

INDEPENDENT AUDITOR'S REPORT**To the Members of The Sirpur Paper Mills Limited**

Report on the 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 2021, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, 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.

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.

The 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 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.

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

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

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

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.
 - 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.

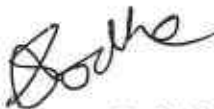


- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the 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) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid/payable by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 33(a) and (b) 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.

For LODHA & CO.

Chartered Accountants

Firm's Registration No.301051E



(Gaurav Lodha)

Partner

Membership No. 507462

UDIN: 21507462AAAAJR7015

Place: New Delhi

Date: 17th May 2021



"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, 2021, we report that:

- i a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As informed to us, the Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its 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 of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii The inventories (except stock in transit) of the Company, have been physically verified by the management during the year. 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. Further, we have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.
- 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 product to which the said rules are made applicable and are of the opinion that, prima facie, 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.



- vii a) According to the information and explanation and based on records ,the Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no arrears of undisputed statutory dues as at 31st March, 2021, which were outstanding for a period of more than six months from the date they became payable.
- b) There are no disputed dues which have remained unpaid as on 31st March, 2021 on account of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty and duty of excise.
- viii In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks. The company has neither taken any loan from the government and financial institutions nor having any outstanding debentures during the year
- 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 fraud by the company or on the company by its officers or employee has been noticed or reported during the year under audit.
- xi In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act.
- 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 177 and 188 of the Act in respect of transactions with related parties and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. (Read with note no.41)
- xiv According to the information and explanations give to us, the Company has not made preferential allotment of redeemable preference shares during the year in terms of provisions of section 42 of the Act.
- 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



(Gaurav Lodha)

Partner

Membership No. 507462

Place: New Delhi

Date: 17th May 2021



**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, 2021 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 were 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.



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 by the management of the Company, 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 31st March, 2021, 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


(Gaurav Lodha)
Partner
Membership No. 507462
Place: New Delhi
Date: 17th May 2021



THE SIRPUR PAPER MILLS LIMITED

BALANCE SHEET AS AT MARCH 31, 2021

Rs. In Lacs

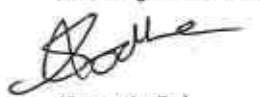
	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	54,434.01	55,301.63
Capital Work-in-Progress		14,103.47	4,870.87
Other Intangible Assets	3	234.99	231.92
Financial Assets			
Other Financial Assets	4	1,013.88	647.64
Other Non-Current Assets	5	484.90	929.64
		70,271.25	61,981.70
Current Assets			
Inventories	6	3,739.38	5,089.85
Financial Assets			
Trade Receivables	7	1,681.36	6.50
Cash and Cash Equivalents	8	168.95	386.80
Bank Balances other than above	9	828.29	562.78
Other Financial Assets	10	15,364.70	9,602.61
Current Tax Assets (Net)	11	23.90	10.77
Other Current Assets	12	8,215.70	6,396.82
		30,022.26	22,056.13
		1,00,293.51	84,037.83
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	18,200.01	18,200.01
Other Equity	SOCE	(10,166.79)	(2,336.88)
		8,033.22	15,863.13
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	74,068.93	54,179.17
Other Financial Liabilities	15	1,760.62	379.23
Deferred Tax Liabilities (Net)	16	-	-
Other Non-Current Liabilities	17	4,583.33	4,783.33
		80,412.88	59,341.73
Current Liabilities			
Financial Liabilities			
Borrowings	18	584.02	301.87
Trade Payables	19		
Micro & Small Enterprises		186.36	25.15
Others		5,382.67	4,451.48
Other Financial Liabilities	20	5,359.95	3,672.83
Other Current Liabilities	21	341.47	344.06
Provisions	22	12.94	37.58
		11,847.41	8,832.97
		1,00,293.51	84,037.83
Total Equity and Liabilities			
Significant Accounting Policies	1		

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



(Gaurav Lodha)
Partner
Membership No. 507482
Dated : 17th May, 2021



 Chief Finance Officer

 Company Secretary

Directors

THE SIRPUR PAPER MILLS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021

		Rs. in Lacs	
	Note	2020-21	2019-20
Revenue :			
Net Sales	23	20,333.20	5,335.39
Other Operating Revenue	24	151.28	71.98
Revenue from Operations		20,484.48	5,407.37
Other Income	25	6,460.09	3,036.73
Total Revenue		26,944.57	8,444.10
EXPENSES			
Cost of Materials Consumed	26	12,212.44	4,995.96
	27	374.66	(1,044.14)
Changes in Inventories of Finished Goods and Work-in-Progress			
Employee Benefits Expense	28	4,479.09	1,029.12
Finance Costs	29	4,947.22	743.13
Depreciation and Amortisation Expenses	30	1,889.63	429.08
Other Expenses	31	11,003.14	4,458.42
Total Expenses		34,906.18	10,611.57
Profit/(Loss) Before Interest, Depreciation & Tax (PBITD)		(1,124.76)	(995.26)
Profit/(Loss) Before Tax		(7,961.61)	(2,167.47)
Tax Expense			
Current Tax (MAT)		-	-
Less : MAT Credit Entitlement		-	-
Provision / (Credit) for Deferred Tax		-	-
Profit/(Loss) for the Year		(7,961.61)	(2,167.47)
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
(i) Re-measurement Gain/(Loss) on Defined Benefit Plans		131.70	(3.93)
(ii) Tax on (i) above		-	-
Total Other Comprehensive Income for the Year		(7,829.91)	(2,171.40)
Earnings per Equity Shares			
1) Basic (in ₹)		(4.37)	(1.19)
2) Diluted (in ₹)		(4.37)	(1.19)

Significant Accounting Policies


1

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

As per our report of even date attached

For and on behalf of the Board of Directors

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


(Gaurav Lodha)
Partner
Membership No. 507462
Dated : 17th May, 2021




V. Kumaraswamy
Chief Finance Officer


Directors

Company Secretary

(2)

THE SIRPUR PAPER MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

Note- SOCE

Rs. in Lacs

A. Equity Share Capital

APRIL 01, 2019	Changes in Equity Share Capital		Changes in Equity Share Capital	
	during 2019-20		during 2020-21	
18,200.01	-	18,200.01	-	18200.01

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	General Reserve	Re-measurement of the net defined benefit plans	Equity Instruments through OCI	
April 1, 2019	(43,672.13)	15,501.88	70.93	7,411.47	11,600.04	8,346.97	45.13	-	(695.73)
Loss for the year	-2,167.47	-	-	-	-	-	-	-	-2,167.47
Other Comprehensive Income for the year	-	-	-	-	-	-	-3.93	-	-3.93
Issue of 0.01% Redeemable Preference Share	-	-	-	-	530.25	-	-	-	530.25
March 31, 2020	(45,839.60)	15,501.88	70.93	7,411.47	12,130.29	8,346.97	41.20	-	(2,336.88)
Loss for the year	(7,961.61)	-	-	-	-	-	131.70	-	(7,829.91)
March 31, 2021	(53,801.21)	15,501.88	70.93	7,411.47	12,130.29	8,346.97	172.90	-	(10,166.79)

Includes cancellation of equity shares pursuant to Resolution Plan and net effect of Resolution Plan as approved by the NCLT

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

As per our report of even date attached.

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

(Signature)
(Gaurav Lodha)
Partner
Membership No. 507462
Dated : 17th May, 2021



(Signature)
V. Kumaraswamy
Chief Finance Officer

(Signature)
Directors

(Signature)
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 Komarambheem 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.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting held on **17th May, 2021**.

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 (as amended) and relevant provisions of the Companies Act, 2013.

(ii) Basis of Preparation:

The 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 (as amended). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 ("the Act").

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard



requires a change in the accounting policy hitherto in use. The financial statements are presented in INR and all values are rounded to the nearest INR 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 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, 2021.

(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 upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, 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.



(5)

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 separately under "Other Income", 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.

(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

- a) 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

- b) 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.

- c) 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 10 to 40 years for plant and machinery and 8 to 60 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.

d) 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.



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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

Under Ind AS 116 Lessee recognizes assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lessee recognizes depreciation expense on the right of use asset and interest expense on the lease liability and classify the lease payments into principal and interest component.

The Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(viii) Impairment



(8)

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.



(9)

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

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

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

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.



(10)

Initial Recognition and Measurement.

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

Subsequent Measurement.

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

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.

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



(12)

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 reclassified to profit or loss in subsequent periods.

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.

(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.

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.

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



(16)

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.



Note

Rs. in Lacs

2 Property, Plant and Equipment (PPE)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2020	Additions / Adjustments	Sales / Adjustments	As at 31st Mar, 2021	As at 1st April, 2020	For the period	Sales / Adjustments	As at 31st Mar, 2021	As at 31st Mar, 2021	As at 31st Mar, 2020
Land										
Freehold land	5,745.10	-	-	5,745.10	-	-	-	-	6,745.10	6,745.10
Building										
Own use	4,011.37	17.11	-	4,028.48	364.40	108.43	-	470.83	3,557.65	3,646.97
Plant & Machinery	44,910.26	891.87	-	45,802.13	255.00	1,632.35	-	1,887.35	43,914.78	44,655.26
Furniture & Fixtures	106.05	5.24	-	113.29	57.17	15.51	-	72.68	40.61	50.88
Vehicles	65.49	24.18	-	89.67	8.19	9.20	-	17.39	72.28	57.30
Office Equipment	192.88	15.18	-	208.06	46.90	57.71	-	104.61	103.45	145.98
Railway Sidings	2.76	-	-	2.76	2.62	-	-	2.62	0.14	0.14
Total	56,035.91	953.58	-	56,989.49	734.28	1,821.20	-	2,555.48	54,434.01	55,301.63
Previous Year	7,842.97	48,192.94	-	56,035.91	345.03	389.25	-	734.28	55,301.63	7,497.94

3 Other Intangible Assets

Rs. in Lacs

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2020	Additions / Adjustments	Sales / Adjustments	As at 31st Mar, 2021	As at 1st April, 2020	For the period	Sales / Adjustments	As at 31st Mar, 2021	As at 31st Mar, 2021	As at 31st Mar, 2020
Computer Software	271.75	71.50	-	343.25	39.83	68.43	-	108.26	234.99	231.92
Total	271.75	71.50	-	343.25	39.83	68.43	-	108.26	234.99	231.92
Previous Year	64.69	271.75	64.69	271.75	64.69	39.83	64.69	39.83	231.92	-

Refer note 14 and 18 for details on pledges and securities



		Rs. in Lacs	
		March 31, 2021	March 31, 2020
Note			
4	NON CURRENT FINANCIAL ASSETS - OTHERS		
	Deposits with Government Authorities & Others*		
	Unsecured Considered Good	1,013.88	647.64
	Unsecured Considered doubtful	638.82	638.82
	TOTAL	1,652.70	1,286.46
	Less:- Provision on Deposits with Government Authorities & Others	638.82	638.82
	* Includes Rs.77.29 lacs (PY Nil) against legal cases	1,013.88	647.64
5	OTHER NON CURRENT ASSETS		
	(Unsecured Considered Good)		
	Capital Advances	445.34	929.64
	Prepaid Expenses	39.56	-
	TOTAL	484.90	929.64



(19)

Note	Rs. in Lacs	
	March 31, 2021	March 31, 2020
6 INVENTORIES (valued at lower of cost and net realisable value)		
Raw Materials*	1,737.13	2,936.94
Work-In-Progress	742.01	1,154.15
Finished Goods	58.60	21.12
Stores & Spares #	1,201.62	977.64
TOTAL	3,739.36	5,089.85
* Raw material in transit is Rs. 5.92 lacs(previous year is Rs. Nil)		
# Includes Stores & Spares in transit of Rs.49.57 Lacs (Previous year Rs.3.00 Lacs). Refer note 18 for details on pledges and securities		
7 TRADE RECEIVABLES		
Unsecured		
Considered Good*	1,681.36	6.50
Credit Impaired	647.74	647.74
	2,329.10	654.24
Less: Allowance for expected credit losses	647.74	647.74
<i>(* includes Rs.1671.14 lacs (PY Nil) due from related parties.)</i>		
TOTAL	1,681.36	6.50
Refer note 18 for details on pledges and securities		
8 CASH AND CASH EQUIVALENTS		
Current Accounts *	166.82	362.31
Cash on Hand	2.13	4.49
TOTAL	168.95	366.80
* Includes Rs.130.81 Lacs (Prev. year Rs.171.53 Lacs earmarked for specified purposes)		
9 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS		
Other Bank Balances		
Fixed Deposit with Banks (earmarked)	828.29	562.78
TOTAL	828.29	562.78
10 CURRENT FINANCIAL ASSETS - OTHER		
Other Receivables -(Secured)	35.27	-
<i>(Unsecured, considered good)</i>		
Other Receivables *	97.62	83.64
Interest Accrued but not due	73.53	28.70
Advances to Employees	15.29	39.54
Government Benefits Receivable - Revenue	10,142.99	4,450.73
Government Benefits Receivable - Capital	5,000.00	5,000.00
TOTAL	15,364.70	9,602.61
* Includes Rs. 25.65 Lacs from JK Paper Ltd. ("Ultimate Holding Company")(Previous year Rs.8.54 lacs)		
11 CURRENT TAX ASSETS (Net)		
Advance Income Tax/ Tax deducted at source	23.90	10.77
TOTAL	23.90	10.77
12 OTHER CURRENT ASSETS <i>(Unsecured, considered good)</i>		
Prepaid Expenses	36.92	23.93
Advances to Suppliers	452.73	548.58
Indirect Tax Recoverable	7,520.45	5,621.39
Prepaid Finance Charges	-	72.49
Employee Defined Benefit Plan (net asset)	205.60	130.43
TOTAL	8,215.70	6,396.82



(20)

Note	Rs. in Lacs	
	March 31, 2021	March 31, 2020
13 SHARE CAPITAL		
Authorised :		
Equity Shares - 20,00,00,000 of Rs. 10 each (20,00,00,000 Equity Share of Rs. 10 each)	20,000.00	20,000.00
Preference Shares - 20,000 of Rs. 1 Lacs each (20,000 Share of Rs. 100000 each)	20,000.00	20,000.00
	<u>40,000.00</u>	<u>40,000.00</u>
Issued, Subscribed and Paid up :		
Equity Shares - 18,20,00,073 Rs 10 each fully paid up (18,20,00,073 Equity Share of Rs 10 each fully paid up)	18,200.01	18,200.01
	<u>18,200.01</u>	<u>18,200.01</u>

Notes :

- (a) During the FY 2018-19 Company had issued 4,30,00,003 Equity Shares issued at par for consideration other than cash.
During the FY 2018-19 1,69,93,594 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)
- | | | |
|---|---------------------|---------------------|
| Shares outstanding at the beginning of the year | 18,20,00,073 | 18,20,00,073 |
| Add : Shares issued during the year | - | - |
| Less : Shares cancelled during the year | - | - |
| Shares outstanding at the end of the year | <u>18,20,00,073</u> | <u>18,20,00,073</u> |
- (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) (i) List of Shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers):
- | | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Enviro Tech Ventures Limited(formerly known as JK Enviro-Tech Ltd) (ETVL) | 17,30,00,003 | 17,30,00,003 |
- (ii) No. of Shares held by holding company or Ultimate holding company
- | | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Enviro Tech Ventures Limited(formerly known as JK Enviro-Tech Ltd)-ETVL | 17,30,00,003 | 17,30,00,003 |
| JK Paper Limited (Ultimate Holding Company) | 90,00,000 | 90,00,000 |
- (e) Reconciliation of Preference Share Capital (In numbers)
- | | | |
|---|---------------|---------------|
| Shares outstanding at the beginning of the year | 17,203 | 16,203 |
| Add : Shares issued during the year | - | 1,000 |
| Shares outstanding at the end of the year | <u>17,203</u> | <u>17,203</u> |
- (f) Preference Shares:
The Preference Shareholders have:-
- During the FY. 2018-19 company had 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 payout being lower than effective market rate, is recorded in Other Equity.

- During the FY. 2019-20 company has issued Cumulative Redeemable Preference Shares of Rs. 10,00,00,000 for consideration in cash, to be redeemed at the end of 12 years from the issue date with dividend of 0.01% p.a. The Equity portion of these Redeemable Preference Shares, on account of Dividend payout being lower than effective market rate, is recorded in Other Equity.

- The Company has two 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, 2021 | March 31, 2020 |
|---------------------------------|----------------|----------------|
| IDBI Bank Limited | 6,808 | 6,808 |
| State Bank of India | 4,618 | 4,618 |
| Central Bank of India | 3,121 | 3,121 |
| Union Bank of India/Andhra Bank | 1,011 | 1,011 |
| JK Paper Limited | 1,000 | 1,000 |
- (h) Total Unpaid cumulative dividend on Redeemable Preference shares as on 31st March,2021 is Rs. 4.46 Lacs (Previous Year RS.2.73 lacs)



(21)

Note	Rs. in Lacs	
	March 31, 2021	March 31, 2020
14 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS		
SECURED		
Term Loan		
From Banks	42,805.94	35,786.11
UNSECURED		
Liability Component of Redeemable Preference Share	5,956.05	5,593.06
Inter-Corporate Loan from JKPL ("Ultimate Holding Co.")	28,100.00	12,800.00
	<u>76,861.99</u>	<u>54,179.17</u>
Less : Current Maturities of Long Term Borrowings	2,793.06	-
TOTAL	<u>74,068.93</u>	<u>54,179.17</u>

A. Term Loans of Rs. 43,150.00 Lacs (Rs.36,113.94 Lacs) from Banks 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. (JKPL) (Ultimate Parent Company) has also extended the Letter of Comfort towards the above loans.

1 Term Loans aggregating to Rs. 40,150 Lacs are repayable in total 36 equal quarterly instalments from December 2021 to September 2030.

2 Term Loans aggregating to Rs. 3,000 Lacs are repayable in total 16 equal quarterly instalments from September 2021 to June 2025.

B. Secured Term loans from Bank has been adjusted by Rs. 344.06 Lacs (Prepaid finance charges) for effective rate of interest.

C. Inter-Corporate Loan from JKPL of Rs. 28,100 Lac (Previous Year Rs.12,800 lacs)is repayable at the end of 3rd year from the date of it's disbursement.

D. During the FY2019-20 company had issued Redeemable Preference Shares of Rs. 10 Cr, to be redeemed at the end of 12 years (Redeemable Preference Shares of Rs.162 Cr, issued during the FY 2018-19 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 payout being lower than effective market rate, is recorded in Other Equity.

15 NON CURRENT FINANCIAL LIABILITIES - OTHER

Interest Accrued but not due on Loans*	1,760.62	379.23
TOTAL	<u>1,760.62</u>	<u>379.23</u>

* Related to related party

16 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	5,628.67	7,325.10
Tax on carried forward unabsorbed Depreciation and losses #	(5,628.67)	(7,325.10)
a Total Deferred Tax Liability	<u>-</u>	<u>-</u>
Opening MAT Credit Entitlements		
Current MAT Credit Entitlement		
b Total MAT Credit Entitlement	<u>-</u>	<u>-</u>
c Net Deferred Tax Liability (a+b)	<u>-</u>	<u>-</u>

The Company has recognized 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. 9973.00 Lacs. (Previous Year Rs. 13561.11 Lacs.), have not been recognised in respect of business losses and unabsorbed depreciation in the absence of taxable profit in the current year and reasonable certainty for realisation/adjustment of deferred tax assets against future taxable profit. Deferred tax assets will be reassessed and recognized when there will be sufficient taxable profit in future.

17 OTHER NON CURRENT LIABILITIES

	March 31, 2021	March 31, 2020
Deferred Government Benefits	4,583.33	4,783.33
	<u>4,583.33</u>	<u>4,783.33</u>



(22)

Note	Rs. in Lacs	
	March 31, 2021	March 31, 2020
18 CURRENT FINANCIAL LIABILITIES - BORROWINGS		
SHORT TERM BORROWINGS		
SECURED		
Working Capital Borrowings from Bank *	564.02	301.87
TOTAL	564.02	301.87
* Working Capital Borrowings are secured by hypothecation of Raw Materials, Stock-in-Process, Stores & Spares and Book Debts. The same are further Secured by a Second charges on the movable and immovable assets of the Company.		
19 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE		
Trade Payable		
Total outstanding dues of Micro and Small Enterprises (refer note 39)	186.36	25.15
Total Outstanding dues of Creditors other than Micro and Small Enterprises	5,382.67	4,451.48
TOTAL	5,569.03	4,476.63
20 CURRENT FINANCIAL LIABILITIES - OTHER		
Current Maturities of Non Current Borrowings	2,793.06	-
Interest Accrued but not due	7.99	260.79
Capital Creditors *	1,533.26	2,569.05
Other Payables ^	1,025.64	842.99
TOTAL	5,359.95	3,672.83
* Including payable to related parties Rs. 107.07 lacs (Previous year Rs. 296.09 lacs)		
^ mainly includes liabilities for expenses		
21 OTHER CURRENT LIABILITIES		
Advance from Customers *	7.71	18.06
Statutory Dues	133.76	113.32
Other Payables	-	12.68
Deferred Government Benefits	200.00	200.00
TOTAL	341.47	344.06
* Advance received from related parties Rs. Nil (Previous year Rs. 18.06 lacs)		
22 SHORT TERM PROVISIONS		
Provision for Employee Benefits	12.94	37.58
TOTAL	12.94	37.58



(23)

		Rs. in Lacs	
		2020-21	2019-20
Note			
23	NET SALES		
	i) <u>CONTRACT BALANCES</u>		
	Trade Receivables	1,681.36	6.50
	Contract Liabilities	7.71	18.06
	ii) <u>RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICES</u>		
	Revenue as per contracted prices	22,803.24	5,335.66
	Adjustments:		
	Discount	-2,470.04	-0.27
	Revenue from contract with customers	<u>20,333.20</u>	<u>5,335.39</u>
24	OTHER OPERATING REVENUES		
	Insurance Charges Recovered	14.08	-
	Excess Provision no longer required written back	20.35	-
	Other Income	116.85	71.98
	TOTAL	<u>151.28</u>	<u>71.98</u>
25	OTHER INCOME		
	Interest Income	68.06	41.09
	Government Benefits	5,718.33	1,779.59
	Miscellaneous Income*	673.71	1,216.05
	<i>* Including scrap sales.</i>		
	TOTAL	<u>6,460.09</u>	<u>3,036.73</u>
26	COST OF MATERIALS CONSUMED		
	Hardwood	7,569.57	2,351.47
	Pulp	497.76	21.09
	Chemicals	3,363.80	2,410.13
	Packing Material	781.31	213.27
	TOTAL	<u>12,212.44</u>	<u>4,995.96</u>
27	Changes in Inventories of Finished Goods and Work-in-Progress		
	Inventories at the beginning of the period		
	Finished Goods	21.12	89.98
	Work-in-Progress	1,154.15	41.15
		<u>1,175.27</u>	<u>131.13</u>
	Inventories at the end of the period		
	Finished Goods	58.60	21.12
	Work-in-Progress	742.01	1,154.15
		<u>800.61</u>	<u>1,175.27</u>
	TOTAL	<u>374.66</u>	<u>(1,044.14)</u>
28	EMPLOYEE BENEFIT EXPENSES		
	Salaries, Wages, Allowances, etc.	4,138.43	903.04
	Contribution to Provident and Other Funds	322.78	95.48
	Staff Welfare Expenses	17.88	30.60
	TOTAL	<u>4,479.09</u>	<u>1,029.12</u>



(24)

Rs. in Lacs

29 FINANCE COST

Interest on:		
Term Loans	3,034.86	298.38
Others	1,549.37	123.28
Redeemable Preference Share	362.99	321.47

TOTAL 4,947.22 743.13

(Borrowing costs capitalised / transferred to CWIP during the year Rs.669.74 lacs (Previous year Rs.3051.58 lacs))

30 DEPRECIATION AND AMORTISATION EXPENSES

Depreciation on Property, Plant & Equipment	1,821.20	389.25
Amortization of Intangible Assets	68.43	39.83

TOTAL 1,889.63 429.08

31 OTHER EXPENSES

Consumption of Stores and Spares	1,281.75	275.00
Power, Fuel and Water	8,057.11	3,395.02
Repairs to Building	197.92	42.25
Repairs to Machinery	309.85	57.79
Repairs - Others	361.12	20.68
Professional Charges	28.83	11.36
Recruitment Expenses	11.24	13.63
Rent	132.52	22.02
Insurance	111.07	54.38
Rates and Taxes	113.06	202.31
Directors' Fees	1.83	2.23
Foreign Exchange Fluctuation (net)	-	0.64
Other Miscellaneous Expenses	397.04	361.11

TOTAL 11,003.14 4,458.42



(RS)

NOTES TO THE FINANCIAL STATEMENTS

32 Resolution Plan under Corporate Insolvency Resolution Process

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 had approved the terms of the Resolution Plan submitted by JK Paper Ltd. ("JKPL"), which provides, inter alia, the acquisition of the Company by JKPL.

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

	Year ended	Rs. in Lacs
	March 31, 2021	Year ended March 31, 2020
a) Claim against the company not acknowledged as debts.		
Excise duty/ Custom duty/Service tax liability in respect of matter in appeals	Nil	Nil
Sales tax/ VAT liability in respect of matter in appeals	Nil	Nil
Demand from Government of Telangana Govt(NPDCL)	Nil	Nil
Income tax liability that may arise in respect of matters in appeal referred by the department	Nil	Nil
State levies	Nil	Nil
Labour related cases	Nil	Nil
Other matters	Nil	Nil
b) Commitments:		
Contracts remaining to be executed on capital account	5,557.99	8,532.02

c) 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, assessments/ appeals 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.

Consequently, certain claims made by the government authorities related to period prior to the Completion date i.e. 1st August 2018 have not been considered by the company

34 Expenditure Incurred on Corporate Social Responsibilities

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

35 Interest Income includes Rs. 37.21 Lacs (Previous year Rs 40.67 Lacs) on Deposits with Banks and Rs. 30.84 Lacs (Previous year Rs. 0.42 Lacs) on others.

36 OTHER DISCLOSURES

Particulars	Year ended	Rs. in Lacs
	March 31, 2021	Year ended March 31, 2020
Auditors Remuneration*		
1. Statutory Auditors		
i. Audit Fee	4.20	4.20
ii. Tax Audit Fee	1.00	0.90
iii. Certification/other Services	1.20	7.50
ii. Out of Pocket Expenses	0.21	0.50
Total	6.61	13.10

*Excluding Taxes



NOTES TO THE FINANCIAL STATEMENTS

37 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)

Particulars	Rs. in Lacs	
	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of Pulp	-	39.54
Consumption of Wood	-	2,844.06
Consumption of Chemicals	2.66	1,613.77
Consumption of Packing Material	-	184.76
Consumption of Stores and Spares	-	1,981.47
Repair & Maintenance	-	994.85
Salaries, Wages, Allowances, etc.	-	3,575.00
Contribution to Provident and Other Funds	-	191.64
Staff Welfare Expenses	-	20.28
Power, Fuel and Water	88.57	5,126.81
Interest Capitalised	669.74	3,051.59
Miscellaneous Expenses	-	209.51
	760.97	19,833.28
Less: Net Sales	-	5,304.42
Other Income - Revenue Subsidy	18.36	2,687.80
Add : Expenditure upto previous year	214.56	2,797.60
Total	957.17	14,638.65
Less: Allocated to Fixed Assets	-	14,424.09
Balance	957.17	214.56

38 EARNING PER SHARE

	Rs. in Lacs	
	Year ended March 31, 2021	Year ended March 31, 2020
a) Profit/(Loss) after tax	(7,961.61)	(2,167.47)
Less: Dividend on Cumulative Preference Shares	(1.72)	(1.65)
Profit/(Loss) after tax for Basic and diluted Earnings Per share	(7,963.33)	(2,169.12)
b) Weighted Average Number of Ordinary Shares	18,20,00,073	18,20,00,073
c) Nominal Value of Ordinary Shares	Rs. 10/-	Rs. 10/-
d) Basic Earning Per Ordinary Share (Rs.)	-4.37	-1.19
e) Diluted Earning Per Ordinary Share (Rs.)	-4.37	-1.19

39 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 enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	Rs. in Lacs	
	Year ended March 31, 2021	Year ended March 31, 2020
a) Principal amount and interest due thereon remaining unpaid to any supplier as on	-	-
b) Interest paid by the Company in terms of Section 18 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
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.	-	-
d) the amount of interest accrued and remaining unpaid	-	-
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.	-	-



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NOTES TO THE FINANCIAL STATEMENTS

40 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 28 and 37 Item *Contribution to Provident and Other Funds Rs.285.86 Lacs (Previous year Rs. 239.49 Lacs) for Employees' Provident Fund .

b) Defined benefits plans

Gratuity Expense Rs. 58.92 Lacs (Previous year Rs.47.63 Lacs) has been recognized in "Contribution to Provident and Other Funds" under Note 28, as per Actuarial Valuation.

Particulars	Rs. in Lacs	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
	Gratuity	Gratuity
	Funded	Funded
I Change in present value of obligation during the period		
Present value of obligation at the beginning of the period	1,497.49	1,631.06
Included in profit and loss:		
- Current Service Cost	85.42	61.08
- Interest Cost	102.13	123.80
- Past Service Cost	-	-
- Actuarial Gain/(Loss)	-	-
Included in OCI:		
Actuarial losses/(gains) arising from:		
- Experience adjustments	(68.08)	(96.55)
- Financial assumption	29.44	59.22
Others		
Benefits Paid	(260.40)	(281.12)
Present Value of obligation as at year-end	1,366.01	1,497.49

II Change in Fair Value of Plan Assets during the period

Plan assets at the beginning of the period	1,627.92	1,808.34
Included in profit and loss:		
Expected return on plan assets	111.02	137.25
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	93.06	(41.25)
Others:		
Employer's contribution	-	4.70
Benefits paid	(260.40)	(281.12)
Plan assets at the end of the year	1,571.61	1,627.92

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	(1,366.01)	(1,497.49)
2 Fair value of plan assets at year -end	1,571.61	1,627.92
3 Funded status (Surplus/(Deficit))	205.60	130.43
Not Asset/(Liability)	205.60	130.43

IV Expenses recognised in the Statement of Profit and Loss

1 Current Service Cost	85.42	61.08
2 Interest Cost	102.13	123.80
3 Past service Cost	-	-
4 Expected return on plan assets	(111.02)	(137.25)
Total Expense	56.53	47.63

V Expenses recognised in the Statement of Other Comprehensive Income

1 Net Actuarial (Gain)/Loss	-36.64	-37.32
2 Expected return on plan assets excluding interest	(93.06)	41.25
Income		
Total Expense	(131.70)	3.93



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NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Gratuity Funded	Gratuity Funded
VI Constitution of Plan Assets		
1 Equity Instruments	-	-
2 Debt Instruments	-	-
3 Property	-	-
4 Insurance	-	-
	1,571.61	1,627.92
VII Bifurcation of PBO at the end of the year		
1 Current Liability/(Assets)	205.80	(130.43)
2 Non-Current Liability/(Assets)	-	-
VIII Actuarial Assumptions		
1 Discount Rate	6.44%	6.62%
2 Expected rate of return on plan assets	6.44%	8.62%
3 Mortality Table	IALM (2006-08)	IALM (2006-08)
4 Salary Escalation	5.00%	5.00%
5 Turnover Rate	Age up to 30-3%, up to 44-2%, above 44-1%	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

Gratuity	March 31, 2021				March 31, 2020		Rs. In Lacs
	Increase		Decrease				
	Increase	Decrease	Increase	Decrease	Increase	Decrease	
Discount rate (1% movement)	(74.91)	83.78	(75.99)	84.79			
Future salary growth (1% movement)	83.24	(75.78)	85.49	(77.94)			
Employee turnover (1% movement)	6.70	(7.39)	8.74	(9.58)			

XI Maturity Profile of projected benefit obligation from the fund

	March 31, 2021		March 31, 2020	
	Gratuity		Gratuity	
	Funded	Funded	Funded	Funded
1st Following Year	154.44	275.05		
2nd Following Year	70.82	70.82		
3rd Following Year	175.28	179.94		
4th Following Year	161.49	182.08		
5th Following Year	126.77	156.10		
Sum of Years 6 To 10	636.97	641.40		
Sum of Years 11 and above	784.93	841.88		



NOTES TO THE FINANCIAL STATEMENTS

41 RELATED PARTY DISCLOSURES

a) List of Related Parties

i. Holding Company

Enviro Tech Ventures Limited(formerly known as JK Enviro-Tech Ltd)-ETVL
JK Paper Ltd. (JKPL), Ultimate Parent Company

ii. Trust under common control

The Sirpur Paper Mills Ltd. Employees Gratuity Fund

iii. Key Management Personnel (KMP)

Executive Directors

Shri Pavan Kumar Suri, CEO & Director (w.e.f. 1st Jan 2020)

Executives

Shri Virupakshan Kumaraswamy, Manager (from 1st Aug 18 to 31st Dec 19)
Shri Kamal Kumar Lakholia, CFO (from 1st Aug 2018 to 20th Jan 2021)
Shri Surendra Behani, CFO (w.e.f 21st January 2021)
Shri Rajesh Tripathi, Company Secretary

Non-Executive Directors

Shri Om Prakash Goyal
Shri Virupakshan Kumaraswamy
Shri Udayan Bose (ceased w.e.f. 07.01.2021)
Shri Nagaraju Srirama
Shri Pavan Kumar Suri (from 1st Aug 2018 to 31st Dec 2019)
Ms. Sandhya Bai Yashawan (from 1st Dec 2018 to 23rd Dec 2019)
Shri Kalpataru Tripathy (w.e.f 1st April 2019)
Ms. Pooja Gurwala (w.e.f. 20th January 2020)

iv- KMP of Parent Company (ETVL)

Non-Executive Directors

Shri. Sushil Kumar wall(w.e.f. 22nd Jan-2021)
Shri. Vinit Marwaha
Shri. Ashok Gupta
Shri. Kalpataru Tripathy
Shri. Pramod Kumar Jain (ceased w.e.f. 23.01.2021)
Ms. Poonam Singh (w.e.f 15th November 2019)

Executives

Shri. Ashok Gupta, Manager and Chief Finance Officer (from 19th July 2018 to 20th January 2020)
Shri. Sudipta Chakrabarty, Manager and Chief Finance Officer (w.e.f 20th January 2020)
Ms. Pooja Gurwala, Company Secretary

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

Sl. No	Nature of Transactions	Holding Companies			
		ETVL		JKPL	
		2020-21	2019-20	2020-21	2019-20
(i)	Sale of Material (incl. GST)	-	-	22,763.50	11,863.48
(ii)	Lease of Godown (s)	-	-	38.23	21.24
(iii)	Maintenance Charges of Godown (s) (incl. of GST)	-	-	1.56	1.56
(iv)	Purchase of Material (incl. of GST)	-	-	515.97	245.46
(v)	Purchase of Fixed Assets (incl. of GST)	-	-	58.81	-
(vi)	Reimbursement of Expenses – Paid (incl. of GST)	72.96	161.54	13.73	56.63
(vii)	Reimbursement of Expenses – Received (incl. of GST)	-	-	50.50	21.59
(viii)	Interest Expense	-	-	1,493.39	421.37
(ix)	Redeemable Preference Shares issued	-	-	-	1,000.00
(x)	Loans Received	-	-	15,300.00	12,800.00
(xi)	Outstanding at end of the period - Payable*	-	84.38	29,275.28	13,400.46

* It represents gross amount.

Sl. No	Nature of Transactions	Trust under common control	
		Employees Gratuity Fund	
		2020-21	2019-20
(i)	Contribution	-	4.70

Key Management Personnel (KMP) :

Sl. No	Particulars	2020-21	2019-20
(i)	Short-term Employee Benefits #	185.23	75.60
(ii)	Sitting Fees to Non-Executive Directors	1.63	2.23

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

Note: The Company paid an honorarium of Rs. 12.00 lacs (Prev. year Rs.12.00 lacs) to Shri Harsh Pati Singhania, Vice Chairman & Managing Director of JK Paper Limited (Ultimate Parent Company), a related party, as an Advisor.



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NOTES TO THE FINANCIAL STATEMENTS

42 FINANCIAL INSTRUMENTS

Rs. in Lacs

Financial Assets

Sl.No	Particulars	Note	As at March 31, 2021		As at March 31, 2020	
			Carrying	Fair	Carrying	Fair
			Amount	Value	Amount	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 *		828.29	828.29	562.78	562.78
b)	Cash & Cash Equivalents *		168.95	168.95	386.80	386.80
c)	Trade receivables *		1,681.36	1,681.36	6.50	6.50
d)	Other receivables *		-	-	-	-
e)	Other financial assets		16,378.58	16,378.58	10,250.25	10,250.25
			19,057.18	19,057.18	11,206.33	11,206.33

Financial Liabilities

Sl.No	Particulars	Note	As at March 31, 2021		As at March 31, 2020	
			Carrying	Fair	Carrying	Fair
			Amount	Value	Amount	Value
1	Financial liability designated at fair value through profit and loss		-	-	-	-
2	Financial liability designated at amortised cost					
a)	Borrowings	A	74,632.95	74,632.95	54,481.04	54,481.04
b)	Trade payables *		5,569.03	5,569.03	4,476.63	4,476.63
c)	Other financial liability *		7,120.57	7,120.57	4,052.06	4,052.06
			87,322.55	87,322.55	63,009.73	63,009.73

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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NOTES TO THE FINANCIAL STATEMENTS

43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

43.1 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. Whenever 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, 2021

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

Particulars	Rs. in Lacs			
	31st March, 2021		31st March, 2020	
	(Rs. in Lacs)	% of Total	(Rs. in Lacs)	% of Total
Fixed Rate Borrowings	34,056.05	43.99%	18,391.06	31.70%
Variable Rate Borrowings	43,369.56	56.01%	38,067.58	68.30%
Total Borrowings	77,425.61	100.00%	56,458.64	100.00%

Sensitivity on variable rate borrowings

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	Interest Rate Increase by 0.25%	(108.42)	(90.22)	(108.42)
Interest Rate decrease by 0.25%	108.42	90.22	108.42	90.22

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. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs.1691.36 lacs as of March 31, 2021 (Rs.8.58 lacs as of March 31, 2020). 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.

The information required in respect of percentage of revenues generated from top customers are as under:

Particulars	(in %)	
	Year ended March 31st	
	2021	2020
Revenue from top customer	95.33%	99.57%
Revenue from top five customers	100.00%	100.00%



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NOTES TO THE FINANCIAL STATEMENTS

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2021 was Rs. 647.74 lacs which are related to trade receivables prior to re-valuation date.

Particulars	Rs. in Lacs	
	Year ended March 31st	2020
Balance at the beginning	647.74	647.74
Impairment loss reversed	-	-
Additional provision created during the year	-	-
Balance at the end	647.74	647.74

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

Particulars	As 31st March, 2021				As 31st March, 2020			
	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	-	1,605.66	75.70	647.74	-	-	6.50	647.74
Provision for Doubtful Receivables	-	-	-	647.74	-	-	-	647.74
Net Balance	-	1,605.66	75.70	-	-	-	6.50	6.00

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, 2021:

Particulars	Carrying Amount	Rs. in Lacs			Total
		Less than 1 year	1-5 years	More Than 5 Year	
Borrowings - Current	964.02	964.02	-	-	964.02
Borrowings - Non-Current	74,098.93	-	48,381.94	25,696.99	74,098.93
Trade payables	5,569.03	5,569.03	-	-	5,569.03
Other financial liabilities - Current	5,359.95	5,359.95	-	-	5,359.95
Other financial liabilities - Non-Current	-	-	-	-	-
Interest accrued but not due on loans	1,760.62	-	1,760.62	-	1,760.62

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Carrying Amount	Rs. in Lacs			Total
		Less than 1 year	1-5 years	More Than 5 Year	
Borrowings - Current	301.87	301.87	-	-	301.87
Borrowings - Non-Current	54,179.17	-	28,490.14	25,689.03	54,179.17
Trade payables	4,476.63	4,476.63	-	-	4,476.63
Other financial liabilities - Current	3,672.83	3,672.83	-	-	3,672.83
Other financial liabilities - Non-Current	-	-	-	-	-
Interest accrued but not due on loans	379.23	-	379.23	-	379.23

43.2 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.

43.3 Capital Risk Management

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.

Borrowings
Less: cash and cash equivalents including other bank balance
Net debt
Equity
Capital and Net debt
Gearing Ratio

	As at March 31 2021	As at March 31 2020
Borrowings	74,072.95	54,481.04
Less: cash and cash equivalents including other bank balance	(97.24)	(949.59)
Net debt	73,975.71	53,531.45
Equity	8,033.22	15,863.13
Capital and Net debt	81,668.93	69,394.58
Gearing Ratio	90%	77%



NOTES TO THE FINANCIAL STATEMENTS

44 Derivative financial Instruments

- i) The Company did not enter into any derivative transactions during the year.
 ii) Foreign currency Exposure not hedged as at Balance Sheet Date :

Foreign Currency	As at 31- March ,2021		As at 31- March ,2020	
	FC in lacs	(In Lacs Rs.)	FC in lacs	(In Lacs Rs.)
US Dollar	1.52	111.44	0.86	65.18
Euro	0.33	28.79	-	-

45 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

46 Income Tax

Rs. in Lacs

a) Amount recognised in Statement of Profit and Loss

Particulars	2020-21	2019-20
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	<u>-</u>	<u>-</u>
Deferred Tax *	-	-
Income tax expense reported in the statement of profit and loss	<u>-</u>	<u>-</u>

* Deferred tax assets of Rs. 9973.00 Lacs. (Previous Year Rs. 13561.11 Lacs.) have not been recognised in respect of business losses and unabsorbed depreciation in the absence of taxable profit in the current year and reasonable certainty for realisation/adjustment of deferred tax assets against future taxable profit. Deferred tax assets will be reassessed and recognized when there will be sufficient taxable profit in future.

b) Reconciliation of Effective Tax Rate

Particulars	2020-21	2019-20
Profit /(Loss) before tax		
At applicable Statutory Income Tax Rate CY- 25.1680 %(PY-34.944%)	(7,961.61)	(2,167.47)
Tax Impact on:-	(2,003.78)	(757.40)
Deferred Tax Asset not recognised on business losses and unabsorbed depreciation	2,003.78	757.40
Reported Income Tax Expense	-	-
Effective Tax Rate	0.00%	0.00%

c) Tax Rate:

In view of Taxation Laws (Amendment) Ordinance, 2019 issued on 20th September, 2019 read with Notification dated 1st October 2020 reducing the Corporate Tax Rate to 22% (effective 25.168% including Surcharge & Education Cess), the Company has opted for reduced tax rate of 22% w. e. f. FY 2020-21 . Accordingly, during the current year, Deferred Tax Assets of Rs. 3,793.88 lacs recognised upto Financial year 2019-20 has not been considered in year end balance as on 31-03-2021, as the same are no longer required.



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NOTES TO THE FINANCIAL STATEMENTS

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i) During the year the company has recognised government grant in terms of MoA entered with Government of Telangana as under:

Particulars	Amount(in Lacs)	
	2020-21	2019-20
Revenue	5,692.26	4,450.72
Capital Subsidy	-	5,000.00

In current year Rs. 5718.33 lacs (including Deferred Government Grant of Rs.200.00 lacs) has been recognised in Statement of Profit and Loss Account and Rs.173.93 lacs been adjusted with Property , Plant and Equipments.

- ii) (a) Due to nationwide lockdown caused by Covid 19 pandemic , the plant had to be temporarily shut from 23rd March 2020 to 06th May,2020. Due to frequent lockdowns that followed in various parts of the country, demand for paper remained weak and hence capacity utilisation was low. The management therefore decided to shut down operations from 1st September 2020 which resumed operation during later part of Quarter-III, 2020-21.
- b) Operations have shown steady improvement throughout the 4th Quarter and capacity utilisation reached 69%. Owing to favourable market conditions across different segments since beginning of the current quarter, there has been improvement in production and sales volumes besides growth in realisations leading to better performance in current quarter as compared to earlier periods.
- c) The Company also started trial runs of its new boiler and turbines which are contributing significantly towards stabilisation of production at higher levels. This is likely to significantly improve overall paper production and effect cost optimisation and enhance profitability.

48 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).

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

50 Notes 1 to 50 are annexed to and form an integral part of financial statements.

As per our report of even date attached

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


(Gaurav Lodha)
Partner

Membership No. 507462
New Delhi, the 17th May, 2021





For and on behalf of the Board of Directors



Directors


Chief Finance Officer


Company Secretary

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THE SIRPUR PAPER MILLS LIMITED

CASH FLOW STATEMENT

	Rs. in Lacs	
	For the Year Ended 31-03-2021	For the Year Ended 31-03-2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/ (Loss) before Tax and Extra-ordinary Items	(7,951.61)	(2,167.47)
Adjustments for :		
Depreciation and Amortisation Expenses	1,689.53	429.08
Defined Benefit Plans charged to OCI	131.70	(3.93)
Finance Cost	4,947.22	743.13
Interest Income	(68.05)	(41.09)
Deferred Government Benefits	(200.00)	(16.67)
Provision for earlier years no longer required	(20.35)	-
Operating Profit/(Loss) before Working Capital Changes	(1,281.46)	(1,056.31)
Adjustments for Working Capital Changes:		
Trade and Other Receivables	(9,616.80)	(8,682.84)
Inventories	1,350.49	(2,709.92)
Trade and Other Payables	1,078.15	3,959.92
Cash generated from Operations	(8,468.62)	(8,488.96)
Taxes paid	(13.13)	(6.67)
Net Cash from Operating Activities	(8,481.75)	(8,495.62)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property Plant & Equipment	(10,620.15)	(24,914.99)
Interest Received	23.22	16.88
Net Cash from Investing Activities	(10,596.93)	(24,898.13)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Preference Share Capital	(0.00)	1,000.00
Proceeds of Long-term Borrowings	7,036.06	19,500.00
Proceeds from Inter-corporate Deposit	15,300.00	12,800.00
Proceeds/(Repayment) from Short-term Borrowings (Net)	262.15	301.87
Interest and Financial Charges	(3,471.87)	(272.78)
Net cash from Financing Activities	19,126.34	33,329.08
D. Increase/(Decrease) in Cash and Cash Equivalents - Cash & Bank Balance	47.66	(64.87)
E. Cash and Cash Equivalents as at the beginning of the period - Cash & Bank Balances	949.58	1,014.25
F. Cash and Cash Equivalents as at the close of the period - Cash & Bank Balances	997.24	949.58

Notes :

(a) Total Liabilities from Financing Activities	Long Term	Short Term	Long Term	Short Term
Opening	54,179.17	301.87	21,254.84	-
Cash Flow Changes				
Inflow/(Repayments)	22,358.06	262.15	33,300.00	301.87
Non-Cash Flow Changes				
Foreign Exchange	-	-	-	-
FCCB Conversion	-	-	-	-
Other	346.76	-	(375.67)	-
Closing	76,861.99	564.02	54,179.17	301.87

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

As per our report of even date attached.

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

(Signature)

(Gaurav Lodha)
Partner
Membership No. 507462
Dated : 17th May, 2021



For and on behalf of the Board of Directors

(Signature)
V. Kumaraswamy
Chief Finance Officer

(Signature)
Directors

(Signature)
Company Secretary

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