

JK Enviro-Tech Limited

ANNUAL REPORT 2015-16

Board of Directors

Sh. P.S. Sharma

Sh. Vinit Marwaha

Sh. Ashok 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 9th Annual Report and Audited Financial Statements of the Company for the financial year ended 31st March, 2016.

Financial Results

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

		Rs. in lakh
	2015-16	2014-15
Total Revenue	9.22	---
Total Expenses	<u>2.05</u>	<u>582.83</u>
Profit before Interest, Depreciation & Tax	7.17	(582.83)
Finance Costs	<u>1.91</u>	---
Profit before Depreciation and Tax	5.26	(582.83)
Depreciation	--	---
Profit/(Loss) Before Tax	<u>5.26</u>	<u>(582.83)</u>
Profit/(Loss) After Tax	3.86	(259.73)

REVIEW OF OPERATIONS

During the year, total revenue of the Company was Rs. 9 Lacs and Profit after Tax (PAT) was Rs. 4 Lac, which has been carried over to the Balance Sheet of the Company.

During the period under review the Company has acquired 1000 ordinary shares of aggregate nominal value of US \$1,000 of Habras International (Singapore) PTE. Ltd. ("HIS") and consequently HIS became a wholly owned subsidiary of the Company.

DIVIDEND

The Directors have not recommended dividend to the Members for the financial year ended 31st March 2016.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March 2016 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

Nine Board Meetings were held during the financial year ended on 31st March, 2016.

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 2016, 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 P.S. Sharma, retires by rotation at the forthcoming Annual General Meeting (AGM) and being eligible offers himself for re-appointment.

The Board has appointed Shri Vinit Marwaha and Shri Ashok Gupta as Additional Directors of the Company with effect from 8th October 2015, who shall hold office upto the date of forthcoming AGM. The Company has also received requisite

Notices from Members of the Company proposing the names of Shri Vinit Marwaha and Shri Ashok Gupta for appointments as Directors, liable to retire by rotation at the forthcoming AGM. The Board of Directors recommends their appointments as aforesaid.

Shri O.P Goyal and Shri U.K. Gupta, ceased to be Directors of the Company, w.e.f. 8th October 2015.

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. Accordingly, 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.

RISK MANAGEMENT

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

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting Standards. The Audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

A report on the performance and financial position of its wholly owned subsidiary included in the Consolidated Financial Statements is presented in a separate section in this Annual Report. Please refer to AOC-1 annexed to the Financial Statements in the Annual Report.

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 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

P.S. Sharma	Vinit Marwaha	Ashok Gupta
Director	Director	Director
DIN: 00035882	DIN: 00051403	DIN: 06791126

Place: New Delhi
Date : 26th April, 2016

ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

Annexure-I

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March 2016 [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@jkm.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 2015-2016.

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)
2.	Habras International (Singapore) PTE. Ltd. 10 Jalan Besar, #10-03, Sim Lim Tower, Singapore (208787)	Not Applicable	Wholly Owned Subsidiary	100	2(87)

(i) Category-wise Share Holding

[illegible]

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% 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	15	15	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	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	16,665	200	16,865	1.02	16,665	200	16,865	1.02	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	16,665	200	16,865	1.02	16,665	200	16,865	1.02	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	16,49,800	200	16,50,000	100	16,49,800	200	16,50,000	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2015)			Shareholding at the end of the year (as on 31st March 2016)			% 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	16,33,135	98.98	-	16,33,135	98.98	-	No Change
	Total	16,33,135	98.98	-	16,33,135	98.98	-	

(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 2015)		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	16,33,135	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., 31.03.2016			16,33,135	98.98

(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 2015)		Cumulative Shareholding at the end of the year (31 st March 2016)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Bengal & Assam Company Limited	16,665	1.01	16,665	1.01
2	Juggilal Kamlapat Udyog Ltd.	33	0.00	33	0.00
3	Sago Trading Ltd.	33	0.00	33	0.00
4	JK Credit & Finance Ltd.	33	0.00	33	0.00
5	Nav Bharat Vanijya Ltd.	33	0.00	33	0.00
6	Param Shubham Vanijya Ltd.	33	0.00	33	0.00
7	Rouncy Trading Pvt. Ltd.	20	0.00	20	0.00
8	N.K. Khanna	3	0.00	3	0.00
9	N.K. Agarwal	2	0.00	2	0.00
10	Kamal Kumar Lakhotia	2	0.00	2	0.00

(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 2015 and at the end of the year i.e. as on 31st March 2016 and hence there was no increase/decrease in their shareholding during the financial year 2015-16.

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	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	1.02	-	1.02
• Reduction	-	-	-	-
Net Change	-	1.02	-	1.02
Indebtedness at the end of the financial year				
i) Principal Amount	-	1.00	-	1.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.02	-	0.02
Total (i+ii+iii)	-	1.02	-	1.02

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. Prem Shankar Sharma	Sh. Vinit Marwaha (appointed w.e.f. 08.10.2015)	Sh. Ashok Gupta (appointed w.e.f. 08.10.2015)	Sh. O.P. Goyal (ceased w.e.f. 08.10.2015)	Sh. U.K. Gupta (ceased w.e.f. 08.10.2015)		
	• Fee for attending Board/Committee Meetings	18,000	8,000	6,000	12,000	12,000		56,000
	• Commission/ Others	Nil	Nil	Nil				Nil
	Total (2)	18,000	8,000	6,000	12,000	12,000		56,000
	Total(B)= (1+2)							56,000
	Total Managerial Remuneration (A+B)							56,000
	Overall Ceiling as per the Act	Rs. 0.58 lacs (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/MTD: Not Applicable.**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JK ENVIRO-TECH LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **JK ENVIRO-TECH LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, and its profit 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, 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 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 standalone 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'2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 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. The Company did not have any amounts required to be transferred to the Investor Education and Protection Fund.

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

Place: New Delhi
Date: 26.04.2016

S. N. Sharma
Partner
Membership No. 014781

Annexure A 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 therefore clause 3 (i) of the Order is not applicable to the Company.
- (ii) The Company has no inventory; hence clause 3 (ii) of the Order is not applicable to the Company.
- (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), (b) and (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted loans etc. covered under section 185 and complied with the provisions of section 186 of the Act, in respect of investment made in wholly owned subsidiary.
- (v) The Company has not accepted any deposit from public.
- (vi) The Company has no operations during the year hence clause 3(vi) of the Order is not applicable.
- (vii) a. According to the records of the Company, the Company is regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

b. According to the records of the Company there are no dues outstanding on account of Income-tax, Sales-tax, Value Added Tax, Service Tax, Duty of customs, Duty of excise and Cess on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) 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.

- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: New Delhi
Date: 26.04.2016

S. N. Sharma
Partner
Membership No. 014781

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of JK Enviro-tech Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Place: New Delhi
Date: 26.04.2016

S. N. Sharma
Partner
Membership No. 014781

JK ENVIRO-TECH LIMITED

STANDALONE BALANCE SHEET AS AT 31ST March, 2016

(Amount in Rs.)			
	Note	31st Mar, 2016	31st Mar, 2015
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	1,65,00,000	1,65,00,000
Reserves & Surplus	3	23,19,407	19,33,638
		<u>1,88,19,407</u>	<u>1,84,33,638</u>
CURRENT LIABILITIES			
Short Term Borrowings	4	1,00,00,000	-
Other Current Liabilities	5	42,06,853	6,70,565
		<u>1,42,06,853</u>	<u>6,70,565</u>
TOTAL		<u>3,30,26,260</u>	<u>1,91,04,203</u>
ASSETS			
Non Current Assets			
Non Current Investment	6	77,113	-
CURRENT ASSETS			
Cash and Cash Equivalents	7	98,96,441	11,66,998
Short Term Loans and Advances	8	2,30,52,706	1,79,37,205
		<u>3,29,49,147</u>	<u>1,91,04,203</u>
TOTAL		<u>3,30,26,260</u>	<u>1,91,04,203</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 26 day of April, 2016

Directors

JK ENVIRO-TECH LIMITED**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MAR, 2016**

(Amount in Rs.)			
	Note	2015-16	2014-15
Revenue from Operations			
Sales		-	-
Other Income	9	9,22,371	-
Total		9,22,371	-
Expenses:			
Cost of materials consumed		-	-
Increase/(Decrease) in inventories of Finished Goods		-	-
Employee Benefits Expense		-	-
Finance Costs	10	1,91,013	-
Depreciation and Amortization Expenses		-	-
Other Expenses	11	2,04,846	71,032
Total		3,95,859	71,032
Profit Before Tax before Exceptional items		5,26,512	(71,032)
Exceptional Items		-	(5,82,12,020)
Profit Before Tax after Exceptional items		5,26,512	(5,82,83,052)
Tax Expense:			
Current tax		1,40,743	-
Deferred tax charges / (credit)		-	(3,23,10,091)
Profit for the year		3,85,769	(2,59,72,961)
Basic/ Diluted Earning Per Share (Rs.)		0.23	(15.74)
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 26 day of April, 2016

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 of Section 133 of 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 Statement of 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.

	31st Mar, 2016	(Amount in Rs.) 31st Mar, 2015
NOTE 2:		
SHARE CAPITAL		
<u>Authorised</u>		
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
	<u>15,00,00,000</u>	<u>15,00,00,000</u>
<u>Issued, Subscribed and Fully Paid-up :</u>		
Equity Shares 16,50,000 (Previous year 16,50,000) of Rs.10 each Fully Paid up.	1,65,00,000	1,65,00,000
	<u>1,65,00,000</u>	<u>1,65,00,000</u>
<i>Notes :</i>		
(a) Reconciliation of Equity Share Capital (In numbers)		
Shares outstanding at the beginning of the year	16,50,000	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	-	33,00,600
Shares outstanding at the end of the year	<u>16,50,000</u>	<u>16,50,000</u>
(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	16,33,135
NOTE 3 :		
RESERVES AND SURPLUS		
a) General Reserve		
Opening Balance	21,00,000	21,00,000
Add : Transferred from Surplus	-	-
Closing Balance	<u>21,00,000</u>	<u>21,00,000</u>
b) Balance in Statement of Profit & Loss :		
Opening Balance	(1,66,362)	3,17,26,937
Less : Pursuant to the Scheme of Arrangement	-	59,20,338
Add : Net Profit /(Loss) for the period	3,85,769	(2,59,72,961)
Closing Balance	<u>2,19,407</u>	<u>(1,66,362)</u>
	<u>23,19,407</u>	<u>19,33,638</u>

NOTE 4 :

Short Term Borrowing

UNSECURED

Term Loan from JK Paper Limited (Holding Company)

1,00,00,000	-
<u>1,00,00,000</u>	<u>-</u>

NOTE 5 :

OTHER CURRENT LIABILITIES

Statutory Dues	22,401	6,42,928
Other payables	12,540	27,637
Loans and advances from related Parties: JK Paper Limited (Holding Company)	40,00,000	-
Interest accrued but not due	1,71,912	-
	<u>42,06,853</u>	<u>6,70,565</u>

NOTE 6 :

Face Value per Share	Nos.	Book Value	Book Value
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NON CURRENT INVESTMENT

Long Term Investments(At cost)

Habras International (Singapore) Pte. Ltd.	USD 1	1,000	77,113	-
			<u>77,113</u>	<u>-</u>
Aggregate book value of quoted investments			-	-
Aggregate book value of unquoted investments			77,113	-
Aggregate market value of quoted investments			-	-

Disclosure u/s 186(4) of the Companies Act'2013

Details pursuance to disclosure requirements of section 186(4) of the Companies Act 2013 relating to Loans/Guarantee given or Security Provided or Investment by the company :

Investment made during the year	Balance of investment made as on 31st March 2016.	Rate of Interest (Per Annum)	Purpose	Maturity Period
Habras International (Singapore) Pte. Ltd. Investment in Share Capital	77,113	N.A.	Investment in Wholly Owned Foreign Subsidiary	N.A.

NOTE 7 :

CASH & CASH EQUIVALENTS

Cash & Cash Equivalents

Balance with Banks		
Current Accounts	9,74,996	11,66,998
Bank Deposits with original maturity of 12 months or less	89,21,445	-
	<u>98,96,441</u>	<u>11,66,998</u>

NOTE 8 :

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 recoverable in cash or in kind or for value to be received	1,94,93,551	-
Interest Receivable	1,38,688	-
Indirect Tax Recoverable	29,420	-
Advance Income Tax/ Tax deducted at source (Net)	33,91,047	34,39,552
	<u>2,30,52,706</u>	<u>1,79,37,205</u>

	2015-16	(Amount in Rs.) 2014-15
Note 9 :-		
OTHER INCOME		
Interest Income	9,22,371	-
	9,22,371	-
Note 10 :-		
FINANCE COSTS		
Interest expense		
Interest on Short term Loan	1,91,013	-
	1,91,013	-
Note 11 :-		
OTHER EXPENSES		
Insurance	562	-
Directors' fees	63,623	26,964
Auditors Remuneration (including service tax)		
for Audit Fees	13,740	24,719
for Tax Audit Fees	-	5,618
for Other Services	22,907	-
for Out of pocket expenses	4,452	6,360
Miscellaneous Expenses	99,562	7,371
	2,04,846	71,032

12. Estimated amount of contract remaining to be executed on Capital accounts (net of Advances) and not provided for is Rs. Nil (Previous year Nil).
13. Contingent Liability against the Company not acknowledged as debt – Rs. Nil (previous year - Nil).
14. Disclosure as required under 'Related Party Disclosures' (AS-18), are as below:

List of Related Party:

Holding Company

JK Paper Ltd.

Subsidiary

Habras International (Singapore) Pte. Ltd. (w.e.f. 24th of Feb 2016)

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:

Amount in Rs

Sl. No.	Nature of Transactions	Holding Company	
		2015-16	2014-15
i	Interest on Loan	1,91,013	---
ii	Loans & Advance Received	1,40,00,000	---
iii	Loan installment Paid	---	---
iv	Outstanding at end of the year :		
	a) Receivable	---	1,44,97,653
	b) Payable	1,40,00,000	---

Sl. No.	Nature of Transactions	Subsidiary	
		2015-16	2014-15
i	Equity Contribution	77,113	---
ii	Outstanding at end of the year :		
	a) Receivable	---	---
	b) Payable	---	---

15. 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.

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

17. Earning Per Share :

	<u>31st March 16</u>	<i>Amount in Rs</i> <u>31st March 15</u>
Profit After Tax	3,85,769	(2,59,72,961)
Weighted Average No. of Ordinary Shares	16,50,000	16,50,000
Nominal Value of Ordinary Share	10.00	10.00
Earnings per Ordinary Share	0.23	(15.74)

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

19. 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 26 day of April, 2016

Directors

STANDALONE CASH FLOW STATEMENT
For the year ended 31st March, 2016

Amount in Rupees

	2015-16	2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax and Extra-ordinary Items	5,26,512	(5,82,83,052)
Adjustments for :		
Interest and Financial Charges (Net)	(7,31,358)	-
Loss on Sale of Undertaking charged to Statement of Profit/(Lc	-	5,82,12,020
Operating Profit before Working Capital Changes	(2,04,846)	(71,032)
Adjustments for Working Capital Changes:		
Trade and Other Receivables	9,74,682	(1,62,68,675)
Trade and Other Payables	33,64,376	27,637
Cash generated from Operations	41,34,212	(1,63,12,070)
Taxes paid	(92,238)	-
Net Cash from Operating Activities	40,41,974	(1,63,12,070)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale / (Purchase) of Investments	(77,113)	-
Loan Given	(60,00,000)	-
Sale of Lime Kiln Undertaking	-	1,59,00,000
Interest Received	7,83,683	-
Net Cash from Investing Activities	(52,93,430)	1,59,00,000
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) from Short term Borrowing (Net)	1,00,00,000	-
Interest and Financial Charges	(19,101)	-
Net cash from Financing Activities	99,80,899	-
D. Increase/(Decrease) in Cash and Cash Equivalents - Cash & Bank Balance	87,29,443	(4,12,070)
E. Cash and Cash Equivalents as at the beginning of the year - Cash & Bank Balances	11,66,998	15,79,068
F. Cash and Cash Equivalents as at the close of the year - Cash & Bank Balances	98,96,441	11,66,998

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 26 day of April, 2016

Directors

Form AOC - I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement Containing salient features of the financial statement of Subsidiaries/ associate companies/ joint ventures**Part - "A" : Subsidiaries**

		<i>Amount in Rs</i>
Sl. No	Particulars	Habras International (Singapore) Pte. Ltd.
1	Financial Year ended on	31st March, 2016
2	Reporting Currency	US\$
3	Closing Exchange Rate	66.3329
4	Share Capital	66333
5	Reserve & Surplus/ (Accumulated Losses)	(309989)
6	Total Assets	65759
7	Total Liabilities	65759
8	Investments	-
9	Turnover	5555
10	Profit/ (Loss) before tax	(309989)
11	Provision for Income Tax	-
12	Profit/ (Loss) after tax	(309989)
13	Proposed Dividend	-
14	% of Shareholding	100%

Part - "B" : Associates and Joint Ventures- NIL**Notes**

- 1 Name of subsidiaries/associates/joint ventures which are yet to commence operations- N.A.
- 2 Name of Subsidiaries/associates/joint ventures which have been liquidated or sold during the year- N.A.

Directors

INDEPENDENT AUDITOR'S REPORT

To the Members of JK Enviro Tech Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of JK Enviro-Tech Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated statement of profit and loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the wholly owned overseas subsidiary (M/s Habras International (Singapore) Pte. Ltd) whose financial statement reflects total assets of Rs 65,736 as at 31st March 2016, total revenues Rs 5,586 for the period 24th February 2016 to 31st March 2016.

In case of consideration of financial statements of wholly owned overseas subsidiary, we draw attention to Note No. 10(a) to the Consolidated Financial Statements, referring that financial statements of wholly owned overseas subsidiary has been incorporated in the consolidated financial statements comprising of audited financial statements for the period beginning with 24th February 2016 and ending on 31st March 2016. Accordingly our opinion on the consolidated financial statements, insofar as it relates to the amounts and disclosure included in respect of this overseas subsidiary and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to overseas subsidiary Companies, is based solely on the information and explanations provided before us by the management of Holding Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor of the wholly owned subsidiary.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, report of other auditors and information from management.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016, and taken on record by the respective Board of Directors of the Holding Company and the auditor's report of statutory auditor of Indian Subsidiary, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-A" and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i The Group does not have any pending litigations which would impact its financial position.
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Group did not have any amounts required to be transferred to the Investor Education and Protection Fund.

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

Place: New Delhi
Date: 26.04.2016

S. N. Sharma
Partner
Membership No. 014781

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of JK Enviro-tech Limited ("the Holding Company") as of 31 March 2016 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Holding 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 Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

S. N. Sharma
Partner
Membership No. 014781

Place: New Delhi
Date: 26.04.2016

JK ENVIRO-TECH LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST March, 2016

		(Amount in Rs.)
	Note	31st Mar, 2016
EQUITY AND LIABILITIES		
Shareholders' Fund		
Share Capital	1	1,65,00,000
Reserves & Surplus	2	19,98,638
		<u>1,84,98,638</u>
CURRENT LIABILITIES		
Short Term Borrowings	3	1,00,00,000
Other Current Liabilities	4	45,16,267
		<u>1,45,16,267</u>
TOTAL		<u><u>3,30,14,905</u></u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	5	98,96,441
Short Term Loans and Advances	6	2,31,18,464
		<u>3,30,14,905</u>
TOTAL		<u><u>3,30,14,905</u></u>

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 26 day of April, 2016

Directors

JK ENVIRO-TECH LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MAR, 2016

		(Amount in Rs.)
	Note	2015-16
Revenue from Operations		
Sales		-
Other Income	7	9,27,940
Total		<u>9,27,940</u>
Expenses:		
Cost of materials consumed		-
Increase/(Decrease) in inventories of Finished Goods		-
Employee Benefits Expense		-
Finance Costs	8	1,91,013
Depreciation and Amortization Expenses		-
Other Expenses	9	5,21,188
Total		<u>7,12,201</u>
Profit Before Tax		2,15,739
Tax Expense:		
Current tax		1,40,743
Deferred tax charges / (credit)		-
Profit for the year		<u><u>74,996</u></u>
Basic/ Diluted Earning Per Share (Rs.)		0.05

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 26 day of April, 2016

Directors

NOTE 1:

SHARE CAPITAL

Authorised

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

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

15,00,00,000

Issued, Subscribed and Fully Paid-up :

Equity Shares 16,50,000 (Previous year 16,50,000) of Rs.10 each Fully Paid up.	1,65,00,000
--	-------------

1,65,00,000

Notes :

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

Shares outstanding at the beginning of the year	16,50,000
Add : Shares issued during the year	-
Less : Shares bought back during the year	-
Less : Reduction in Share Capital pursuant to Scheme of Arrangement	-
Shares outstanding at the end of the year	16,50,000

(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
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NOTE 2 :

RESERVES AND SURPLUS

a) **General Reserve**

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

b) **Balance in Statement of Profit & Loss :**

Opening Balance	(1,66,362)
Less : Pursuant to the Scheme of Arrangement	-
Add : Net Profit /(Loss) for the period	74,996
Closing Balance	(91,366)

c) **Foreign Currency Translation Reserve**

Opening Balance	-
Adjustment for translation of Non Integral Foreign Operations	(9,996)
Closing Balance	(9,996)

19,98,638

NOTE 3 :

Short Term Borrowing

UNSECURED

Term Loan from JK Paper Limited (Holding Company)

1,00,00,000

1,00,00,000

NOTE 4 :

OTHER CURRENT LIABILITIES

Statutory Dues

22,401

Other payables

3,21,954

Loans and advances from related Parties:

JK Paper Limited (Holding Company)

40,00,000

Interest accrued but not due

1,71,912

45,16,267

NOTE 5 :

CASH & CASH EQUIVALENTS

Cash & Cash Equivalents

Balance with Banks

Current Accounts

9,74,996

Bank Deposits with original maturity of 12 months or less

89,21,445

98,96,441

NOTE 6 :

SHORT TERM LOAN AND ADVANCES

Unsecured, considered good

Other Loans & Advances

Advances recoverable in cash or in kind
or for value to be received

1,95,59,310

Interest Receivable

1,38,688

Indirect Tax Recoverable

29,419

Advance Income Tax/ Tax deducted at source (Net)

33,91,047

2,31,18,464

(Amount in Rs.)
2015-16

Note 7 :-

OTHER INCOME

Interest Income	9,22,371
Miscellaneous Income	5,569
	<hr/>
	9,27,940

Note 8 :-

FINANCE COSTS

Interest expense

Interest on Short term Loan	1,91,013
	<hr/>
	1,91,013

Note 9 :-

OTHER EXPENSES

Insurance	562
Directors' fees	1,62,018
Auditors Remuneration (including service tax)	
for Audit Fees	87,537
for Other Services	22,907
for Out of pocket expenses	4,452
Miscellaneous Expenses	2,43,712
	<hr/>
	5,21,188

10:- Principles of Consolidation :

- a) The Consolidated Financial Statements comprise of the financial statements of JK Enviro-Tech Limited (Parent Company) and the following as on 31st March, 2016;

Subsidiary:

Name	Proportion of ownership interest	Financial Statements as on	Status
Habras International (Singapore) Pte. Ltd, Singapore *	100%	31st March, 2016	Audited

* w.e.f 24th of Feb 2016

- b) The Financial Statements of the Parent Company and its Subsidiary have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions.
- c) The Accounting Policies of the parent company, its subsidiary are largely similar. However, few accounting policies are different as certain subsidiary located in different countries have to comply with the local regulatory requirements
- d) In case of foreign subsidiary, being non-integral operations, revenue items are consolidated at the average exchange rate during the year. All assets and liabilities are translated at year end exchange rate. The resulting exchange differences are accumulated in the Foreign Currency Translation Reserve.
- e) The summary of share of Net Assets and Profit/(Loss) of Subsidiaries:

Name of the Entity	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit/(Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Loss	Amount
<u>Subsidiary</u> Habras International (Singapore) Pte Ltd.	-1.32%	(2,43,656)	-414.39%	(3,10,773)

- f) Significant Accounting Policies and Notes on Accounts of the Financial Statements of the Company and its Subsidiaries are stated in their respective Financial Statements.

11. Estimated amount of contract remaining to be executed on Capital accounts (net of Advances) and not provided for is Rs. Nil.
12. Contingent Liability against the Company not acknowledged as debt – Rs. Nil.
13. 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
		2015-16
i	Interest on Loan	1,91,013
ii	Loans & Advance Received	1,40,00,000
iii	Loan installment Paid	---
iv	Outstanding at end of the year :	
	a) Receivable	---
	b) Payable	1,40,00,000

14. 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.
15. a) Expenditure in Foreign Currency – Rs. Nil.
b) Earnings in Foreign Currency – Rs. Nil.

16. Earning Per Share :

	Amount in Rs
	<u>31st March 16</u>
Profit After Tax	74,996
Weighted Average No. of Ordinary Shares	16,50,000
Nominal Value of Ordinary Share	10.00
Earnings per Ordinary Share	(0.05)

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

18. Being the first year of Consolidation, previous year figures have not been given.

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 26 day of April, 2016

Directors

CONSOLODATED CASH FLOW STATEMENT
For the year ended 31st March, 2016

Amount in Rupees

2015-16

A. CASH FLOW FROM OPERATING ACTIVITIES :

Net Profit Before Tax and Extra-ordinary Items	2,15,739
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Adjustments for :

Interest and Financial Charges (Net)	(7,31,358)
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Unrealised Currency Translation on Consolidation	(9,996)
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Operating Profit before Working Capital Changes	(5,25,615)
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Adjustments for Working Capital Changes:

Trade and Other Receivables	9,08,924
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Trade and Other Payables	36,73,790
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Cash generated from Operations	40,57,099
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Taxes paid	(92,238)
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Net Cash from Operating Activities

39,64,861

B. CASH FLOW FROM INVESTING ACTIVITIES :

Loan Given	(60,00,000)
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Interest Received	7,83,683
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Net Cash from Investing Activities

(52,16,317)

C. CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds/(Repayment) from Short term Borrowing (Net)	1,00,00,000
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Interest and Financial Charges	(19,101)
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Net cash from Financing Activities

99,80,899

D. Increase/(Decrease) in Cash and Cash Equivalents - Cash & Bank Balance

87,29,443

E. Cash and Cash Equivalents as at the beginning of the year - Cash & Bank Balances

11,66,998

F. Cash and Cash Equivalents as at the close of the year - Cash & Bank Balances

98,96,441

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 26 day of April, 2016