

Songadh Infrastructure & Housing Limited

ANNUAL REPORT 2017-18

Board of Directors

Sh. P.S. Sharma

Sh. V. Kumaraswamy

Sh. Suresh Chander Gupta

Registered Office

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

Banker

Axis Bank

Auditors

Singhi & Co.
Chartered Accountants
New Delhi

DIRECTORS' REPORT

To the Members of Songadh Infrastructure & Housing 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, 2018.

FINANCIAL RESULTS

Audited financial results of the Company for the year under review, are as under:

		Rs. in lakhs
	2017-18	2016-17
Total Revenue	212.14	262.02
Total Expenses	<u>69.36</u>	<u>136.88</u>
Profit/ (Loss) before Interest & Dep.	142.78	125.14
Interest & Financial charges	<u>78.71</u>	<u>79.78</u>
Profit before Dep. & Tax	64.07	45.36
Depreciation	<u>47.96</u>	<u>33.53</u>
Profit Before Tax	<u>16.11</u>	<u>11.83</u>
Profit/ (Loss) After Tax	18.24	8.20

DIVIDEND

The Directors have not recommended dividend to the Members for the financial year ended 31st March 2018.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March 2018 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

Six Board Meetings were held during the financial year ended on 31st March, 2018.

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 2018, 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 V. Kumaraswamy retires by rotation at the forthcoming 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 5th Annual General Meeting held on 5th September 2014 until the conclusion of the 10th 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.

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 Banks, Financial Institutions, Government Authorities and Shareholders during the year under review.

On behalf of the Board of Directors

S.C. Gupta
Director
DIN: 01643283

P.S. Sharma
Director
DIN: 00035882

Place: New Delhi
Date : 27th April, 2018

ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2018

Annexure -I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2018
[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	U45203GJ2009PLC055810
2.	Registration Date	02.01.2009
3.	Name of the Company	Songadh Infrastructure & Housing 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:- scgupta@jkmail.com
6.	Whether listed company	No
7.	Name, Address & contact details of Registrar and Transfer Agent, if any.	M/s MCS Share Transfer Agent Limited F-65, 1 st Floor, Okhla Industrial Area Phase – I, New Delhi -110 020 Ph. No. : (011) - 41406149-52 Fax No. : (011) - 41709881 Email ID : admin@mcsdel.com

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
1.	Rental or leasing services of houses, flats, apartment buildings	99721111	100%

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	100	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	600*	600*	0.01	0	600*	600*	0.01	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	49,00,000	50,000	49,50,000	99.99	49,00,000	50,000	49,50,000	99.99	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	49,00,000	50,600	49,50,600	100	49,00,000	50,600	49,50,600	100	0
(2) Foreign									
a) NRIs –Individuals	0	0	0	0	0	0	0	0	0
b) Other –Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	49,00,000	50,600	49,50,600	100	49,00,000	50,600	49,50,600	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (International Finance Corporation)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0

*These 600 shares are held by 9 individual shareholders as nominees of JK Paper Limited jointly with JK Paper Limited.

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% 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	0	0	0	0	0	0	0	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):-	0	0	0	0	0	0	0	0	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)	49,00,000	50,600	49,50,600	100	49,00,000	50,600	49,50,600	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2017)			Shareholding at the end of the year (as on 31st March 2018)			% 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	49,50,600	100	-	49,50,600*	100	-	No Change
	Total*	49,50,600	100	-	49,50,600	100	-	

*Out of this, 600 shares are held by 9 individual shareholders as nominees of JK Paper Limited jointly with JK Paper Limited.

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

Sl. No.		Shareholding at the beginning of the year (as on 1 st April 2017)		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	49,50,600*	100	49,50,600*	100
	Increase / Decrease in Promoters Shareholding during the year	No Change			
	At the end of the year i.e., 31.03.2018			49,50,600*	100

*Out of this, 600 shares are held by 9 individual shareholders as nominees of JK Paper Limited jointly with JK Paper Limited.

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

The Company is wholly owned subsidiary of JK Paper Limited which holds 49,50,600 (100.00%) equity shares 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 2017 and at the end of the year i.e. as on 31st March 2018 and hence there was no increase/decrease in their shareholding during the financial year 2017-18.

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		8.00		8.00
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		0.62		0.62
Total (i+ii+iii)		8.62		8.62
Change in Indebtedness during the financial year				
• Addition		0.61		0.61
• Reduction		0.62		0.62
Net Change		(0.01)		(0.01)
Indebtedness at the end of the financial year				
i) Principal Amount		8.00		8.00
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		0.61		0.61
Total (i+ii+iii)		8.61		8.61

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:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
1.	Independent Directors	Not Applicable			
	• Fee for attending Board/Committee Meetings				
	• Commission/ Others				
	Total (1)				
2	Other Non-executive Directors	Shri V. Kumaraswamy	Shri P.S. Sharma	Shri Suresh Chander Gupta	
	• Fee for attending Board/Committee Meetings	2,500	2,500	3,000	8,000
	• Commission/ Others	Nil	Nil	Nil	Nil
	Total (2)	2,500	2,500	3,000	8,000
	Total(B)= (1+2)				8,000
	Total Managerial Remuneration (A+B)				8,000
	Overall Ceiling as per the Act	Rs. 1.78 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/WTD: Not Applicable.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2018.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SONGADH INFRASTRUCTURE & HOUSING LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind-AS financial statements of Songadh Infrastructure & Housing Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, Statement of Change in Equity, Cash flow statement, 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 Ind-AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 Ind AS financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2018, 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 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 Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of written representations received from the directors as on 31st March'2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company did not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. The Company did not have any amounts required to be transferred to the Investor Education and Protection Fund.

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

Chanderkant Choraria
Partner
Membership No. 521263

Place: New Delhi
Date: 27th April'2018

Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Songadh Infrastructure & Housing Limited)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, fixed assets were not verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The 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 mortgage of township in favour of a bank for loan availed by two companies.
- (v) The Company has not accepted any deposit from public.
- (vi) Rules made by Central Government for the maintenance of cost records under section 148(1) of the Companies' Act, are not applicable to the Company.
- (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 loan or borrowing 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 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: 27th April'2018

Chanderkant Choraria
Partner
Membership No. 521263

Annexure - B to the Auditor's 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 Songadh Infrastructure & Housing Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 Ind-AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls 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 Ind-AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in

reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind-AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls 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 2018, 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: 27th April'2018

Chanderkant Choraria
Partner
Membership No. 521263

Songadh Infrastructure & Housing Ltd
Balance Sheet at at 31st March 2018

(Amount in Thousand)			
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I ASSETS			
1 Non-Current Assets			
a Property, Plant and Equipment	4	5,927.64	5,775.38
b Capital work-in-progress		750.24	-
b Investment Property	5	1,37,628.21	1,38,615.31
c Financial Assets			
Other Financial Assets	6	10.00	10.00
		<u>1,44,316.09</u>	<u>1,44,400.69</u>
2 Current Assets			
a Inventories			
b Financial Assets			
Trade receivables	7	7,324.86	8,178.68
Cash and Cash Equivalents	8	217.24	2,085.64
c Current Tax Assets (Net)	9	3,766.27	2,325.29
d Other current assets	10	341.97	64.80
		<u>11,650.34</u>	<u>12,654.41</u>
Total Assets		<u><u>1,55,966.43</u></u>	<u><u>1,57,055.10</u></u>
II EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	11	49,506.00	49,506.00
Other Equity		13,633.30	11,809.35
		<u>63,139.30</u>	<u>61,315.35</u>
2 LIABILITIES			
1 Non-Current Liabilities			
a Financial Liabilities			
Borrowings	12	80,000.00	80,000.00
b Deferred tax liabilities (Net)	13	2,872.43	3,765.59
		<u>82,872.43</u>	<u>83,765.59</u>
3 Current Liabilities			
a Financial Liabilities			
Trade payables		938.78	2,731.34
Other Financial Liabilities	14	7,326.91	8,845.72
b Other current liabilities	15	1,689.01	397.10
		<u>9,954.70</u>	<u>11,974.16</u>
Total Equity and Liabilities		<u><u>1,55,966.43</u></u>	<u><u>1,57,055.10</u></u>

Significant Accounting Policies and other notes on financial statements 2&3

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

As per our Report of even date attached.

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

For and on behalf of the Board of Directors

(Chanderkant Choraria)
Partner
M.No. 521263
New Delhi, the 27th of April 2018

(Directors)

Songadh Infrastructure & Housing Ltd

Statement of Profit & Loss for the year ended 31st March, 2018

			(Amount in Thousand)	
	Particulars	Note No.	2017-18	2016-17
I	Revenue from Operations			
	Rental Income		21,214.50	26,112.00
II	Other Income	16	-	90.35
III	Total Revenue (I+II)		21,214.50	26,202.35
IV	Expenses			
	Employee Benefits Expenses	17	1,404.74	1,217.43
	Finance Costs	18	7,870.69	7,978.08
	Depreciation and Amortization Expenses	19	4,796.22	3,352.66
	Other Expenses	20	5,531.61	12,470.67
	Total Expenses		19,603.26	25,018.84
V	Profit before tax (III-IV)		1,611.24	1,183.51
VI	Tax Expense			
	Provision for Current Tax	13	680.46	283.47
	Deferred Tax Expenses		(893.17)	79.80
VII	Profit After Tax		1,823.95	820.24
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Tax on (i) above		-	-
	(iii) Items that will be reclassified to profit or loss		-	-
	(iv) Tax on (iii) above		-	-
	Total Comprehensive Income(VII-VIII)		1,823.95	820.24
	Basic/ Diluted Earning Per Share (Operating) (Rs.)		0.37	0.17

Significant Accounting Policies and other notes on financial statements 2&3

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

As per our Report of even date attached.

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

For and on behalf of the Board of Directors

(Chanderkant Choraria)
Partner
M.No. 521263
New Delhi, the 27th of April 2018

(Directors)

Songadh Infrastructure & Housing Ltd
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MAR 2018

(Amount in Thousand)

A. Equity Share Capital

As at April 1 2016	Changes in equity during 2016-17	As at March 31 2017	Changes in equity during 2017-18	As at Mar 31 2018
49,506.00	-	49,506.00	-	49,506.00

B. Other Equity

Particulars	Reserve and Surplus	Other Comprehensive Income (OCI)		Total
	Retained Earnings	Items that will not be Reclassified to profit or loss	Items that will be reclassified to profit or loss	
As at March 31, 2016	10,989.11	-	-	10,989.14
Profit for the year	820.24	-	-	820.24
As at March 31, 2017	11,809.35	-	-	11,809.38
Profit for the year	1,823.95	-	-	1,823.95
As at March 31, 2018	13,633.30	-	-	13,633.33

As per our Report of even date attached.

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

For and on behalf of the Board of Directors

(Chanderkant Choraria)
Partner
M.No. 521263
New Delhi, the 27th of April 2018

(Directors)

Notes on Financial Statements for the year ended 31st March, 2018

Note – 1: Corporate Information

Songadh Infrastructure & Housing Ltd(SIHL) was incorporated on January 2, 2009, and received its certificate of commencement of business on July 30, 2009. SIHL is engaged in the business of residential houses, staff colonies and commercial buildings [and presently provides residential facilities solely for employees employed at JK Paper Limited, Unit - CPM. JK Paper Limited, including through its nominees holds 100% of the share capital of SIHL.

These financial statements were approved and adopted by Board of Directors of the Company in their meeting held on April 27, 2018.

Note – 2: Basis of Preparation of Financial Statements

I. Basis of Preparation :

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

The financial statements of the Company for all periods upto were prepared in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

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

Financial statements are presented in Indian Rupee, which is Company's functional currency. All values are rounded to the nearest INR Thousand, except when otherwise indicated.

I. Use of Estimates

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

II. Classification of Assets and Liabilities as Current and Non Current

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

Note – 3 : Significant Accounting Policies:

a) Revenue Recognition:

Rental income is accrued on a time basis, by reference to the agreements entered with Tenant.

b) Property, Plant and Equipment :

The Company has elected the option of fair value as deemed cost as on date of transition to IND AS. Property, plant and equipment acquired after the transition date are stated at original cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. The cost includes its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and also other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

c) 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.

d) Depreciation:

Depreciation on Property Plant & Equipments and Investment Property is provided as per straight line method over their useful lives as prescribed under Schedule II of Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on assets costing up to Rs.5,000/- and on Temporary Sheds is provided in full during the year of additions.

e) Earnings Per Share:

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

f) Impairment of Assets:

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

g) Provisions, Contingent Liability & 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. Contingent assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may never be realised. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

h) Income Tax :

Current income tax :

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

Deferred tax :

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

i) Investment Properties :

Investment Properties comprises portions of freehold land and buildings that are held for long-term rentals yields and/or for capital appreciation. Investment properties are initially recognised at cost. Subsequent Investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on building is provided over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. Though the Company measures investment property using cost based measurement, the fair value of investment is disclosed in notes.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised In the statement of profit and loss in the period of derecognition.

j) Employee Benefits :

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

The Company participates in defined contribution schemes and the amount charged to the statements of profit or loss is the total of contributions payable in the year.

k) Cash and Cash Equivalents :

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

l) Financial Assets

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

i. Assets at Amortised Cost

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

ii. Financial Assets at Fair value through Other Comprehensive Income

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

iii. Financial Assets at Fair value through Profit or Loss

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

m) Financial Liabilities

Initial Recognition and Measurement.

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

Subsequent Measurement.

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

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

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

ii) Financial Liabilities measured at Amortised Cost.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

iii) Loans and Borrowings.

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

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

iv) Trade and Other Payables.

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

v) De-recognition of Financial Liability.

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

vi) Offsetting of Financial Instruments.

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Fair Value Measurement :

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

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

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

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

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

o) Leases

Company does not transfer substantially all the risks and benefits of ownership of the asset and classified these as operating leases. Assets subject to operating leases are included in Property Plant and Equipment/Investment Property.

Lease income on an operating lease is recognized in the statement of profit and Loss on a straight-line basis over the lease term.

NOTE 4 :-

Property Plant and Equipment

As at 31st Mar 2018

(Amount in Thousand)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1st April, 2017	Additions / Adjustments	Sales / Adjustments	As at 31st Mar 2018	As at 1st April, 2017	For the year	Sales / Adjustments	As at 31st Mar 2018
Furniture and Fixtures	3,793.89	974.27	43.77	4,724.39	1,167.21	651.37	19.98	2,925.79
Office Equipment	4,115.64	708.29	64.78	4,759.15	1,074.30	706.39	23.39	3,001.85
Vehicles & Locomotive	135.82	-	135.82	-	28.46	2.38	30.84	-
Total	8,045.35	1,682.56	244.37	9,483.54	2,269.97	1,360.14	74.21	5,927.64
Previous year ended 31st Mar'2017	7,163.18	1,216.41	334.24	8,045.35	1,141.32	1,287.89	159.24	5,775.38

Note :

1. Borrowing costs capitalized during the period Rs. Nil (Previous year Nil).
2. Life of the Assets have been considered as per Schedule II of Companies Act, 2013 from the date of acquisition.

NOTE 5 :-

INVESTMENT PROPERTY

(Amount in Thousand)

As at 31st Mar 2018									
DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1st April, 2017	Additions / Adjustments	Sales / Adjustments	As at 31st Mar 2018	As at 1st April, 2017	For the year	Sales / Adjustments	As at 31st Mar 2018	As at 31st March, 2017
Land Freehold	65,897.24	-	-	65,897.24	-	-	-	65,897.24	65,897.24
Buildings	84,834.93	2,448.98	-	87,283.91	12,116.86	3,436.08	-	71,730.97	72,718.07
Total	1,50,732.17	2,448.98	-	1,53,181.15	12,116.86	3,436.08	-	1,37,628.21	1,38,615.31
Previous year ended 31st Mar'2017	1,46,320.54	4,411.63	-	1,50,732.17	10,052.10	2,064.76	-	1,38,615.31	

Note : As at 31st March 2015, the fair value of Land and Buildings are Rs. 1,49,844.68 These are based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. No impact of fair value has been considered in financial statement.

	As at 31-Mar-18	(Amount in Thousand) As at 31-Mar-17
NOTE 6 : -		
NON CURRENT FINANCIAL ASSETS - OTHERS		
Unsecured, considered good		
Security Deposits	10.00	10.00
	<u>10.00</u>	<u>10.00</u>
NOTE 7 : -		
TRADE RECEIVABLES		
Unsecured, considered good		
From Tenant - JK Paper Ltd (Holding Co.)	7,324.86	8,178.68
	<u>7,324.86</u>	<u>8,178.68</u>
NOTE 8 : -		
CASH & CASH EQUIVALENTS		
Balance with Schedule Bank in Current Account	211.09	2,069.13
Cash on Hand	6.15	16.51
	<u>217.24</u>	<u>2,085.64</u>
NOTE 9 : -		
CURRENT TAX ASSETS		
Advance Income Tax/ Tax deducted at source (Net)	3,766.27	2,325.29
	<u>3,766.27</u>	<u>2,325.29</u>
NOTE 10 : -		
OTHER CURRENT ASSETS		
Unsecured, considered good		
Advances to Suppliers	277.35	-
Others		
Pre-paid Insurance	23.37	27.76
Indirect Tax Recoverable	41.25	37.04
	<u>341.97</u>	<u>64.80</u>

(Amount in Thousand)

As at
31-Mar-18

As at
31-Mar-17

NOTE 11 :-**SHARE CAPITAL****Authorised Capital :**

Equity Shares - 50,00,000 (Previous Year 50,00,000)
of Rs.10 each

50,000.00

50,000.00

Issued, Subscribed and Fully Paid up :

Equity Shares - 49,50,600 (Previous Year 49,50,600)
of Rs.10 each

49,506.00

49,506.00

49,506.00

49,506.00

Notes :

- (a) 49,00,000 Equity Shares of Rs. 10/- each fully paid up has been issued in pursuant to the Scheme of Arrangement approved by the Hon'ble High Courts of Gujarat & Orissa under section 391 to 394 of the Companies Act 1956 which became effective on 20th Jan 2011.
- (b) Reconciliation of Equity Share Capital

Particulars	31-Mar-18		31-Mar-17	
	Nos.	Amount in Rs.	Nos.	Nos.
Shares outstanding at the beginning of the year	49,50,600	4,95,06,000	49,50,600	49,50,600
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	49,50,600	4,95,06,000	49,50,600	49,50,600

- (c) All the shares are held by Holding Company M/s JK Paper Limited and its nominees.

NOTE 12 :-**NON CURRENT FINACIAL LIABILITIES - BORROWINGS**

Unsecured Loan from JK Paper Ltd (Holding Co.)

80,000.00

80,000.00

80,000.00

80,000.00

The Un-secured Term Loan of Rs. 80,000 Thousand is repayable in Three equal annual instalment from May-2019 to May-2021.

		(Amount in Thousand)	
		As at 31-Mar-18	As at 31-Mar-17
NOTE 13 :-			
DEFERRED TAX LIABILITIES			
Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax			
		2,872.43	3,765.59
Tax on carried forward unabsorbed Depreciation		-	-
A.	Total Deferred Tax Liability	<u>2,872.43</u>	<u>3,765.59</u>
Opening MAT Credit Entitlements			
		-	-
Current MAT Credit Entitlement			
		-	-
B.	Total MAT Credit Entitlement	<u>-</u>	<u>-</u>
C	Net Deferred Tax Liability (a+b)	<u>2,872.43</u>	<u>3,765.59</u>
Reconciliation of effective tax rate			
Profit before tax		1,611.24	1,183.51
At applicable Statutory Income Tax Rate @ 25.75% for F.Y 2017-18 and 30.90 for F.Y. 2016-17		414.89	365.71
Adjustment in respect of current income tax of earlier year		-	(2.44)
Due to change in Income tax rate		(627.60)	-
Reported Income Tax Expenses		(212.71)	363.27
Effective Tax Rate		-13.20%	30.69%

NOTE 14 : -

CURRENT FINACIAL LIABILITIES - OTHER

Interest accrued but not due on loans	6,117.04	6,233.42
Capital Creditors	1,078.31	2,450.72
Other Payables	131.56	161.58
	<u>7,326.91</u>	<u>8,845.72</u>

NOTE 15 : -

OTHER CURRENT LIABILITIES

Statutory Dues	1,689.01	397.10
	<u>1,689.01</u>	<u>397.10</u>

	2017-18	(Amount in Thousand) 2016-17
NOTE 16 : -		
OTHER INCOME		
Interest Income	-	90.35
	<u>-</u>	<u>90.35</u>
NOTE 17 : -		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Allowances, etc.	1,295.92	1,117.42
Contribution to Provident and Other Funds*	102.13	93.75
Staff Welfare Expenses	6.69	6.26
* Defined Contribution Plan	<u>1,404.74</u>	<u>1,217.43</u>
NOTE 18 : -		
FINANCE COST		
Interest on Loan	7,870.69	7,978.08
	<u>7,870.69</u>	<u>7,978.08</u>
NOTE 19 : -		
DEPRECIATION		
Depreciation on Tangible Assets	4,796.22	3,352.66
	<u>4,796.22</u>	<u>3,352.66</u>
NOTE 20 : -		
OTHER EXPENSES		
Director Sitting Fees (including taxes)	9.35	6.32
Insurance	32.62	30.18
Rates & Taxes	96.20	96.20
Repairs and Maintenance	3,983.66	8,147.69
Security Expenses	1,031.96	3,925.14
ROC Fees	2.46	8.19
Loss on Sale of Assets	72.89	138.55
Auditors Remuneration (including taxes)		
for Audit Fees	29.65	23.03
for Other Services	6.90	12.62
for Out of pocket expenses	2.12	2.19
Miscellaneous Expenses	263.80	80.56
	<u>5,531.61</u>	<u>12,470.67</u>

21. Contingent Liability against the Company not acknowledged as Debt – Rs. Nil (previous year Nil).
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 is in process of identification of such suppliers. No such amount is outstanding at the end of period.

23. Related Party Disclosure.(to the extent identified by the Company)

a. List of Related Parties

Holding Company

JK Paper Ltd.

Fellow Subsidiaries

Jaykaypur Infrastructure & Housing Limited

JK Enviro-Tech Limited

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

[previously known as Habras International (Singapore) Pte. Ltd.]

Key Management Personnel (KMP)

Non-Executive Directors :

Sh. P.S. Sharma

Sh. V. Kumaraswamy

Sh. Suresh Chander Gupta

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

(Amount in Thousand.)

1. Holding Company

Particulars	2017-18	2016-17
Reimbursement of Expenses – Paid	73.25	83.57
Rent Received (Incl. Service Tax/GST)	23,836.92	27,382.90
Interest on Loan	7,870.69	7,978.08
Net Balance Payable at Balance Sheet Date	72,675.14	71,821.32

2. Key Management Personnel(KMP)

Particulars	2017-18	2016-17
Sitting Fees to Non-Executive Directors	8.00	5.50

24. Segment Reporting :

The Company has only one business segment i.e. Renting of Immovable Property and one geographical reportable segment i.e. Operations mainly within India. The performance is reviewed by the Board of Directors (Chief Operating Decision Makers).

25. Earnings Per Share :

	(Amount in Thousand.)	
	<u>31st Mar, 2018</u>	<u>31st Mar, 2017</u>
Profit After Tax (Operating)	1,823.95	820.24
Weighted Average No. of Ordinary Shares	49,50,600	49,50,600
Nominal Value of Ordinary Share(Rs)	10/-	10/-
Earnings per Ordinary Share	0.37	0.17

26. Financial risk factors**Liquidity risk :**

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

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

Capital Risk :

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The interest expense on interest-bearing borrowings) was 10% from 1st April 2017 to 31st Jan 2018 and 9% from 1st Feb 2018 to 31st March 2018 (Previous year: 10 %). The following table summarises the capital of the Company :

(Amount in Thousand.)

Particulars	Note Number	31.03.2018	31.03.2017
Equity Share Capital	11	49,506.00	49,506.00
Other Equity		13,633.30	11,809.35
Total Equity		63,139.30	61,315.35
Non-Current Borrowings	12	80,000.00	80,000.00
Current maturities of Non-Current Borrowings		-	-
Current Borrowings		-	-
Total Debts		80,000.00	80,000.00
Gearing Ration			
Debt to Equity Ratio		1.27	1.30

27. Employee Benefit

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

28. Fair Value measurement

Financial Assets :

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

Financial Liabilities :

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

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

As per our report of even date attached

FOR SINGHI & Co.

For and on behalf of the board of directors

Chartered Accountants
Firm Reg. No. 302049E

(Chanderkant Choraria)
Partner
Membership No. 521263
New Delhi, the 27 day of April, 2018

Directors

Songadh Infrastructure & Housing Ltd

(Amount in Thousand)

Cash Flow Statement for the period ended 31st March, 2018

	2017-18	2016-17
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Items	1,611.25	1,183.54
<u>Adjustments for:</u>		
Depreciation	4,796.22	3,352.66
Interest and Financial Charges (Net)	7,870.69	7,887.73
(Profit) /Loss on sale of Assets	72.89	138.55
Operating Profit before Working Capital Changes	14,351.05	12,562.48
<u>Adjustments for Working Capital Changes:</u>		
Trade and Other Receivables	576.65	64.57
Trade and Other Payables	(1,903.06)	2,678.16
Cash generated from Operations	13,024.64	15,305.21
Taxes paid	(2,121.45)	(603.36)
Net Cash from Operating Activates	10,903.19	14,701.85
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,881.78)	(5,628.04)
Sale of Fixed Assets	97.26	36.45
Interest Received	-	90.35
	(4,784.52)	(5,501.24)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest and Financial Charges	(7,987.07)	(7,997.81)
	(7,987.07)	(7,997.81)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,868.40)	1,202.80
Opening Balance of Cash & Cash Equivalents	2,085.64	882.84
Closing Balance of Cash & Cash Equivalents	217.24	2,085.64

As per our Report of even date attached.

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

For and on behalf of the Board of Directors

(Chanderkant Choraria)
Partner
M.No. 521263
New Delhi, the 27th of April 2018

(Directors)