

JK Enviro-Tech Limited

ANNUAL REPORT 2014-15

Board of Directors

Sh. O.P.Goyal

Sh. P.S. Sharma

Sh. U.K. Gupta

Registered Office

P.O. Central Pulp Mills – 394660
Fort Songadh, Dist. Tapi, Gujarat

Banker

Axis Bank

Auditors

Singhi & Co.
Chartered Accountants
New Delhi

DIRECTORS' REPORT

To the Members of JK Enviro-tech Limited

Your Directors are pleased to present the 8th Annual Report and Audited Financial Statements of the Company for the financial year ended 31st March, 2015.

Financial Results

Audited financial results of the Company, are stated as under.

		Rs. in lakh
	2014-15	2013-14
Total Revenue	---	2,494.47
Total Expenses	<u>582.83</u>	<u>1,658.98</u>
Profit before Interest, Depreciation & Tax	(582.83)	835.49
Finance Costs	<u>---</u>	<u>357.83</u>
Profit before Depreciation and Tax	(582.83)	477.66
Depreciation	<u>---</u>	<u>354.67</u>
Profit Before Tax	<u>(582.83)</u>	<u>122.99</u>
Profit After Tax	(259.73)	58.48

DIVIDEND

The Directors have not recommended dividend to the Members for the financial year ended 31st March 2015.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March 2015 in the prescribed form MGT -9 is attached as Annexure-1 to this Report and forms part of it.

NUMBER OF MEETINGS OF THE BOARD

Four Board Meetings were held during the financial year ended on 31st March, 2015.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year ended 31st March 2015, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arms' length basis and were in compliance with the applicable provisions of the Companies Act, 2013. Further, the Company has not entered into any contract or arrangement or transaction with the related parties which could be considered material. In view of the above, disclosure in Form AOC-2 is not applicable.

DIRECTORS

Shri O.P. Goyal, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

PARTICULARS OF EMPLOYEES

During the period under review, the Company had no employee in the category specified under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CONSERVATION OF ENERGY ETC.

Details of conservation of energy, technology absorption, adaptation and innovation, foreign exchange earnings and outgo under section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable for the period under review.

CORPORATE SOCIAL RESPONSIBILITY

The requirement of Corporate Social Responsibility in terms of Section 135 of the Companies Act, 2013 and the rules made thereunder is not applicable to the Company.

STATUTORY AUDITORS AND THEIR REPORT

M/s Singhi & Co., Chartered Accountants, have been appointed as Auditors of the Company to hold the office from the conclusion of the 7th Annual General Meeting held on 27th September 2014 until the conclusion of the 12th Annual General Meeting to be held in year 2019, subject to ratification of the appointment by the members at the respective AGMs to be held in the years 2015, 2016, 2017, 2018 and 2019. Accordingly, being eligible, matter relating to the appointment of the Auditors will be placed for ratification by members at the forthcoming Annual General Meeting. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self explanatory.

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

During the financial year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations, except for the approval of the Scheme of Arrangement as detailed hereunder.

Scheme of Arrangement

Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Gujarat under section 391 to 394 of the Companies Act 1956, Lime Kiln Undertaking of the Company has been transferred and vested to JK Paper Ltd. (JKPL) as a going concern on slump sale basis with effect from appointed date i.e. 1st April 2013 & reduction of Equity Share Capital of the Company from Rs.

4,95,06,000/- (divided into 49,50,600 equity shares of Rs.10/- each) to Rs. 1,65,00,000/- (divided into 16,50,000 equity shares of Rs.10/- each) has been done.

RISK MANAGEMENT

The Company has a risk management system to inform Board Members about risk assessment and minimization procedures.

DEPOSITS

The Company has not accepted any deposits from the public during the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (3) (c) of the Companies Act, 2013, your Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis; and
- (e) the proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement

Your Directors would like to express their grateful appreciation for the assistance and cooperation received from the Financial Institutions, Banks, Government Authorities, Vendors and Shareholders during the year under review.

On behalf of the Board of Directors

**O.P.Goyal
(Director)**

**U.K. Gupta
(Director)**

**P.S.Sharma
(Director)**

**Place: New Delhi
Date : 28th August, 2015**

ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

Annexure-I

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March 2015 [Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U73100GJ2007PLC075963
2.	Registration Date	19.12.2007
3.	Name of the Company	JK Enviro-tech Ltd.
4.	Category/Sub-category of the Company	Public Company Limited by Shares
5.	Address of the Registered office & contact details	Registered office :- P.O. Central Pulp Mills -394660 Fort Songadh Distt.- Tapi, Gujarat Ph.. No. : 91-2624-220228/ 220278-80 Fax No. : 91-2624-220138 Email ID:- csjketl@jkmail.com
6.	Whether listed company	No
7.	Name, Address & contact details of Registrar and Transfer Agent, if any.	Link Intime India Pvt. Ltd., 44, Community Center, 2 nd floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi – 110028 Ph. No. : (011) – 41410592/93/94 Fax No. : (011) - 41410591 Email ID : delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
-	-	-	-

Note : There is no turnover for the financial year 2014-2015.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	JK Paper Limited P.O. Central Pulp Mills – 394660 Fort- Songadh, District – Tapi, Gujarat	L21010GJ1960PLC018099	Holding	98.98	2(46)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	40	40	0.00	0	15	15	0.00	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others									
(i) Trust and Foundation	0	0	0	0	0	0	0	0	0
(ii) Non Resident Individuals	0	0	0	0	0	0	0	0	0
(iii) OCB									
Sub-total (B)(2):-	50,000	600	50,600	1.02	16,665	200	16,865	1.02	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	49,50,000	600	49,50,600	100	16,49,800	200	16,50,000	100	0

Note1 : Pursuant to Scheme of Arrangement between JK Enviro-tech Ltd. & JK Paper Ltd. approved by the Hon'ble High Court of Gujarat, reduction of the subscribed, issued and paid up share capital of the Company from Rs. 4,95,06,000/- (divided into 49,50,600 equity shares of Rs. 10/- each) to Rs. 1,65,00,000/- (divided into 16,50,000 equity shares of Rs. 10/- each) has been done.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2014)			Shareholding at the end of the year (as on 31st March 2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	JK Paper Limited	49,00,000	98.98	-	16,33,135	98.98	-	No Change
	Total	49,00,000	98.98	-	16,33,135	98.98	-	

Note: Please see note1 above regarding reduction of Share Capital of the Company.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	JK Paper Limited				
	At the beginning of the year	49,00,000	98.98	16,33,135	98.98
	Increase / Decrease in Promoters Shareholding during the year	NO CHANGE			
	At the end of the year i.e., 31.03.2015			16,33,135	98.98

Note: Please see note1 above regarding reduction of Share Capital of the Company.

(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (1 st April 2014)		Cumulative Shareholding at the end of the year (31 st March 2015)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Bengal & Assam Company Limited	50,000	1.01	16,665	1.01
2	Juggilal Kamlapat Udyog Ltd.	100	0.00	33	0.00
3	Sago Trading Ltd.	100	0.00	33	0.00
4	JK Credit & Finance Ltd.	100	0.00	33	0.00
5	Nav Bharat Vanijya Ltd.	100	0.00	33	0.00
6	Param Shubham Vanijya Ltd.	100	0.00	33	0.00
7	Rouncy Trading Pvt. Ltd.	60	60	20	0.00
8	N.K. Khanna	5	0.00	3	0.00
9	N.K. Agarwal	5	0.00	2	0.00
10	Kamal Kumar Lakhotia	5	0.00	2	0.00

Note: Please see note1 above regarding reduction of Share Capital of the Company.

(v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors of the Company were holding any shares in the Company at the beginning of the year, i.e. as on 1st April 2014 and at the end of the year i.e. as on 31st March 2015 and hence there was no increase/decrease in their shareholding during the financial year 2014-15.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11.68	12.15	---	23.83
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	.07	---	---	.07
Total (i+ii+iii)	11.75	12.15	---	23.90
Change in Indebtedness during the financial year				
• Addition	---	---	---	---
• Reduction	11.75	12.15	--	23.90
Net Change	-11.75	-12.15	--	-23.90
Indebtedness at the end of the financial year				
i) Principal Amount	---	---	---	---
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	---	---	---	---

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable.

B. Remuneration to other directors:

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Not Applicable			
	• Fee for attending Board/Committee Meetings				
	• Commission/ Others				
	Total (1)				
2.	Other Non-executive Directors	Sh. Om Prakash Goyal	Sh. Prem Shankar Sharma	Sh. Upendra Kumar Gupta	
	• Fee for attending Board /Committee Meetings	8,000	8,000	8,000	24,000
	• Commission/ Others	Nil	Nil	Nil	Nil
	Total (2)	8,000	8,000	8,000	24,000
	Total(B)= (1+2)				24,000
	Total Managerial Remuneration (A+B)				24,000
	Overall Ceiling as per the Act	Ceiling on Managerial Remuneration as provided in Section 197 of the Companies Act 2013, is not applicable here, since the Company had no profits, in terms of Section 198 of the Act, as on 31 st March 2015 & the Company had only paid sitting fees to its non-executive directors, which is excluded for the purpose of calculation of the abovesaid Ceiling as per Section 197 of the Companies Act 2013.			

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTB: Not Applicable.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JK ENVIRO-TECH LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of JK ENVIRO-TECH LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate

in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

1. As required by the Companies' (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statements on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. (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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of written representations received from the directors as on 31st March'2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

(f) 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:

Singhi & Co.

Chartered Accountants

- a. The Company does not have any pending litigations which would impact its financial position.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. No amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

- (i) The Company has no fixed assets; hence clause (i) (a) and (b) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- (ii) The Company has no inventory; hence clause (ii) (a) (b) and (c) Companies (Auditor's Report) Order, 2015 are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted loan to companies, firms or other parties covered in the register maintained under section 189 of the Companies' Act, 2013. Therefore, provision of clause 3(iii)(a) and 3(iii)(b) of Companies (Auditor's Report) Order, 2015 are not applicable.
- (iv) The Company has no operations during the year hence provision of clause 3(iv) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- (v) The Company has not accepted any deposit from public.
- (vi) The Company has no operations during the year hence cost records were not applicable.
- (vii) a. According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, wealth tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues accrued in the books of the account with the appropriate authorities, wherever applicable. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

b. According to the records of the Company there are no dues outstanding on account of provident fund, income tax, sales tax, value added tax, wealth tax, service tax, duty of customs, duty of excise and cess on account of any dispute.

c. According to the information and explanations given to us, the Company is not required to transfer any amount to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has incurred cash losses in the current financial year but not in the immediately preceding financial year.
- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has not obtained any term loans during the year.
- (xii) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company, have been noticed or reported during the year.

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

Place: New Delhi
Date: 08.05.2015

S. N. Sharma
Partner
Membership No. 014781

JK ENVIRO-TECH LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2015****(Amount in Rs.)**

	Note	31st Mar, 2015	31st Mar, 2014
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	1,65,00,000	4,95,06,000
Reserves & Surplus	3	19,33,638	3,38,26,937
		<u>1,84,33,638</u>	<u>8,33,32,937</u>
NON CURRENT LIABILITIES			
Long term Borrowings	4	-	10,52,83,574
Deferred Tax Liabilities (Net)		-	3,63,00,382
		<u>-</u>	<u>14,15,83,956</u>
CURRENT LIABILITIES			
Trade Payables		-	1,01,64,417
Other Current Liabilities	5	6,70,565	32,74,51,391
		<u>6,70,565</u>	<u>33,76,15,808</u>
TOTAL		<u><u>1,91,04,203</u></u>	<u><u>56,25,32,701</u></u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	6	-	54,57,83,336
Long term Loans and Advances	7	-	20,000
		<u>-</u>	<u>54,58,03,336</u>
CURRENT ASSETS			
Inventories	8	-	1,08,72,667
Trade Receivables	9	-	-
Cash and Cash Equivalents	10	11,66,998	15,79,068
Short Term Loans and Advances	11	1,79,37,205	42,05,192
Other Current Assets	12	-	72,438
		<u>1,91,04,203</u>	<u>1,67,29,365</u>
TOTAL		<u><u>1,91,04,203</u></u>	<u><u>56,25,32,701</u></u>

Significant Accounting Policies 1

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

As per our Report of even date attached.

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

(S.N. Sharma)
Partner
M.No. 014781
New Delhi, the 8th day of May, 2015

Directors

JK ENVIRO-TECH LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015****(Amount in Rs.)**

	Note	2014-15	2013-14
Revenue from Operations			
Sales		-	21,46,53,016
Other Income	13	-	3,47,93,863
Total		-	24,94,46,879
Expenses:			
Cost of materials consumed		-	1,12,62,560
Increase/(Decrease) in inventories of Finished Goods		-	-
Employee Benefits Expense	14	-	1,05,26,776
Finance Costs	15	-	3,57,83,254
Depreciation and Amortization Expenses		-	3,54,66,586
Other Expenses	16	71,032	14,41,09,070
Total		71,032	23,71,48,246
Profit Before Tax before Exceptional items		(71,032)	1,22,98,633
Exceptional Items (Ref Note No. 19)		(5,82,12,020)	-
Profit Before Tax after Exceptional items		(5,82,83,052)	1,22,98,633
Tax Expense:			
Current tax		-	24,60,680
Deferred tax charges / (credit)		(3,23,10,091)	39,90,291
Profit for the year		(2,59,72,961)	58,47,662
Basic/ Diluted Earning Per Share (Rs.)		(15.74)	1.18
Significant Accounting Policies	1		

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

As per our Report of even date attached.

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

(S.N. Sharma)
Partner
M.No. 014781
New Delhi, the 8th day of May, 2015

Directors

Note – 1:- Significant Accounting Policies:

a) Basis of preparation of financial statements:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India, under the historical cost convention on accrual basis, and to comply with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 as amended and the relevant provisions of the Companies Act, 2013. Claims/ Refunds not ascertainable with reasonable certainty are accounted for on settlement basis.

b) Revenue Recognition:

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

c) Fixed Assets:

Expenses incurred relating to project prior to commencement of commercial production are classified as project development expenditure and disclosed under Capital work-in-progress (Net of Income earned during project development stage). Fixed Assets are stated at cost.

Depreciation on Buildings and Furniture, Fixtures & Equipments is provided as per straight line method over their useful lives as prescribed under Schedule II of Companies Act, 2013. Depreciation on assets costing up to Rs.5,000/- and on Temporary Sheds is provided in full during the year of additions.

d) Inventories:

Inventories are valued at the lower of cost and net realisable value. The cost is computed on weighted average basis. Finished Goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

e) Borrowing Costs:

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

f) Income Tax:

Current tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred tax assets and liabilities are recognised in respect of current year and prospective years. Deferred Tax Assets are recognised on the basis of reasonable certainty / virtual certainty as the case may be, that sufficient future taxable income will be available against which the same can be realized.

g) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

h) Impairment of Assets:

Consideration is given at balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's assets. If any indication exists, the recoverable value of assets is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The latter being greater of net selling price and value in use.

Preliminary expenses are charged to Profit & Loss Account in the year in which same are incurred.

i) Provisions, Contingent Liabilities and Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTE 2:

SHARE CAPITAL

Authorised

Equity Shares 1,00,00,000 of Rs.10 each (Previous year - 1,00,00,000) of Rs.10 each	10,00,00,000	10,00,00,000
Preference Shares 5,00,000 of Rs.100 each (Previous year - 5,00,000) of Rs.100 each	5,00,00,000	5,00,00,000
	15,00,00,000	15,00,00,000

Issued, Subscribed and Fully Paid-up :

Equity Shares 16,50,000 (Previous year 49,50,600) of Rs.10 each Fully Paid up.	1,65,00,000	4,95,06,000
	1,65,00,000	4,95,06,000

Notes :

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

Shares outstanding at the beginning of the year	49,50,600	49,50,600
Add : Shares issued during the year	-	-
Less : Shares bought back during the year	-	-
Less : Reduction in Share Capital pursuant to Scheme of Arrangement (Ref Note No. 19)	33,00,600	-
Shares outstanding at the end of the year	16,50,000	49,50,600

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

JK Paper Limited (Holding Company)	16,33,135	49,00,000
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NOTE 3 :

RESERVES AND SURPLUS

a) General Reserve

Opening Balance	21,00,000	21,00,000
Add : Transferred from Surplus	-	-
Closing Balance	21,00,000	21,00,000

b) Balance in Statement of Profit & Loss :

Opening Balance	3,17,26,937	2,58,79,275
Less : Pursuant to the Scheme of Arrangement [Ref Note No. 19 A.(e)]	59,20,338	-
Add : Net Profit /(Loss) for the period	(2,59,72,961)	58,47,662
Closing Balance	(1,66,362)	3,17,26,937
	19,33,638	3,38,26,937

NOTE 4 :

LONG TERM BORROWINGS

SECURED

Term Loan from a Body Corporate	-	11,68,45,274
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UNSECURED

Term Loan from JK Paper Limited (Holding Company)	-	12,14,70,332
---	---	--------------

Less : Current maturities of Long Term Borrowings

-	23,83,15,606
-	13,30,32,032
-	10,52,83,574

NOTE 5 :

OTHER CURRENT LIABILITIES

Current maturities of Long Term Borrowings

Term Loan from a Body Corporate (Secured)	-	5,39,28,564
---	---	-------------

Term Loan from JK Paper Limited (Holding Company) (Unsecured)	-	7,91,03,468
---	---	-------------

Interest accrued but not due on loans

Statutory Dues (Ref Note No. 19 C)

Other payables

Advance from Customers - JK Paper Limited (Holding Company)

-	13,30,32,032
-	7,07,474
6,42,928	9,63,757
27,637	23,36,147
-	19,04,11,981
6,70,565	32,74,51,391

NOTE 6 :-**TANGIBLE ASSETS**

(Amount in Rs.)

Description	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1-Apr-2014	Additions/ Adjustments (a)	Sales/ Adjustments	Impact of Scheme (b)	As at 31-Mar-2015	As at 1-Apr-2014	For the year	On Sales/ Adjustments	Impact of Scheme (b)	As at 31-Mar-2015	As at 31-Mar-2015	As at 31-Mar-2014
Buildings	9,99,85,657	-	-	9,99,85,657	-	1,54,54,322	-	-	1,54,54,322	-	-	8,45,31,335
Plant & Machinery	61,56,72,925	5,47,500	-	#####	-	15,47,04,970	-	-	15,47,04,970	-	-	46,09,67,955
Furniture and Fixtures	1,35,458	-	-	1,35,458	-	29,555	-	-	29,555	-	-	1,05,903
Office Equipments	96,864	-	-	96,864	-	19,908	-	-	19,908	-	-	76,956
Vehicles	1,15,000	-	50,000	65,000	-	13,813	-	3,683	10,130	-	-	1,01,187
Total	71,60,05,904	5,47,500	50,000	#####	-	17,02,22,568	-	3,683	17,02,18,885	-	-	54,57,83,336
Previous year	71,59,55,904	50,000	-	-	71,60,05,904	13,47,55,982	3,54,66,586	-	-	17,02,22,568	54,57,83,336	

Notes :

(a) Borrowing costs capitalized during the period Rs. Nil (Previous year Rs. Nil).

(b) Transfer pursuant to the Scheme of Arrangement (Ref Note no. 19)

NOTE 7 :

LONG TERM LOANS AND ADVANCES

Unsecured, considered good

Security Deposits	-	20,000
	<u>-</u>	<u>20,000</u>

NOTE 8 :

INVENTORIES

(Inventories are valued at the lower of cost and net realisable value.)

Raw Materials	-	72,43,912
Stores & Spares	-	36,28,755
	<u>-</u>	<u>1,08,72,667</u>

NOTE 9 :

TRADE RECEIVABLES

UNSECURED

Exceeding six months	-	-
Other Debts		
Considered Good	-	-
Considered Doubtful	-	-
	<u>-</u>	<u>-</u>
Less: Provision for Doubtful Debts	-	-
	<u>-</u>	<u>-</u>

NOTE 10 :

CASH & CASH EQUIVALENTS

Cash & Cash Equivalents

Balance with Banks		
Current Accounts	11,66,998	15,79,068
	<u>11,66,998</u>	<u>15,79,068</u>

NOTE 11 :

SHORT TERM LOAN AND ADVANCES

Unsecured, considered good

Loans and advances to related party

JK Paper Limited (Holding Company)	1,44,97,653	-
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Other Loans & Advances

Advances to Employees	-	13,620
Advances to Suppliers	-	2,92,229
Indirect Tax Recoverable	-	7,47,177
Advance Income Tax/ Tax deducted at source (Net) (Ref Note No. 19 C)	34,39,552	31,52,166
	<u>1,79,37,205</u>	<u>42,05,192</u>

NOTE 12 :

OTHER CURRENT ASSETS

Pre-paid Expenses	-	72,438
	<u>-</u>	<u>72,438</u>

	2014-15	(Amount in Rs.) 2013-14
Note 13 :-		
OTHER INCOME		
Miscellaneous Income	-	3,47,93,863
	<u>-</u>	<u>3,47,93,863</u>
Note 14 :-		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Allowances, etc.	-	98,83,032
Contribution to Provident and Other Funds	-	3,99,374
Staff Welfare Expenses	-	2,44,370
	<u>-</u>	<u>1,05,26,776</u>
Note 15 :-		
FINANCE COSTS		
Interest expense		
Interest on Term Loan	-	3,57,83,254
	<u>-</u>	<u>3,57,83,254</u>
Note 16 :-		
OTHER EXPENSES		
Consumption of Stores and Spares	-	87,60,557
Power, Fuel and Water	-	13,04,17,798
Repairs to Building	-	59,194
Repairs to Machinery	-	41,86,230
Insurance	-	4,76,462
Rates and Taxes	-	2,500
Directors' fees	26,964	33,705
Auditors Remuneration (including service tax)		
for Audit Fees	24,719	24,719
for Tax Audit Fees	5,618	5,618
for Out of pocket expenses	6,360	7,500
Miscellaneous Expenses	7,371	1,34,787
	<u>71,032</u>	<u>14,41,09,070</u>

17. Estimated amount of contract remaining to be executed on Capital accounts (net of Advances) and not provided for is Rs. Nil (Previous year Nil).
18. Contingent Liability against the Company not acknowledged as debt – Rs. Nil (previous year - Nil).
19. Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Gujarat under section 391 to 394 of the Companies Act 1956, which has become effective on 10th April 2015, Lime Kiln Undertaking of the Company has been transferred and vested to JK Paper Ltd. (JKPL) as a going concern on slump sale basis with effect from appointed date i.e. 1st April 2013, as a result:

A. The effect of above on account is shown below

		Amount in Rs.
S. No.	Particulars	Amount
a)	Assets as reduced by transfer and vesting of Undertaking :	
	Fixed Assets	58,11,99,922
	Long term Loans and Advances	20,000
	Inventories	4,09,29,654
	Short Term Loans and Advances	1,50,74,574
	Other Current Assets	77,827
	Total Assets (A)	63,73,01,977
b)	Liabilities as reduced by transfer and vesting of Undertaking :	
	Long Term Borrowings	23,83,15,606
	Trade Payables	40,21,422
	Other Current Liabilities	28,78,46,929
	Total Liabilities (B)	53,01,83,957
c)	lump sum sale consideration in Cash	1,59,00,000
d)	Loss on Sale of Undertaking (a – b – c)	9,12,18,020
e)	Loss set-off against Share Capital (refer note B below)	3,30,06,000
f)	Net Loss charged to statement of profit & loss (d – e)	5,82,12,020

g) With effect from appointed date and up to and including the effective date

- i) The Company carried on the business activities of the Lime Kiln undertaking w.e.f. from 1st April 2013 till 10th April 2015 for and behalf of JK Paper Limited.
- ii) All profits or income that accrued to the Company and all taxes thereof or losses arising or incurred by it with respect to Lime Kiln Undertaking of the Company has been, for all the purposes, treated as the profits, taxes or losses as the case may be, of the JK Paper Limited.
- iii) Pursuant to above, profit of Rs. 59,20,338/- (net of current tax of Rs.24,60,680/- and deferred tax of Rs. 39,90,291/-) of Lime Kiln Undertaking related to Financial Year 2013-14 has been adjusted to the Balance in Statement of Profit & Loss.

- B. Reduction of Equity Share Capital of the Company from Rs. 4,95,06,000 (divided in to 49,50,600 equity shares of Rs. 10 each) to Rs. 1,65,00,000 (divided in to 16,50,000 equity shares of Rs. 10 each)
- C. Other Current Liabilities include Statutory Dues of Rs. 6,42,928/- and Short Term Loan and Advances include an Advance for Income Tax (Net of Tax deducted at source) receivable of Rs. 34,39,552/-, which are being carried on behalf of JK Paper Ltd.

20. Disclosure as required under 'Related Party Disclosures' (AS-18), are as below:

List of Related Party:

Holding Company
JK Paper Ltd.

Fellow Subsidiary
Songadh Infrastructure & Housing Limited
Jaykaypur Infrastructure & Housing Limited

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

Sl. No.	Nature of Transactions	Amount in Rs	
		Holding Company #	
		2014-15	2013-14
i	Purchase of Goods	---	15,96,750
ii	Reimbursement of Expenses -Paid	---	2,44,994
iii	Reimbursement of Expenses. -Received	---	3,41,59,570
iv	Sale of Goods (Incl. VAT)	---	22,53,85,667
v	Interest on Loan	---	1,78,06,076
vi	Loans Received	---	---
vii	Loan installment Paid	---	7,91,03,468
viii	Outstanding at end of the year :		
	a) Receivable	1,44,97,653	---
	b) Payable	---	31,18,82,313

Additional details of the Scheme of Arrangement given in Note No. 19 above

21. Pursuant to the Accounting Standard for 'Taxes on Income' (AS 22), Deferred Tax (Liability) / Asset at Balance Sheet date is:

	Amount in Rs.	
	31 st March' 15	31 st March' 14
i) Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax.	---	(9,20,99,725)
ii) Tax on Carried forward unabsorbed depreciation	---	5,57,99,343
	---	(3,63,00,382)

22. As per the requirements of "The Micro, Small and Medium Enterprises Development Act, 2006" the Company is required to identify the Micro, Small & Medium suppliers and pay interest on overdue amount to the Micro & Small enterprises beyond the specified period irrespective of the terms agreed with the suppliers. As informed, the Company has not received information from vendors regarding their status. Accordingly, the disclosure relating to the amount unpaid at the year end together with Interest payable under this Act can not be provided.

23. Raw Material of Lime Stone consumed during the year Nil – Value Nil (Previous year 4,292 MT, Value Rs. 1,12,62,560/-).

24. a) Expenditure in Foreign Currency – Rs. Nil.
b) Earnings in Foreign Currency – Rs. Nil.

25. Earning Per Share :

	<u>31st March 15</u>	<i>Amount in Rs</i> <u>31st March 14</u>
Profit After Tax	(2,59,72,961)	58,47,662
Weighted Average No. of Ordinary Shares	16,50,000	49,50,600
Nominal Value of Ordinary Share	10.00	10.00
Earnings per Ordinary Share	(15.74)	1.18

26. Figures have been rounded off to the nearest Rupee.

27. Previous year's figures include Lime Kiln Undertaking of the Company, pursuant to the Scheme of Arrangement has been transferred and vested to JK Paper Ltd, hence are not comparable.

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

As per our report of even date attached

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

(S.N. Sharma)
Partner
Membership No. 014781
New Delhi, the 8th day of May, 2015

Directors

CASH FLOW STATEMENT

For the year ended 31st March, 2015

Amount in Rupees

	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax and Extra-ordinary Items	(5,82,83,052)	1,22,98,633
Adjustments for :		
Depreciation	-	3,54,66,586
Interest and Financial Charges (Net)	-	3,57,83,254
Loss on Sale of Undertaking charged to Statement of Profit/(Lc	5,82,12,020	-
Operating Profit before Working Capital Changes	(71,032)	8,35,48,473
Adjustments for Working Capital Changes:		
Trade and Other Receivables	(1,62,68,675)	84,14,091
Inventories	-	3,00,56,986
Trade and Other Payables	27,637	4,60,14,233
Cash generated from Operations	(1,63,12,070)	16,80,33,783
Taxes paid	-	-
Net Cash from Operating Activities	(1,63,12,070)	16,80,33,783
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	-	(50,000)
Sale of Lime Kiln Undertaking	1,59,00,000	-
Net Cash from Investing Activities	1,59,00,000	(50,000)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Long-term Borrowings	-	(13,30,32,032)
Interest and Financial Charges	-	(3,60,50,030)
Net cash from Financing Activities	-	(16,90,82,062)
D. Increase/(Decrease) in Cash and Cash Equivalents - Cash & Bank Balance	(4,12,070)	(10,98,279)
E. Cash and Cash Equivalents as at the beginning of the the year - Cash & Bank Balances	15,79,068	26,77,347
F. Cash and Cash Equivalents as at the close of the year - Cash & Bank Balances	11,66,998	15,79,068

Note

Previous year figures re-grouped/ re-arranged wherever necessary.

As per our Report of even date attached.

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

(S.N. Sharma)
Partner
M.No. 014781
New Delhi, the 8th day of May, 2015

Directors