Financial Liabilities	15	27.00	10.10
Provisions	16	-	926.46
Deferred Tax Liabilities (Net)	17	-	-
		21,281.84	3,774.22
Current Liabilities			
Financial Liabilities			
Borrowings	18	-	5,786.35
Trade Payables	19		
Micro & Small Enterprises		221.43	608.37
Others	.	875.90	8,469.47
Other Financial Liabilities	20	1,980.10	33,128.48
Other Current Liabilities	21	62.74	1,985.45
Provisions	22	109.41	61.51
		3,249.58	50,039.63
Total Equity and Liabilities		42,035.70	28,848.74
Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

As per our report of even date attached

for LODHA & CO.
Chartered Accountants
Firm's Registration Number 301051E

LODHA & CO. New Delhi Chartered Accountants

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 1st May, 2019

Chief Finance Officer

Directors

Company Secretary

THE SIRPUR PAPER MILLS LIMITED

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

Rs. in Lac

	Note	2018-19	2017-18
Revenue :			
Sales		-	-
Less : Discounts		-	-
Net Sales		-	-
Other Operating Revenue	23	95.44	-
Revenue from Operations		95.44	-
Other Income	24	105.01	161.50
Total Revenue (I+II)		200.45	161.50
EXPENSES			
Cost of Materials Consumed	25	-	-
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	26	65.49	0.00
Employee Benefits Expense	27	82.36	120.56
Finance Costs	28	200.18	-
Depreciation and Amortisation Expenses	29	598.25	1,606.25
Other Expenses	30	423.30	3,070.06
Total Expenses		1,369.58	4,796.87
Profit/(Loss) Before Tax		(1,169.13)	(4,635.37
Tax Expense			
Current Tax (MAT)		-	-
Less : MAT Credit Entitlement		-	-
Provision / (Credit) for Deferred Tax		-	-
Profit/(Loss) for the period		(1,169.13)	(4,635.37)
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
(i) Re-measurement Gain/(Loss) on Defined Benefit Plans		45.13	-
(ii) Tax on (i) above		-	-
Total Other Comprehensive Income for the period		(1,124.00)	(4,635.37)
Earnings per Equity Shares			
1) Basic (in ₹)		(0.92)	(2.73)
2) Diluted (in ₹)		(0.92)	(2.73)
Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

As per our report of even date attached

for LODHA & CO.
Chartered Accountants
Firm's Registration Number 301051E

LODHA & CO. New Delhi Chartered Accountants

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 1st May, 2019

V. Kumaraswamy

Directors

Chief Finance Officer

K. Lakshmi Vohra

Company Secretary

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THE SIRPUR PAPER MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH, 2019

Rs. In Lacs

A. Equity Share Capital

March 31, 2018	Changes in Equity Share Capital during 2018-19	MAR 31, 2019
1,699.36	16,500.65	18,200.01

B. Other Equity

Particulars	Reserve and Surplus							Other Comprehensive Income (OCI) Items that will not be Reclassified to profit or loss		Total
	Retained Earnings	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Equity Component of Financial Instrument	Revaluation Reserve	General Reserve	Re-measurement of the net defined benefit plans	Equity Instruments through OCI	
March 31, 2018	(42,603.00)	9.16	70.93	7,411.47	-	-	8,346.97	-	-	(26,664.47)
Loss for the year	(1,169.13)	-	-	-	-	-	-	-	-	(1,169.13)
Cancelation of Shares (refer Note 31 a)	-	1,699.36	-	-	-	-	-	-	-	1,699.36
Effect of implementation of Resolution Plan (refer Note 31 b)	-	13,793.34	-	-	-	-	-	-	-	13,793.34
Other Comprehensive Income for the year	-	-	-	-	-	-	-	45.13	-	45.13
Issue of 0.01% Redeemable Preference Share #	-	-	-	-	11,600.04	-	-	-	-	11,600.04
March 31, 2019	(43,872.13)	16,501.86	70.93	7,411.47	11,600.04	-	8,346.97	45.13	-	(696.73)

Part of the Un-sustainable debts of the company has been converted into Preference Share Capital.

The accompanying notes referred to above form an integral part of the Standalone Financial Statements

As per our report of even date attached

for LODHA & CO.
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 1st May, 2019

LODHA & CO. New Delhi Chartered Accountants

V Kumaranath

Directors

K.K. Cal cloke

Chief Finance Officer

Company Secretary

Company Overview, Basis of Preparation & Significant Accounting Policies.

I. The Company Overview

Incorporated in 1938, **The Sirpur Paper Mills Ltd** ("SPML") is a Public Limited Company. The registered office of the Company is situated at 5-9-22/1/1, 1st Floor, Adarsh Nagar, Hyderabad – 500063, Telanagana. The Company is one of the largest manufacturers of Writing and Printing and Colour paper in India. The Company has an integrated Pulp and Paper Plant at Sirpur-Kaghaznagar in the district of Kumurambheem Asifabad, Telangana State.

The Company over the years has evolved as a reputed Brand with a seven-decade presence in the business. The Company has specialised in production of niche varieties of paper and has a wide range of products spanning almost all segments of paper like writing & printing, packing, paperboard, air mail and cheque paper, with Elemental Chlorine Free (ECF) bleached wood pulping facilities. The mill uses bamboo, eucalyptus, subabul etc as main raw materials.

The factory at Kagaznagar was shut down for maintenance on 27 September 2014 and the same was not in operation since then due to financial crisis and various other issues. A Corporate Insolvency Resolution Process ("CIRP") in terms of the Insolvency and Bankruptcy Code, 2016 (Code) was commenced against the Company pursuant to the orders of the Hon'ble Hyderabad Bench of National Company Law Tribunal ("NCLT"), dated September 18, 2017 for the revival of the Company. The NCLT had, vide its order dtd. 19th July 2018, approved the resolution plan submitted by JK Paper Limited for the Company.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting held on May 1st, 2019.

II. 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.

LODHA & CO. New Delhi Chartered Accountants

These financial statements have been prepared in accordance with Ind AS 101, "First Time Adoption of Ind AS", as these are the Company's first Ind AS compliant Financial Statements for the year ended March 31, 2019.

The Financial Statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements).The transition to Ind AS has been carried out from the Accounting Principles generally accepted in India (Indian GAAP), which is considered as the "Previous GAAP", for purposes of Ind AS - 1.

The preparation of these Financial Statements resulted in changes to the Company's Accounting Policies as compared to the most recent Annual Financial Statements prepared under Previous GAAP. All Accounting Policies and applicable Ind AS have been applied consistently and retrospectively to all the previous years including the previous financial year presented and the Ind AS opening balance sheet as at April 01, 2016 (Transition Date). The resulting difference between the carrying amounts under Ind AS and Previous GAAP as on the Transition Date has been recognized directly in Equity. An explanation of the effect of the transition from Previous GAAP to Ind AS on the Company's equity and profit is provided in Note 46.

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 Lac, 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

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(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

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

III. Significant Accounting Policies for the year ended 31st March, 2019.

(i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The specific recognition criteria described below also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised, when all the significant risks and rewards of ownership of the goods have passed to the buyer, the Company no longer has effective control over the goods sold, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of Goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss.

Interest income

Interest income is recognized on time proportion basis using the effective interest method.

(ii) Government grants and incentives

Government grants are recognised when there is reasonable certainty that the Company will comply with the relevant conditions and the grant will be received. These are recorded at fair value where applicable. Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred

Government grants related to assets are shown as deferred revenue and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the period in which the grant is received.

(III) Inventory Valuation

Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade and Stores & Spares are valued at the lower of cost and net realisable value (except scrap/waste which are value at net realisable value). The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

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(iv) 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.

(v) Property Plant and Equipment

On transition to IND AS, the company has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment (PPE) at fair value. Consequently the fair value has been assumed to be deemed cost of PPE on the date of transition. Subsequently PPE are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

PPE acquired are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Capital work-in-progress includes cost of PPE under installation / under development as at the balance sheet date. Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Depreciation on Property, Plant and Equipment's of all Units is provided as per straight line method over their useful lives as prescribed under Schedule II of Companies Act, 2013. However, in respect of certain property, plant and equipment, depreciation is provided as per their useful lives as assessed by the management supported by technical advice ranging from 1 to 20 years for plant and machinery and 2 to 17 years for buildings. Depreciation on additions due to exchange rate fluctuation is provided on the basis of residual life of the assets. Depreciation on assets costing up to Rs.5000/- and on Temporary Sheds is provided in full during the year of additions.

Depreciation will be charged from the date the assets is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leased Assets

Leasehold lands are amortized over the period of lease, Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

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Intangible Assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

(vi) Research and Development Costs

Revenue expenditure on Research and Development is charged to statement of Profit and loss in the year in which it is incurred and capital expenditure is added to Fixed Asset.

(vii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease.

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability .Finance charges are recognised in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating Lease.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Payments under operating lease are recorded in the Statement of Profit and 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 expected inflationary cost increases.

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(viii) Impairment

The carrying amount of PPEs, 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.

(ix) Financial Assets & Liabilities

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.

(a) Financial Assets at Amortised Cost

At the date of initial recognition, are held to collect contractual cash flows of principal and interest 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.

(b) 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.

(c) Financial Assets at Fair value through Profit or Loss

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

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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.

Derecognition.

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:

a) The Company has transferred substantially all the risks and rewards of the asset, or

b) 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 right 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 or 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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.

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Subsequent Measurement.

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

a) 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.

b) 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.

c) 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.

d) 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.

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 in general, is recognised in profit or loss as other income or finance costs.

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

Compound Financial Instruments.

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(x) Foreign Exchange Transactions

Financial statements are presented in Indian Rupee, which is Company's functional currency. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in Profit and Loss Statement.

(xi) Employee Benefits

a) Defined Contribution Plan:

The Company makes defined contribution to Employees' Regional Provident Fund which is accounted on accrual basis as expenses in the statement of Profit and Loss

b) Defined Benefit Plan:

The Company's Liabilities on account of Gratuity on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19., 'Employee Benefits'. Gratuity Liability is funded on year-to-year basis by contribution to fund managed by the Life Insurance Corporation (LIC). The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not replassified to profit or loss in subsequent periods.

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The Defined Benefit Plan can be short term or Long terms which are defined below:

i) **Short-term Employee Benefit.**

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.

ii) **Long-term employee Benefits**

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date

c) Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred. The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

(a) When the entity can no longer withdraw the offer of those benefits; and

(b) When the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(xii) Earnings per Share (EPS)

Basic 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 outstanding during the period.

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.

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(xii) 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.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 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 eligible period.

(xiii) 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.

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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.

(xiv) 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.

(xv) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xvi) Fair Value Measurements

The Company measures financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market , in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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.

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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.

(xvii) Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

a. Income taxes

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

b. Contingencies

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

c. Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

d. Defined Benefit Plans.

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair Value Measurement of Financial Instruments.

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where
this is not feasible; a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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(xviii) Accounting standards, Interpretations and amendments to existing standards that are effective from 1st April , 2019

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 are effective from 1st April, 2019

1. W.e.f. 1st April 2019 Ind AS 116 Leases will replace Ind AS 17 Leases. There is no classification of Leases as operating or finance Lease for lessees. Under Ind AS 116 Lessee will recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lessee would recognize depreciation expense on the right to use the asset and interest expense on the lease liability and classify the lease payments into principal and interest component. Management is currently reviewing the operating lease contracts in place to determine the impact of this standard.
2. The following standards or amendments made in below mentioned standards are not expected to have a material impact over financial statements:
   - I) Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)
   - ii) Ind AS 109 – Prepayment Features with Negative Compensation
   - iii) Ind AS 19 – Plan Amendment, Curtailment or Settlement
   - iv) Ind AS 23 – Borrowing Costs
   - v) Ind AS 28 – Long-term Interests in Associates and Joint Ventures
   - vi) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

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Note

Rs. In Lacs

2 Property, Plant and Equipment (PPE)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2018	Additions / Adjustments (B)	Sales / Adjustments	As at 31st March, 2019	As at 1st April, 2018	For the period	Sales / Adjustments	As at 31st March, 2019	As at 31st March, 2019	As at 31st Mar, 2018
Land										
Freehold land	6,745 10	-	-	6,745.10	-	-	-	-	6,745.10	6,745.10
Building										
Own use	879.22	-	-	879.22	203.34	83.18	-	286.50	592.72	675.88
Plant & Machinery (Read with note A & B)	20,502.64	-	20,502.64	-	2,967.38	484.93	3,452 31	-	-	17,535.26
Furniture & Fixtures	64.76	11.62	-	76.38	25 90	17.03	-	42.93	33.45	38.86
Vehicles	1.63	45.74	-	47.37	1.09	0.56	-	1.65	45.72	0.54
Office Equipment	-	92.14	-	92.14	-	11.88	-	11.88	80.26	-
Railway Sidings	2 76	-	-	2.76	1 38	0 69	-	2.07	0.69	1.36
Total	28,196.11	149.50	20,502.64	7,842.97	3,199.09	598.25	3,452.31	345.03	7,497.94	24,997.02
Previous Year	28,233.91	-	37.80	28,196.11	1,610.96	1,606.25	18.12	3,199.09	24,997.02	

Note:-

A. On implementation of Approved Resolution Plan and in line with the refurbishment of the Plant & Machinery for its intended use, Net Book Value of Rs 17050 33 Lacs of Plant & Machinery as on 31st July 2018 has been transferred in CWIP for refurbishment/ modification/ modernisation.

B. The management believes that on completion of activities stated in note A above Plant & Machineries will be available for its intended use and estimation of use full life are as stated in clause V of Significant Accounting Policies

3 Other Intangible Assets

Rs. In Lacs

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2018	Additions / Adjustments	Sales / Adjustments	As at 31st March, 2019	As at 1st April, 2018	For the period	Sales / Adjustments	As at 31st March, 2019	As at 31st March, 2019	As at 31st Mar, 2018
Computer Software										
Software	64.69	-	-	64.69	64.69	-	-	64.69	-	-
Total	64.69	-	-	64.69	64.69	-	-	64.69	-	-
Previous Year	64 69		-	64 69	64.69	-	-	64.69	-	-

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Rs. in Lacs

Note			March 31, 2019	March 31, 2018
4	NON CURRENT FINANCIAL ASSETS - OTHERS			
	Deposits with Government Authorities & Others		807 34	1 199.34
		TOTAL	807.34	1,199.34
	Provision on Deposits with Government Authorities & Others		638 82	-
			168.52	1,199.34
5	OTHER NON CURRENT ASSETS			
	Capital Advances		638 39	-
		TOTAL	638.39	-

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Rs. In Lacs

Note		March 31, 2019	March 31, 2018
6	**INVENTORIES**		
	Raw Materials	1,227.20	178.16
	Work-in-Progress @	41.15	-
	Finished Goods @	89.98	19.68
	Stores & Spares #	1,021.60	485.14
	TOTAL	2,379.93	682.98
	# Includes Stores & Spares in transit Rs. 0.65 Lacs (Previous year Rs. Nil).		
	'@ includes in trial/ test run production		
7	**TRADE RECEIVABLES**		
	Unsecured		
	Considered Good	-	647.74
	Credit Impaired	647.74	-
		647.74	647.74
	Less: Allowance for Doubtful Debts	647.74	-
	TOTAL	-	647.74
8	**CASH AND CASH EQUIVALENTS**		
	Cash & Cash Equivalents		
	Current Accounts *	568.96	18.84
	Cash on Hand	1.40	0.24
	TOTAL	570.36	19.08
	* includes Rs. 356.23 Lacs earmarked for specified purposes		
9	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Other Bank Balances		
	Fixed Deposit with Scheduled Banks	443.89	102.38
	TOTAL	443.89	102.38
10	**CURRENT FINANCIAL ASSETS - OTHER**		
	Interest Accrued but not due	4.47	231.40
	Advances to Employees	32.47	173.14
	TOTAL	36.94	404.54
11	**CURRENT TAX ASSETS (Net)**		
	Advance Income Tax/ Tax deducted at source (Net of Provision)	4.10	297.51
	TOTAL	4.10	297.51
12	**OTHER CURRENT ASSETS**		
	Advances Recoverable	28.80	360.06
	Advances to Suppliers	698.76	-
	Indirect Tax Recoverable	1,619.54	-
	Assets held for Sale	-	138.09
	Prepaid Finance Charges	216.88	-
	Employee Defined Benefit Plan (net asset)	177.28	-
		2,741.24	498.15

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Rs. In Lacs

Note		March 31, 2019	March 31, 2018
13	**SHARE CAPITAL**		
	Authorised :		
	Equity Shares - 20,00,00,000 of Rs. 10 each (2,50,00,000 Equity Share of Rs 10 each as at 31-03-2018)	20,000.00	2,500 00
	Preference Shares - 20,000 of Rs. 1 Lacs each (10,00,000 Share of Rs 100 each as at 31-03-2018)	20,000.00	1,000.00
		40,000.00	3,500 00
	Issued, Subscribed and Paid up :		
	Equity Shares - 18,20,00,073 (1,69,85,000 Equity Share of Rs 10 each fully paid up at 31-03-2018)	18,200.01	1,698.50
	Add: Forfeited shares (Till March 31, 2018: 9,154) (Amount originally paid up)	-	0.86
		18,200.01	1,699.36

Notes :

(a) During the FY 2018-19 Company had issued 18,20,00,073 Equity Shares at par which includes 4,30,00,003 Equity Shares issued for consideration other than cash. Money received from issue of Equity Shares has been utilised for the purpose the issue was made

1,69,93,584 fully paid Equity Shares were extinguished/cancelled as per the Approved Resolution Plan dated July 19, 2018 of NCLT, Hyderabad

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

	March 31, 2019	March 31, 2018
Shares outstanding at the beginning of the year	1,69,85,000.00	1,69,85,000.00
Add : Shares issued during the year	18,20,00,073.00	-
Less : Shares cancelled during the year *	1,69,85,000.00	-
Shares outstanding at the end of the year	18,20,00,073.00	1,69,85,000.00

* Shares extinguished/cancelled as per the approved Resolution Plan (refer Note 31 a)

(c) Equity Shares:

The Equity Shareholders have;-

- The right to receive dividend out of balance of net profits remaining after payment of dividend to the preference shareholders. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing general meeting

- The Company has only one class of Equity Shares having face value of Rs. 10/- each and each shareholder is entitled to one vote per share.

- In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, after preferential payments and to have a share in surplus assets of the Company, proportionate to their individual shareholding in the paid up equity capital of the Company.

(d) List of Shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers) :

	March 31, 2019	March 31, 2018
Aravali Securities and Finance Limited	-	41,07,000
Amba Investment Private Limited	-	37,90,067
JK Enviro-tech Limited	13,00,00,000	-
IDBI Bank Limited	1,80,89,729	-
State Bank of India	1,22,57,568	-

(e) Reconciliation of Preference Share Capital (In numbers)

	March 31, 2019	March 31, 2018
Shares outstanding at the beginning of the year	-	-
Add : Shares issued during the year	16,203	-
Shares outstanding at the end of the year	16,203	-

(f) Preference Shares:

The Preference Shareholders have:-

- During the year company has issued Redeemable Preference Shares of Rs. 1,62,03,00,000 for consideration other than cash, to be redeemed at the end of 20 years from the Issue date with dividend of 0.01% p.a. The Equity portion of these Redeemable Preference Shares, on account of Dividend Percentage being lower than effective market rate, is recorded in Other Equity.

- The Company has only one class of Preference Shares having face value of Rs. 1,00,000/- each

- In the event of liquidation the Preference Share Holders will carry a preferential rights over the holder of Equity Shares for payment of Dividend and for payment of Capital, in proportion to their share holding.

(g) List of Shareholders holding more than 5% of the Preference Share Capital of the Company (In numbers)

	March 31, 2019	March 31, 2018
IDBI Bank Limited	6,808	-
State Bank of India	4,818	-
Central Bank of India	3,121	-
Andhra Bank	1,011	-

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Rs. in Lacs

Note		March 31, 2019	March 31, 2018
14	**NON CURRENT FINANCIAL LIABILITIES - BORROWINGS**		
	SECURED		
	Term Loan		
	From Banks	16,453.00	28,405.37
	UNSECURED		
	Liability Component of Redeemable Preference Share	4,801.84	-
	Deferred Sales tax Loan from A P Gov	-	2,837.66
		21,254.84	**31,243.03**
	Less : Current Maturities of Long Term Borrowings	-	28,405.37
	TOTAL	**21,254.84**	**2,837.66**

A. Term Loans of Rs. 16613.94 Lacs from Bank is secured by means of first pari passu mortgage/charge on the fixed assets of the company, and is further secured by second charge on the current assets of the Company. JK Paper Ltd. (Ultimate Parent Company) has also extended the Letter of Comfort towards the above loans ThisTerm Loan is repayable in 36 equal quarterly instalments from December 2021 to September 2030

B. Secured Term loans from Bank has been reduced by Rs. 160.94 Lacs due to effective rate of interest.

C. During the previous year company had issued Redeemable Preference Shares, to be redeemed at the end of 20 years from the issue date with dividend of 0.01% p.a. The Equity portion of these Redeemable Preference Shares, on account of Dividend Percentage being lower than effective market rate, is recorded in Other Equity.

		March 31, 2019	March 31, 2018
15	**NON CURRENT FINANCIAL LIABILITIES - OTHER**		
	Trade Deposits	27.00	10.10
	TOTAL	**27.00**	**10.10**
16	**NON CURRENT PROVISIONS**		
	Provision for Employee Benefits	-	926.46
	TOTAL	**-**	**926.46**
17	**DEFERRED TAX LIABILITIES**		
	Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	4,214.90	7,642.31
	Tax on carried forward unabsorbed Depreciation and losses #	(4,214.90)	(7,642.31)
a	**Total Deferred Tax Liability**	-	-
	Opening MAT Credit Entitlements		
	Current MAT Credit Entitlement		
b	**Total MAT Credit Entitlement**	-	-
c	**Net Deferred Tax Liability (a+b)**	-	-

The Company has recognised deferred tax asset on unabsorbed depreciation and / or brought forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax. As such, deferred tax assets (net) amounting to Rs. 14810.01 Lacs. (Previous Year Rs. 13216.04 Lacs.), has not been recognised since comercial operation at plant yet not been started and activities are under test / trial runs and as stated in note no 2 (B), refurbishment of Plant & Machinery is in progress.

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V.18

Rs. In Lacs

Note			March 31, 2019	March 31, 2018
18	**CURRENT FINANCIAL LIABILITIES - BORROWINGS**			
	SHORT TERM BORROWINGS			
	SECURED			
	Working Capital Borrowings from Bank		-	5,266.35
	UNSECURED			
	Buyer's Credit facilities from Bank		-	520.00
		TOTAL	-	5,786.35
19	**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE**			
	Acceptances			
	Trade Payable			
	Total outstanding dues of Micro and Small Enterprises (refer note 38)		221.43	608.37
	Total Outstanding dues of Creditors other than Micro and Small Enterprises #		875.90	8,469.47
		TOTAL	1,097.33	9,077.84
	# includes Rs. 369.38 Lacs Payable to JK Paper Ltd. (Related Party)			
20	**CURRENT FINANCIAL LIABILITIES - OTHER**			
	Current Maturities of Non Current Borrowings		-	28,405.37
	Interest Accrued but not due		5.77	1,515.88
	Advances from related parties			
	JK Paper Ltd. (Ultimate Parent Company)		360.71	-
	JK Enviro-tech Ltd. (Holding Company)		11.24	-
	Capital Creditors		1,433.38	-
	Other Payables		169.00	3,207.23
		TOTAL	1,980.10	33,128.48
21	**OTHER CURRENT LIABILITIES**			
	Advance from Customers		-	1,196.21
	Statutory Dues		62.56	789.24
	Other Payables		0.18	-
		TOTAL	62.74	1,985.45
22	**SHORT TERM PROVISIONS**			
	Provision for Employee Benefits		109.41	61.51
		TOTAL	109.41	61.51

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Note			2018-19	2017-18
23	OTHER OPERATING REVENUES			
	Miscellaneous Income		95.44	-
		TOTAL	95.44	-
24	OTHER INCOME			
	Interest Income		35.82	59.45
	Profit on sale of Fixed Assets		-	6.53
	Miscellaneous Income		69.19	95.52
		TOTAL	105.01	161.50
25	COST OF MATERIALS CONSUMED			
	Hardwood & Bamboo		-	-
	Pulp		-	-
	Chemicals		-	-
	Packing Material		-	-
		TOTAL	-	-
26	**Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress**			
	Inventories at the beginning of the year			
	Finished Goods		19.68	128.63
	Work-in-Progress		-	360.31
			19.68	488.94
	Less:- Obsolete Inventory/(reversal)		(98.82)	469.26
	Inventories at the end of the year			
	Finished Goods		89.98	19.68
	Work-in-Progress		41.15	-
			131.13	19.68
	Less:- Transfer to Pre-Operative Expense (Including of WIP of Rs. 41.15 Lacs)		(78.12)	-
		TOTAL	85.49	0.00
27	EMPLOYEE BENEFIT EXPENSES			
	Salaries, Wages, Allowances, etc		59.02	112.99
	Contribution to Provident and Other Funds		2.20	7.57
	Staff Welfare Expenses		21.14	-
		TOTAL	82.36	120.56
28	FINANCE COST			
	Interest on:			
	Redeemable Preference Share		200.18	-
		TOTAL	200.18	-
29	DEPRECIATION AND AMORTISATION EXPENSES			
	Depreciation on Property, Plant & Equipment		598.25	1,606.25
		TOTAL	598.25	1,606.25
30	OTHER EXPENSES			
	Power, Fuel and Water		-	1,420.00
	Repairs to Machinery		2.97	-
	Professional Charges		58.12	8.47
	Fees for Increase in Authorised Capital		227.44	-
	Recruitment Expenses		19.44	-
	Rent		1.57	8.24
	Directors' Fees		2.38	-
	Obsolete Inventory		-	1,576.88
	Other Miscellaneous Expenses		111.38	56.47
		TOTAL	423.30	3,070.06

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS

31 Resolution Plan under Corporate Insolvency Resolution Process

a 1 A corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Hyderabad Bench of the National Company Law Tribunal ("NCLT") dated September 18, 2017. Subsequent to that, on July 19, 2018, the NCLT has approved the terms of the Resolution Plan submitted by JK Paper Ltd ("JKPL"), which provides, inter alia, the acquisition of the Company by JKPL.

Pursuant to the Resolution Plan, Rs. 37104 Lacs has been settled by the JKPL and JK Enviro-tech Limited (JKETL), a subsidiary of the JKPL, towards financial creditors, corporate insolvency resolution process cost, admitted operational creditors, workmen and employee dues, etc. This consists of cash payment of Rs. 16604 Lacs & Issue of securities consisting equity shares of Rs 4300 Lacs and preference shares of Rs 16203 Lacs by the Company

To fund the cash required for settlement as per the Resolution Plan, JKPL and its subsidiary JKETL, together subscribed to 76.37% of the equity share capital of the SPML for an aggregate amount of Rs. 13900 Lacs. The remaining 23.63% of SPML's equity share capital is given to the erstwhile lenders of the SPML as part of the settlement plan given in the Resolution Plan for Rs. 4300 Lacs.

On approval of the Resolution Plan by the NCLT, all other liabilities or obligations of the Company, whether admitted or not, due or contingent, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company, in relation to any period prior to the Completion Date is written off in full and shall stand permanently extinguished and the Company shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

a 2 All the assets prior to the Completion date which are not realsable have also been written off/ provided for. As per the approved resolution plan, the paid-up equity share capital of Rs. 1699.38 Lacs had been extinguished/cancelled and equal amount has been credited to the Capital Reserve.

b Post implementation of the resolution plan, Net Effect of Rs. 13793.34 Lacs (net off Rs. 1248.71 Lacs write-off of receivables/ loans) is credited to the Capital Reserve as stated in the Approved Resolution Plan.

32 CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Rs. in Lacs

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Claim against the company not acknowledged as debts.		
	Excise duty/ Custom duty/Service tax liability in respect of matter in appeals	-	1,441.71
	Sales tax/ VAT liability in respect of matter in appeals	-	324.56
	Demand from Government of Andhra Pradesh	-	2,201.87
	Income tax liability that may arise in respect of matters in appeal referred by the department	-	528.12
	State levies	-	941.77
	Labour related cases	-	351.32
	Other matters	77.29	775.44
b)	Commitments:		
	Contracts remaining to be executed on capital account (Net of Advances)	6,800.59	-

As per the Resolution Plan as approved by Hon'ble National Company Law Tribunal ("NCLT"), on July 19, 2018, all the past liabilities other than settled as part of the Resolution Plan including contingent liabilities, whether crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Completion Date i.e. 1st August 2018, stands extinguished and the Company is not be liable to pay any amount against such demands. Upon approval of this Resolution Plan by the NCLT, all outstanding litigations/ demands, assessements/ appellate or other proceedings, including but not limited to any audits, investigations, search and seizure, pending in case of the Company relating to the period prior to the Completion Date, stands terminated and all consequential liabilities, if any, stands abated and is considered not to be paid by the Company.

33 Expenditure incurred on Corporate Social Responsibilities

In view of the losses in the preceeding 3 years, there is no obligation to spend on CSR activities under Sec 135 of the Coampanies Act 2013.

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34 Interest Income includes Rs. 4.98 Lacs (Previous year Rs 27.74 Lacs) on Deposits with Banks and Rs. 30.85 Lacs (Previous year Rs. 31.70 Lacs) on others.

35 OTHER DISCLOSURE REQUIRED BY STATUTE

Rs. In Lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Auditors Remuneration (including taxes)		
1. Statutory Auditors		
i. Audit Fee *	11.21	-
ii. Out of Pocket Expenses	0.04	-
Total	11.25	-

* Including Rs. 7.08 Lac paid to erstwhile Auditor

36 Capital Work in progress includes machinery, building under construction and the following expenses pending allocation / capitalization (including with respect to modification/modernisation/refurbishment of the plant & Machinery)

Rs. In Lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of Pulp	273.80	-
Consumption of Wood	27.83	
Consumption of Chemicals	64.09	
Consumption of Packing Material	0.54	
Consumption of Stores and Spares	88.09	-
Salaries, Wages, Allowances, etc.	482.82	-
Contribution to Provident and Other Funds	94.26	-
Staff Welfare Expenses	3.87	-
Power, Fuel and Water	1,019.19	
Interest Capitalised	571.54	-
Insurance	62.99	-
Miscellaneous Expenses	206.88	-
Less: Closing Stock (Finished Goods Rs. 36.97 Lacs and Work-In-Progress Rs. 41.15 Lacs)	(78.12)	-
	2,797.58	0.00

37 EARNING PER SHARE

Rs. In Lacs

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Profit /(Loss) after tax for Basic and Diluted Earnings Per share	(1,169.13)	(4,835.37)
b)	Weighted Average Number of Ordinary Shares	12,80,47,222	10,99,35,940
c)	Nominal Value of Ordinary Shares	Rs. 10/-	Rs. 10/-
d)	Basic Earning Per Ordinary Share (Rs.)	(0.92)	(2.73)
e)	Diluted Earning Per Ordinary Share (Rs.)	(0.92)	(2.73)

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS

38 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small entrprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Rs. in Lacs

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a)	Principal amount and interest due thereon remaining unpaid to any supplier as on	NIL	861.53
b)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	NIL	NIL
c)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	NIL	NIL
d)	the amount of interest accrued and remaining unpaid	NIL	253.16
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	NIL	NIL

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39 EMPLOYEE BENEFITS

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year

a) Defined Contribution Plans:-
Amount recognized as an expense/capitalised and included in Note 27 & 36 Item 'Contribution to Provident and Other Funds Rs 32 43 Lacs (Previous year Rs. 7.57 Lacs) for Employees' Provident Fund

b) Defined benefits plans
Gratuity Expense Rs. 54 72 Lacs (Previous year NIL) has been recognized in "Contribution to Provident and Other Funds" under Note 36, as per Actuarial Valuation

The company did not carry out actuarial valuation for retirement benefits for the year ended March 31, 2018 and no provision for the same was made

Rs. In Lacs

	Particulars	Year ended March 31, 2019 Gratuity Funded
I	**Change in present value of obligation during the period**	
	Present value of obligation at the beginning of the period	2,253.68
	Included in profit and loss:	
	- Current Service Cost	40.38
	- Interest Cost	120 19
	- Past Service Cost	-
	- Actuarial Gain/(Loss)	-
	Included In OCI:	
	Actuarial losses/(gains) arising from	
	- Experience adjustments	(100.92)
	- Financial assumption	32.44
	Others	
	Benefits Paid	(714 71)
	Present Value of obligation as at year-end	1,631.06
II	**Change In Fair Value of Plan Assets during the period**	
	Plan assets at the beginning of the period	1,984.70
	Included in profit and loss:	
	Expected return on plan assets	105.85
	Included in OCI:	
	Actuarial Gain/(Loss) on plan assets	(23.35)
	Others:	
	Employer's contribution	455.85
	Benefits paid	(714.71)
	Plan assets at the end of the year	1,808.34
	The plan assets are managed by the LIC	
III	**Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets**	
1	Present Value of obligation as at year-end	(1,631.06)
2	Fair value of plan assets at year -end	1,808.34
3	Funded status {Surplus/(Deficit)}	177.28
	Net Asset/(Liability)	177.28
IV	**Expenses recognised in the Statement of Profit and Loss**	
1	Current Service Cost	40.38
2	Interest Cost	120.19
3	Past service Cost	-
4	Expected return on plan assets	(105.85)
	Total Expense	54.72
V	**Expenses recognised in the Statement of Other Comprehensive Income**	
1	Net Actuarial (Gain)/Loss	(68.48)
2	Expected return on plan assets excluding interest income	23.35
	Total Expense	(45.13)

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Rs. in Lacs

Particulars	Year ended March 31, 2019 Gratuity Funded
VI Constitution of Plan Assets	
1 Equity Instruments	-
2 Debt Instruments	-
3 Property	-
4 Insurance	1,808.34
VII Bifurcation of PBO at the end of the year	
1 Current Liability/(Assets)	(177.28)
2 Non-Current Liability/(Assets)	-
VIII Actuarial Assumptions	
1 Discount Rate	7.59%
2 Expected rate of return on plan assets	7.59%
3 Mortality Table	IALM (2006-08)
4 Salary Escalation	5.00%
5 Turnover Rate	Age up to 30-3%, up to 44-2%, above 44-1%

IX The expected contribution for Defined Benefit Plan for the next financial year will be Rs. Nil

X **Sensitivity Analysis**

Rs. in Lacs

Gratuity	March 31, 2019	
	Increase	Decrease
Discount rate (1% movement)	(76.75)	85.34
Future salary growth (1% movement)	86.69	(79.28)
Employee turnover (1% movement)	13.43	(14.62)

XI **Maturity Profile of projected benefit obligation from the fund**

	March 31, 2019 Gratuity Funded
1st Following Year	327.33
2nd Following Year	80.11
3rd Following Year	249.62
4th Following Year	187.57
5th Following Year	177.73
Sum of Years 6 To 10	688.56
Sum of Years 11 and above	913.25

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40 RELATED PARTY DISCLOSURES

a) List of Related Parties

i. Holding Company

JK Enviro-Tech Ltd (JKETL) (w.e.f 1st August 2018)
JK Paper Ltd (JKPL), Ultimate Parent Company (w.e.f 1st August 2018)

ii. Fellow Subsidiary of Holding Company

Songadh Infrastructure & Housing Limited (w.e.f 1st August 2018)
Jaykaypur Infrastructure & Housing Limited (w.e.f 1st August 2018)
JK Paper International (Singapore) Pte Ltd (w.e.f 1st August 2018)

iii. Trust under common control

The Sirpur Paper Mills Ltd. Employees Gratuity Fund

iv. Entity holding more than 20%

Aravali Securities and Finance Limited (till 31st July 2018)
Amba Investment Private Limited (till 31st July 2018)

v. Key Management Personnel (KMP)

Executive Directors
Shri Veda Kumar Nimbagal (till 31st July 2018)

Executives
Shri Virupakshan Kumaraswamy, Manager (w.e.f 1st August 2018)
Shri Kamal Kumar Lakhotia, Chief Financial Officer (w.e.f 1st August 2018)
Shri Rajesh Tripathi, Company Secretary (w.e.f 1st August 2018)

Non-Executive Directors
Shri Santosh Kumar Mantri (till 31st July 2018)
Shri Mukesh Sharma (till 31st July 2018)
Ms Sunita Rana (till 31st July 2018)
Shri Om Prakash Goyal (w.e.f 1st August 2018)
Shri Virupakshan Kumaraswamy (w.e.f 1st August 2018)
Shri Udayan Bose (w.e.f 1st August 2018)
Shri Pavan Kumar Suri (w.e.f 1st August 2018)
Shri Nagaraju Srirama (w.e.f 1st August 2018)
Smt. Sandhya Bai Yashawani (w.e.f 1st December 2018)

vi. KMP of Parent Company (JKETL)

Non-Executive Directors
Shri P.S Sharma (till 11th July 2018)
Shri Vinit Marwaha
Shri Ashok Gupta
Shri Kalpataru Tripathy (w.e.f 19th July 2018)
Shri. Pramod Kumar Jain (w.e.f 19th July 2018)
Executives
Shri. Ashok Gupta, Manager and Chief Finance Officer (w.e.f 19th July 2018)
Ms Pooja Gurwala, Company Secretary (w.e.f 19th July 2018)

b) The following transactions were carried out with related parties in the ordinary course of business.

Rs. In Lacs

Sl. No	Nature of Transactions	Holding Companies			
		JKETL		JKPL	
		2018-19	2017-18	2018-19	2017-18
(i)	Purchase of Material		-	387.65	-
(ii)	Purchase of Fixed Assets			243 87	
(iii)	Reimbursement of Expenses – Paid	72 12	-	199.76	-
(iv)	Rent Paid		-		-
(iv)	Interest Paid		-	68 94	-
(v)	Equity Share Capital Received	13,000.00		900.00	
(vi)	Loans Received		-	5,500.00	-
(vii)	Loan Paid		-	5,500.00	-
(vii)	Purchase of share of JK Paper International (Singapore) Pte. Ltd.		-		-
(viii)	Outstanding at end of the period - Payable	11.24	-	730 08	-

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Sl. No	Nature of Transactions	Trust under common control	
		Employees Gratuity Fund	
		2018-19	2017-18
(i)	Contribution	462.50	-

Sl. No	Nature of Transactions	Entity holding more than 20%	
		2018-19	2017-18
(i)	Unsecured short term loan received	-	85.00
(ii)	Outstanding at end of the period - Payable	-	520.00

Key Management Personnel (KMP) :

Sl. No	Particulars	2018-19	2017-18
(i)	Short-term Employee Benefits #	21.18	-
(ii)	Sitting Fees to Non-Executive Directors	2.38	-
(iii)	Management contracts	-	4.67
(iv)	Termination benefits	-	-
(v)	Share based payment	-	-

The above said remuneration is excluding provision for Gratuity, where the actuarial valuation is done on overall Company basis

The above remuneration is only of CFO.

Note: The Company paid an honorarium of Rs. 4.80 lacs to Shri Harsh Pati Singhania, Vice Chairman & Managing Director of JK Paper Limited (Ultimate Parent Company), a related party, as an Advisor for the period from 13th November 2018 to 31st March 2019

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41 FINANCIAL INSTRUMENTS

Rs. In Lacs

Financial Assets

SI.No		Particulars	Note	As at March 31, 2019		As at March 31, 2018	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1		Financial assets designated at fair value through profit and loss		-	-	-	-
2		Financial assets designated at fair value through other comprehensive Income		-	-	-	-
3		Financial assets designated at amortised cost					
	a)	Other Bank Balances *		443.89	443.89	102.38	102.38
	b)	Cash & Cash Equivalents *		570.36	570.36	19.08	19.08
	c)	Trade receivables *		-	-	647.74	647.74
	d)	Other receivables *		-	-	-	-
	e)	Other financial assets		205.46	205.46	1,603.88	1,603.88
4		Investment in Subsidiary Companies and Joint Ventures		-	-	-	-
				1,219.71	1,219.71	2,373.08	2,373.08
					-		-

Financial Liabilities

SI.No		Particulars		As at March 31, 2019		As at March 31, 2018	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1		Financial liability designated at fair value through profit and loss		-	-	-	-
2		Financial liability designated at amortised cost					
	a)	Borrowings	A	21,254.84	21,254.84	8,624.01	8,624.01
	b)	Trade payables *		1,097.33	1,097.33	9,077.84	9,077.84
	c)	Other financial liability *		2,007.10	2,007.10	33,138.58	33,138.58
				24,359.27	24,359.27	50,840.43	50,840.43
					(0.00)		-

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions to estimate the fair values.

A Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

* The carrying amounts are considered to be the same as their fair values due to short term nature

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42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

42.1 Financial risk factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also. Whenever, the currency cover costs are such as to neutralize the advantage in foreign currency, loans are hedged so as to not to lose advantage. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

I. Credit Risk

The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company. The company has stop supply mechanism in place in case outstanding goes beyond agreed limits.

II. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a.) Foreign Currency Risk and sensitivity

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. As on date the Company's imports are not substantial and hence Foreign Exchange Risks are not substantial. Wherever required, Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management practices, including the use of derivatives like foreign exchange forward contracts and Option contracts to hedge exposure to foreign currency risk.

There is no foreign currency financial instruments outstanding as on March 31, 2019

b. Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. Borrowings at variable rates exposes it to cash flow risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

Interest Rate Risk Exposure

Rs. in Lacs

Particulars	31st March, 2019		31st March, 2018	
	(Rs. in Crores)	% of Total	(Rs. in Crores)	% of Total
Fixed Rate Borrowings	4,801.84	22.59%	2,837.66	7.66%
Variable Rate Borrowings	16,453.90	77.41%	34,191.72	92.34%
Total Borrowings	21,254.84	100.00%	37,029.38	100.00%

Sensitivity on variable rate borrowings

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Interest Rate Increase by 0.25%	41.53	85.48	41.53	85.48
Interest Rate decrease by 0.25%	(41.53)	(85.48)	(41.53)	(85.48)

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS

c. Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible

CREDIT RISK

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. There is no credit risk exposure as of March 31, 2019 (Rs. 647.74 Lacs as of March 31, 2018). Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers

Because the Plant was shut, there is no revenue genearted during the year (Previous Year NIL), therefore the information required in respect of percentage of revenues generated from top customers is not there

Credit risk exposure

Because the Plant was shut, there is no revenue generated during the year (Previous Year NIL) and therefore the information required in respect of percentage of credit risk exposure and allowance for lifetime expected credit loss is not there

The deposits with banks comprises mostly the liquid investment of the company and are generally not exposed to credit risk

Ageing Analysis of Trade Receivables

Rs in Lacs

Particulars	As 31st March, 2019				As 31st March, 2018			
	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months
Unsecured				647.74				647.74
Provision for Doubtful Receivables				647.74				-
Net Balance	-	-	-	-	-	-	-	647.74

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirement. The company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The company also has adequate credit facilities agreed with the banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Rs in Lacs

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Non-Current	21,254.84	-	6,460.98	14,793.86	21,254.84
Trade payables	1,097.33	1,097.33	-	-	1,097.33
Other financial liabilities - Current	1,980.10	1,980.10	-	-	1,980.10
<u>Other financial liabilities - Non-Current</u>					
Trade Deposits	27.00	-	27.00	-	27.00
Interest accrued but not due on loans					-

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018.

Rs. in Lacs

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	5,786.35	5,786.35	-	-	5,786.35
Borrowings - Non-Current	2,837.66	-	2,837.66	-	2,837.66
Trade payables	9,077.84	9,077.84	-	-	9,077.84
Other financial liabilities - Current	33,128.48	33,128.48	-	-	33,128.48
<u>Other financial liabilities - Non-Current</u>					
Trade Deposits	10.10	-	-	10.10	10.10

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42.2 Competition and Price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

42.3 Capital Risk Management

Rs. in Lacs

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

	As at March 31 2019	As at March 31 2018
Borrowings	21,254.84	37,029.38
Less: cash and cash equivalents including bank balance	1,014.25	121.46
Net debt	20,240.59	36,907.92
Equity	17,504.28	(24,965.11)
Capital and Net debt	37,744.87	11,942.81
Gearing Ratio	54%	309%

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43 Derivative financial Instruments

The Company did not enter into any derivative transactions during the year. There is no Foreign Currency Exposure Outstanding at the end of the Year.

44 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-
(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

45 Income Tax Rs. in Lacs

a) Amount recognised In Statement of Profit and Loss

Particulars	2018-19	2017-18
Current Income Tax		
Current year	-	-
Adjustment in respect of current income tax of earlier years	-	-
MAT Credit Entitlement		
Current year	-	-
Reversal of MAT credit entitlement of earlier years	-	-
Total	-	-
Deferred Tax *	-	-
Income tax expense reported In the statement of profit and loss	-	-

* Deferred tax assets of Rs. 14610.01 Lacs (Previous Year 13216.04 Lacs) have not been recognised in respect of business losses and unabsorbed depreciation since plant is yet to start its operation and will be reviewed once it is in operation.

b) Reconciliation of Effective Tax Rate

Particulars	2018-19	2017-18
Profit before tax	(1,169.13)	(4,635.37)
At applicable Statutory Income Tax Rate CY 34.944%	(408.54)	(1,619.78)
<u>Tax Impact on:-</u>		
Deferred Tax Asset not recognised on business losses and unabsorbed depreciation	408.54	1,619.78
Reported Income Tax Expense	-	-
Effective Tax Rate	0.00%	0.00%

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46 First Time Adoption of Ind AS

These financial statements, for the year ended 31 March 2019, have been prepared in accordance with Ind AS. for the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101- First time adoption of Indian Accounting Standards, with April 01, 2016 as the transition date and IGAAP as the previous GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2018

i) Deemed Cost of Property, Plant & Equipment

The Company has elected to measure items of Property, Plant & Equipment (PPE) at the date of transition to Ind AS at their fair value. The Company has used the fair value of PPE, which is considered as deemed cost on transition. Fair valuations are assessed as on 1st April, 2016

ii) Fair value of financial assets and liabilities

The Company has elected for transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.

a) Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
As Per IGAAP	33,071.25	36,838.22	40,502.32
Adjustments of			
Revaluation reserve	(3,850.49)	(3,850.49)	(3,850.49)
General reserve	(403.73)	(403.73)	(403.73)
Impact of Fair Valuation of PPE	(1,162.96)	(1,162.96)	(1,162.96)
Impact of Depreciation	1,194.66	550.13	-
Total Adjustment	**(4,222.52)**	**(4,867.05)**	**(5,417.18)**
As per Ind AS	**28,848.74**	**31,971.17**	**35,085.14**

b) Reconciliation Statement of Profit & Loss as previously reported under IGAAP to Ind AS

As Per IGAAP	(5,279.91)	(2,554.88)
Adjustments of		
Impact of Depreciation	644.53	550.13
As per Ind AS	**(4,635.38)**	**(2,004.75)**

c) Equity Reconciliation

Total Equity (Shareholder's fund) as Per Previous GAAP	(22,442.01)	(17,162.12)	(14,607.22)
Adjustments			
Revaluation reserve	(3,850.49)	(3,850.49)	(3,850.49)
General reserve	(403.73)	(403.73)	(403.73)
Impact of Fair Valuation of PPE	(1,162.96)	(1,162.96)	(1,162.96)
Impact of Depreciation	1,194.66	550.13	-
Total Adjustments	**(4,222.52)**	**(4,867.05)**	**(5,417.18)**
Equity Attributable to Owners of the Company as per Ind AS	(26,664.53)	(22,029.17)	(20,024.40)

The Company has considered fair value as deemed cost of Property Plant and Equipments i.e Land, Building and Plant & Machinery and re assessed useful life (as assessed and estimated by the Technical Valuer) as on the date of transition to Ind AS i.e 1st April 2016 and impact of Rs.1162.96 lacs of fair valuation being accounted for in reserves. The depreciation as per Ind AS has been accounted on fair value and on revised useful life.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS

47 **Segment Information**

Information about primary segment

The Company has only one business segment i.e. Paper and Board and one geographical reportable segment i.e. Operations mainly within India. The performance is reviewed by the Board of Directors (Chief operating decision makers).

48 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

49 Notes 1 to 48 are annexed to and form an integral part of financial statements.

For and on behalf of the Board of Directors

As per our report of even date attached

for LODHA & CO
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 1st May, 2019

LODHA & CO. New Delhi Chartered Accountants

V. Kumaraswamy

Directors

V.K. Gilhotra
Chief Finance Officer

Company Secretary

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

Rs. In Lacs

		2018-19		2017-18	
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit before Tax and Extra-ordinary Items	(1,169.13)		(4,635.37)	
	Adjustments for :				
	Depreciation	598.25		1,606.25	
	Defined Benefit Plans charged to OCI	45.13		-	
	(Profit)/ Loss on Sale of Assets (Net)	-		(6.53)	
	Finance Cost	200.18		-	
	Interest Income	(35.82)		(59.45)	
	Operating Profit before Working Capital Changes	(361.39)		(3,095.10)	
	Adjustments for Working Capital Changes:				
	Trade and Other Receivables	(2,912.14)		(10.58)	
	Inventories	(1,775.52)		1,584.52	
	Trade and Other Payables	(1,088.85)		1,427.94	
	Cash generated from Operations	(6,137.90)		(93.22)	
	Taxes paid	(0.87)		(6.85)	
	Net Cash from Operating Activities		(6,138.77)		(100.07)
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property Plant & Equipment	(9,635.94)		-	
	Sale of Property Plant & Equipment	-		26.21	
	Interest Received	31.35		5.98	
	Net Cash from Investing Activities		(9,604.59)		32.19
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from Issue of Equity Share Capital	13,900.01		-	
	Proceeds of Long-term Borrowings	16,813.94		-	
	Proceeds from Inter-corporate Deposit	6,000.00			
	Repayment of Long-term Borrowings	(13,500.00)		-	
	Repayment of Inter-corporate Deposit	(6,000.00)			
	Proceeds/(Repayment) from Short-term Borrowings (Net)	-		85.00	
	Interest and Financial Charges	(377.80)		-	
	Net cash from Financing Activities		16,836.15		85.00
D.	Increase/(Decrease) in Cash and Cash Equivalents - Cash & Bank Balance		892.79		17.12
E.	Cash and Cash Equivalents as at the beginning of the year - Cash & Bank Balances (Note No. 8 & 9)		121.46		104.34
F.	Cash and Cash Equivalents as at the close of the year - Cash & Bank Balances (Note No. 8 & 9)		1,014.25		121.46

Notes :

		2018-19 Long Term	2018-19 Short Term	2017-18 Long Term	2017-18 Short Term
(a)	**Total Liabilities from Financing Activities**	**Long Term**	**Short Term**	**Long Term**	**Short Term**
	Opening	31,243.03	-	31,243.03	5,701.35
	Cash Flow Changes				
	Inflow/(Repayments)	3,113.94	-	-	(5,701.35)
	Non-Cash Flow Changes				
	Other	(160.94)	-	-	-
	Closing	34,196.03	-	31,243.03	-

(b) Previous year's figures have been re-grouped / re-arranged wherever necessary.

For and on behalf of the Board of Directors

As per our report of even date attached

for LODHA & CO.
Chartered Accountants
Firm's Registration Number 301051E

(N.K LODHA)
Partner
Membership No. 85155
New Delhi, the 1st May, 2019

LODHA & CO. New Delhi Chartered Accountants

Directors

Chief Finance Officer

Company Secretary