

Notes to the Financial Statements

(All amounts are in ₹ in Lakhs, unless otherwise stated)

1. Significant Accounting Policies

1.1 Basis of Preparation

The financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India including the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

The company's operating results continue to be materially affected by various factors, such as, high cost of servicing the debt, technical problem in stabilisation of the production at the units, higher cost of raw materials, import of newsprint, causing pricing pressures and general economic slow down. The company has incurred a net loss of Rs.12,739 lakhs during the year ended March 31, 2016 and as of that date, the Company's total liabilities exceeded its total assets by Rs.23,953 lakhs. The company faced severe working capital problems due to non-implementation of CDR scheme by the banks. The company has initiated various steps to improve its operation performance/liquidity, remove bottlenecks in the process, modify the product mix to maximise the realisation.

1.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

1.3 Revenue Recognition

Income and expenditure are accounted on accrual basis. Sales are accounted net of Sales Tax Material consumption is net of Cenvat. Excise duty in respect of Goods manufactured other than what is in Stock at the close of the period is accounted at the time of removal of goods from the factory for sales.

1.4 Fixed Assets and depreciation

Fixed assets are stated at cost net of CENVAT less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on fixed assets has been provided on straight line method adopting the useful lives of the respective fixed assets, and the residual value in accordance with Schedule II to the Companies Act, 2013. In respect of additions during the year, depreciation has been provided on pro-rata basis.

Assets acquired under Hire Purchase agreements are capitalized and finance charges thereon are expensed over the period of agreements.

1.5 Inventory valuation

Inventories have been valued at lower of cost and net realizable value

- a) Finished goods are valued at lower of cost of production and net realizable value inclusive of excise duty.

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- b) Semi finished goods are valued at cost of raw materials and other manufacturing cost on historical basis.
- c) Raw materials, components and stores and spares are valued at identifiable cost.

1.6 Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of respective transactions. Resultant gain/loss at the time of realization/payment are recognized separately. Carrying value of foreign currency assets and liabilities are restated at the year end rates.

1.7 Impairment of assets

Impairment in the value of Fixed Assets is recognized to the extent that the recoverable amount of an asset is less than its carrying value and would be charged to Profit and Loss account as prescribed by ICAI in AS 28.

1.8 Borrowing costs

Borrowing costs that are directly attributable to the cost of acquisition, construction, or production of a qualifying asset is capitalized as part of that asset, other borrowing costs are recognized as expense in the period in which they are incurred.

1.9 Employee benefits

Gratuity liability is a defined benefit obligation and is provided for based on actuarial valuation performed in accordance with the projected unit credit method, as at the balance sheet date.

Contributions to Provident fund, Employee pension fund and cost of other benefits are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. The Company has no further obligations under the plan beyond its monthly contributions.

1.10 Segment Reporting

- a) The company has identified two business segment viz. Paper and Power. Revenue and expenses have been identified to respective segments on the basis of operating activities of the enterprises. Revenue and expenses which related to the enterprises as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocated revenue and expenses.
- b) Segment assets and liabilities represent assets and liabilities in respective segments. Other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocated assets and liabilities.
- c) Inter segment revenue / expenditure is recognized at cost.

1.11 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 period.

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1.12 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.13 Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period which is neither related to the construction activity nor incidental thereto is charged to the Profit and Loss Account.

1.14 Micro Small and Medium Enterprises Development Act 2006: Based on the intimations received from the Suppliers regarding their status under the MSMED Act 2006, the following information is furnished. Payment to MSME suppliers is as per the terms of purchase.

Principal amount and interest due thereon remaining unpaid :

	31st March 2016	31st March 2015
Principal amount and the interest due thereon remaining unpaid as at the end of accounting year	NIL	NIL
Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
Amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED ACT, 2006 not paid)	NIL	NIL
Amount of interest accrued and remaining unpaid at the end of accounting year	NIL	NIL
Amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure u/s 23.	NIL	NIL

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2 Share Capital

a) Authorised (₹ in lakhs)

Particulars	31st March 2016	31st March 2015
5,00,00,000 Equity shares of ₹ 10/- each (Pre. Year: 50000000 Equity Shares of ₹ 10 each)	5,000.00	5,000.00
Total	5,000.00	5,000.00

b) Issued Subscribed and paid up

Particulars	31st March 2016	31st March 2015
43113656 Equity Shares of ₹ 10/- each fully paid up (Pre. Year: 43113656 Equity Shares of ₹ 10 each)	4,311.37	4,311.37
Total	4,311.37	4,311.37

c) Reconciliation

Particulars	31st March 2016		31st March 2015	
	Equity Shares		Equity Shares	
	Number	Value	Number	Value
Shares outstanding at the beginning of the year	43113656	4,311.37	43113656	4,311.37
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	43113656	4,311.37	43113656	4,311.37

d) Details of Shareholder holding more than 5%

Particulars	31st March 2016		31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Danalakshmi Paper Mills Pvt. Ltd.	13583302	31.51	13583302	31.51
Servall Engineering Works Pvt. Ltd.	4835030	11.21	4835030	11.21

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e) Share allotment details for last five years

Particulars	Year (Aggregate No. of Shares)				
	2015-16	2014-15	2013-14	2012-13	2011-12
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	—	—	—	—	—
Fully paid up by way of bonus shares	—	—	—	—	—
Shares bought back	—	—	—	—	—

3 Reserves and Surplus

Particulars	31st March 2016	31st March 2015
a) Securities Premium		
Opening Balance	7,290.63	7,290.63
Add:		
Receipts during the year on allotment	—	—
Closing Balance	7,290.63	7,290.63
b) Surplus		
Opening balance	(22,816.18)	(18,588.24)
(+) Net Profit/(Net Loss) For the current year	(12,738.48)	(4,209.69)
(+) Transfer from Reserves	—	—
(-) Proposed Dividends	—	—
(-) Interim Dividends	—	—
(-) Transfer to Reserves	—	—
(-) Earlier year Depreciation as per Companies act 2013*	—	18.25
Closing Balance	(35,554.66)	(22,816.18)
Total	(28,264.03)	(15,525.55)

* Please refer Note 9

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4. Long Term Borrowings

Particulars	31st March 2016	31st March 2015
A) Secured Loans		
1. Term Loans		
a) From Banks		
Term Loan from Nationalised Bank (Secured by 1st charge on the Fixed Assets and 2nd Charge on the Current Assets of the Company on pari passu basis)		
Indian Overseas Bank	7,270.79	9,900.87
Bank of India	3,711.80	5,119.55
(All the above loans are personally guaranteed by Executive Chairman and Managing Director)		
b) From other parties	3,359.97	4,543.93
Secured by 1st charge on the fixed assets and 2nd charge on the current assets of the Company on paripassu basis and also personally guaranteed by Managing Director.		
	14,342.56	19,564.35
2. Long term maturities of finance lease obligations		
Hire purchase Loan		
(Secured by Hypothecation of Specific Vehicles)	4.86	14.04
Less: Unmatured Financial Charges	0.12	1.46
	4.74	12.58
B) Unsecured Loans		
i) Trade Deposits *	72.65	79.65
ii) Other Long Term Loan**	1,201.08	1,420.50
	1,273.73	1,500.15
Total	15,621.03	21,077.08

The interest rate for the current financial year for the term loans ranges from 11% to 15.50%

All the term loans are repayable in 21 quarterly installments commencing from July'13.

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State Bank of India has assigned its dues to M/s.Pridhvi Asset Reconstruction and Securitisation Co Ltd during the previous financial year, the dues are shown under borrowings from " other parties"

Period and amount of continuous default relating to above loans

Secured Loans	Period of Default	Principal (Rs. Lakhs)	Interest (Rs. Lakhs)
a) Term Loans - Banks			
Indian Overseas Bank	41 Months	4668.53	4889.25
Bank of India	41 Months	2541.85	3612.14
b) Term Loans - From Other Parties			
	41 Months	2123.85	2731.24

* Trade deposits are received from dealers with whom the company has running agreement.

** Promoters Contribution under CDR scheme - Rs.277.50 lakhs from Mr. R Ramswamy, Rs.1143 lakhs from M/s.Servall Engineering works (P) Ltd.,

5 Long Term Provision

Particulars	31st March 2016	31st March 2015
Provision for employee benefits - [Gratuity (unfunded)]	10.06	21.90
Total	10.06	21.90

6 Short Term Borrowings

Particulars	31st March 2016	31st March 2015
Secured		
a) From Banks*		
i) Cash Credit from Nationalised Bank	4294.34	3649.67
(All the above loans are secured by first charge on the current assets and 2nd charge on the fixed assets of the company on pari passu basis and also personally guaranteed by Managing Director)		
ii) From other banks (Secured by fixed assets)	234.00	—
b) From other parties* - Cash Credit	644.12	644.12
Total	5172.46	4293.79

* Please refer Note 4

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Period and amount of default

Secured Loans	Period of Default	Interest (Rs. Lakhs)
a) Cash Credit from Nationalised Banks		
Indian Overseas Bank	13 Months	448.11
Bank of India	33 Months	247.64
b) Cash Credit from Other Parties		
	36 Months	235.94

7 Trade Payables

Particulars	31st March 2016	31st March 2015
Dues to Micro, Small and Medium Enterprises	—	—
Dues to others	5,015.61	6,559.54
Total	5,015.61	6,559.54

8 Other Current Liabilities

Particulars	31st March 2016	31st March 2015
(a) Current maturities of long-term debt	5,221.78	9334.23
(b) Current maturities of finance lease obligations	8.31	9.10
(c) Interest accrued and due on borrowings	12,164.32	5,238.55
(d) Advance from customers	205.69	258.43
(e) Employee benefits payable	127.91	187.05
(f) Statutory dues including Provident fund and TDS	359.45	302.39
(g) Provision for expenses	64.16	112.67
(h) Long term borrowings due and outstanding	9,334.23	—
Total	27,485.85	15442.42

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9 Fixed Assets

(₹ In Lakhs)

Sl. No	Particulars	Gross Block					Depreciation / Amortisation					Net Block	
		Balance as at 1st April 2015	Additions	Acquired through business combinations	Other Adjustments	Disposals	Balance as at 31st March 2016	Balance as at 1st April 2015	Depreciation for the year	On disposals	Depreciation for earlier years**	Balance as at 31st March 2016	Balance as at 31st March 2015
a	Tangible Assets												
	Own Assets												
	Land	238.94	—	—	—	—	238.94	—	—	—	238.94	238.94	
	Buildings	5,202.34	—	—	—	—	5,202.34	785.63	206.75	—	4,209.96	4,416.71	
	Plant and Equipment*	23,428.19	445.59	—	—	—	23,873.78	5,043.72	802.83	—	18,027.23	18,384.48	
	Electrical Fittings	38.86	—	—	—	—	38.86	23.27	2.56	—	13.03	15.59	
	Furniture and Fixtures	24.60	1.89	—	—	—	26.49	8.78	2.88	—	14.83	15.83	
	Office equipment	48.99	0.83	—	—	—	49.82	26.60	5.53	—	17.69	22.39	
	Computers	59.08	0.28	—	—	—	59.36	50.13	3.61	—	5.62	8.95	
	Vehicles	38.57	—	—	—	—	38.57	14.95	3.93	—	19.69	13.59	
	Assets Taken on Financial lease												
	Plant and Equipment	12.47	—	—	—	—	12.47	2.12	1.50	—	8.86	10.35	
	Vehicle	8.34	—	—	—	—	8.34	1.18	1.80	—	5.35	17.19	
	Total	29,100.38	448.59	—	—	—	29,548.97	5,956.36	1,031.39	—	22,561.21	23,144.01	
b	Intangible Assets												
	Total	—	—	—	—	—	—	—	—	—	—	—	
c	Capital Work In Progress												
	Capital Work In Progress	329.45	—	—	(329.45)	—	—	—	—	—	—	329.45	
	Total	329.45	—	—	(329.45)	—	—	—	—	—	—	329.45	
	Grand Total	29,429.83	448.59	—	(329.45)	—	29,548.97	5,956.36	1,031.39	—	22,561.21	23,473.46	
	Previous year**	28,752.21	891.84	—	(213.96)	—	29,429.83	4,911.25	1,027.12	0.26	23,473.46	23,840.96	

* Plant and equipment include cost- Rs.335.94 lakhs (Previous Year - Rs.335.94 lakhs) Written Down Value Rs.250.11lakhs (Previous Year -Rs.267.27 lakhs) in respect of capital expenditure incurred by the company, the ownership of which does not vest in the company.

** Effective 1st April 2014, the company has revised the useful life of fixed assets based on schedule II to the companies act,2013 for the purpose of providing depreciation on fixed assets. Accordingly, the carrying amount of such assets as on 1st April 2014 has been depreciated over the remaining revised useful life of the fixed assets. Consequently, the depreciation for the year ended 31st March 2015 is lower to the extent of Rs.377.94 lakhs. Further the amount of Rs.18.25 lakhs representing the carrying amount of assets with revised useful life as NIL, has been charged to the opening reserves as on 1st April 2014 pursuant to the companies act 2013.

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10 Long Term Loans & Advances

Particulars	31st March 2016	31st March 2015
a. Capital Advances		
Unsecured, considered good	37.26	39.92
b. Security Deposits		
Unsecured, considered good	41.24	34.93
Total	78.50	74.85

11 Other Non Current Assets

Particulars	31st March 2016	31st March 2015
Unamortized expenses		
a) IPO Expenses	439.46	439.46
b) Preliminary Expenses	26.75	26.75
Total	466.21	466.21

12 Inventories

Particulars	31st March 2016	31st March 2015
(a) Raw-Materials at cost	85.37	3,015.94
(b) Work-in-progress at estimated cost	127.27	1,146.69
(C) Finished Goods at net realisable value	18.52	303.17
(d) Stores and spares at cost	305.12	280.33
Total	536.28	4746.13

13 Trade Receivables

Particulars	31st March 2016	31st March 2015
(Unsecured, considered good)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	566.86	49.17
Other debts	275.48	2,382.16
Total	842.34	2,431.33

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14 Cash & Cash Equivalents

Particulars	31st March 2016	31st March 2015
a. Cash on hand	7.46	4.31
b. Cheques, drafts on hand	—	—
c. Balances with banks		
in Current accounts	22.94	123.07
Demand Deposits (less than 3 months maturity)*	260.00	2.74
d. Others bank balances		
Long term deposits with maturity of more than 3 months but less than 12 months*	—	113.68
Deposits with maturity of more than 12 months *	—	195.76
* <i>Margin Money deposits</i>		
Total	290.40	439.54

15 Short-Term Loans & Advances

Particulars	31st March 2016	31st March 2015
Balances with central excise, customs and sales tax (Unsecured, considered good)	1,784.53	1,826.06
Others (Unsecured, considered good)		
Advance for purchases to related parties	271.46	750.01
Advance for purchases - others	522.45	
Other Advances	80.03	69.02
Prepaid Expenses	3.70	11.52
Total	2,662.17	2,656.61

16 Other Current Assets

Particulars	31st March 2016	31st March 2015
Income Receivable	38.90	216.65
Incentives Receivable	1,800.60	1,602.64
Tds Receivable	8.50	10.36
Others	67.24	62.78
Total	1,915.24	1,892.42

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17 Revenue from operations

Particulars	31st March 2016	31st March 2015
Sale of products	4,745.37	16,698.03
Less:		
Rebate and Discount	3.10	31.05
Total	4,742.27	16,666.98

18 Other income

Particulars	31st March 2016	31st March 2015
(a) Interest Income	14.45	50.22
(b) Other non-operating income		
i) Exchange rate fluctuations	—	53.75
ii) Exports benefits	14.95	127.11
iii) Govt. incentives	197.96	375.90
iv) Agri Income*	0.33	7.21
v) Others	12.02	25.18
Total	239.71	639.37

* Net of Expenses

19 Cost of Raw materials consumed

Particulars	31st March 2016	31st March 2015
Opening stock of Raw materials	2,582.86	2,728.55
Purchases and Handling Charges	2,861.98	11,600.84
Less: Closing stock of Raw materials	(79.92)	(2,582.86)
Total	5,364.92	11,746.53

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20 Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	31st March 2016	31st March 2015
Opening stock of finished goods	303.17	187.24
Opening stock of work in progress	1,146.69	1,089.53
Less : Closing stock of finished goods	(18.52)	(303.17)
Closing stock of work in progress	(127.27)	(1146.69)
Total	1,304.07	(173.09)

21 Employee benefits expense

Particulars	31st March 2016	31st March 2015
(a) Salaries and incentives	470.67	716.08
(b) Contributions to -		
(i) Provident fund	23.05	26.98
(ii) ESI Contribution	6.16	
(iii) Superannuation scheme		
(c) Gratuity fund contributions	4.86	9.36
(d) Staff welfare expenses	37.10	52.18
Total	541.84	804.60

22 Finance costs

Particulars	31st March 2016	31st March 2015
(a) Interest Expenses	4,714.57	3,204.61
(b) Other Borrowing Cost	6.26	8.13
(c) Applicable net gain / loss on foreign currency transaction and translation.	—	—
Total	4,720.83	3,212.74

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23 Other expenses

Particulars	31st March 2016	31st March 2015
Consumption of Stores and spares	92.06	498.14
Consumption of Packing Materials	70.77	307.28
Power and Fuel	1,640.22	4,190.40
Rent	2.24	2.61
Repairs & Maintenance	48.54	152.42
Insurance	20.75	26.91
Rates and taxes, excluding taxes on income	36.70	28.94
Bank Charges	41.93	199.98
Postage, Telegram & Telephone	20.11	15.00
Travelling expenses	25.33	47.16
Professional & Consultancy Charges	55.57	40.38
Directors Sitting fees	1.05	1.50
Increase / (decrease) of Excise duty on Inventory	(8.29)	4.78
Net gain/loss on foreign currency transaction and translation	—	—
Miscellaneous expenses	213.15	201.00
Payments to the auditor as		
a) Statutory Audit Fee	3.00	3.00
b) Tax Audit Fee	1.00	1.00
c) Income tax Representation	1.00	1.00
d) for other services	1.00	0.50
Commission on sales	250.14	247.52
Packing and Forwarding Expenses	24.55	243.36
Total	2,540.82	6,212.89

24 Capital and other Commitments and Export obligations

Particulars	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	331.46	500.23
b) Export obligations on account of duty free import of capital goods	1,528.21	1,717.11

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25 Contingent Liability

Particulars	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
Claims against the company not acknowledged as debts:		
a) Customs Duty related matters	125.09	125.09
b) Sales Tax related matters	60.91	57.86
c) Electricity Tax related matters	231.43	85.67

26 Raw Materials Consumed

Particulars	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
Raw materials	5,364.92	11,746.53
Coal	1,450.71	4,050.47
Total	6,815.63	15,797.00

27 Consumption of Raw Materials, Coal, Stores & Spares

Particulars	2015-16		2014-15	
	% of Total Consumption	Value (₹ Lakhs)	% of Total Consumption	Value (₹ Lakhs)
Imported	66	4,613.34	45	7,500.90
Indigenous	34	2,363.06	55	9,103.08
Total	100	6,976.40	100	16,603.98

28 Finished Goods

Particulars	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
a) Opening Stock		
News print	1.05	48.31
Printing and Writing	302.12	130.84
b) Closing Stock		
News print	—	1.05
Printing and Writing	18.52	302.12

29 Turnover details

Particulars	2015-16 (₹ lakhs)	2014-15 (₹ lakhs)
Various grades of paper	4530.20	16489.31

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30 Value of Imports (Calculated on CIF basis)

Particulars	2015-16	2014-15
Raw Materials	2,416.44	6,341.39
Coal	—	532.93
Components and Spare parts	37.90	227.67

31 Expenditure in Foreign Currencies (on accrual basis)

Particulars	2015-16	2014-15
Travelling	—	1.55

32 Earnings in foreign currency (on accrual basis)

Particulars	2015-16	2014-15
Export – FOB Value	276.07	3,896.99

33 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days basic salary (based on last drawn remuneration) for each completed year of service. Arrangements are being made for the funding of the gratuity scheme.

The following tables summaries the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

I. PRINCIPAL ACTUARIAL ASSUMPTIONS

[Expressed as weighted averages]	2015-16	2014-15
Discount Rate	8.00%	7.80%
Salary escalation rate	4.00%	4.00%
Attrition rate	1.00%	1.00%
Expected rate of return on Plan Assets	—	—

All amounts are in lakhs

II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:

PVO as at the beginning of the period	21.90	13.87
Interest Cost	1.06	1.21
Current service cost	5.99	4.54
Past service cost - (non vested benefits)	—	—
Past service cost - (vested benefits)	—	—

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Benefits paid	(16.71)	(1.17)
Actuarial loss/(gain) on obligation (balancing figure)	(2.18)	3.47
PVO as at the end of the period	10.06	21.90
III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:		
Fair value of plan assets as at the beginning of the period	—	—
Expected return on plan assets	—	—
Contributions	16.71	1.17
Benefits paid	(16.71)	(1.17)
Actuarial gain/(loss) on plan assets [balancing figure]	—	—
Fair value of plan assets as at the end of the period	—	—
IV. ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	—	—
Actuarial gain (loss) on plan assets	—	—
Actual return on plan assets	—	—
V. ACTUARIAL GAIN / LOSS RECOGNIZED		
Actuarial gain / (loss) for the period - Obligation	2.18	(3.47)
Actuarial gain / (loss) for the period- Plan Assets	—	—
Total (gain) / loss for the period	(2.18)	3.47
Actuarial (gain) / loss recognized in the period	(2.18)	3.47
Unrecognized actuarial (gain) / loss at the end of the year	—	—
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES		
Present value of the obligation	10.06	21.90
Fair value of plan assets	—	—
Difference	10.06	21.90
Unrecognised transitional liability	—	—
Unrecognised past service cost - non vested benefits	—	—
Liability recognized in the balance sheet	10.06	21.90
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	5.99	4.54
Interest Cost	1.06	1.21
Expected return on plan assets	—	—
Net actuarial (gain)/loss recognised in the year	(2.18)	3.47
Transitional Liability recognised in the year	—	—
Past service cost - non-vested benefits	—	—
Past service cost - vested benefits	—	—
Expenses recognized in the statement of profit and loss	4.86	9.21

Notes to the Financial Statements

(All amounts are in ₹ in Lakhs, unless otherwise stated)

VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET

Opening net liability	21.90	13.87
Expense as above	4.86	9.21
Contribution paid	(16.71)	(1.17)
Closing net liability	10.06	21.90

IX. AMOUNT FOR THE CURRENT PERIOD

Present Value of obligation	10.06	21.90
Plan Assets	—	—
Surplus (Deficit)	(10.06)	(21.90)
Experience adjustments on plan liabilities -(loss)/gain	2.45	(0.38)
Experience adjustments on plan assets -(loss)/gain	—	—

34. Borrowing costs

Amount of borrowing costs capitalized during the year is NIL (Previous year NIL).

35. Exceptional Items

Interest has been reworked at original sanctioned rates consequent to banks withdrawing support through CDR package. The differential interest of Rs.2512.76 pertaining the earlier years are shown as exceptional items.

36. Government Incentives

Based on the Tamil Nadu Government's incentive scheme for development of southern districts the company is eligible for refund of sales tax. The company has recognised a sum of Rs.197.96 Lakhs (Previous year Rs.375.90 Lakhs) as income under the scheme which is to be sanctioned.

37. Segmental Reporting

a) Primary Segments

(₹ In lakhs)

Particulars	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015
	Paper		Power		Total	
1 Segment Revenue						
a) External Customers	4527.10	16458.25	511.34	1523.47	5038.44	17981.72
b) Internal Segment			964.53	3660.79	964.53	3660.79
Sub Total	4527.10	16458.25	1475.87	5184.26	6002.97	21642.51

SERVALAKSHMI PAPER LIMITED

Notes to the Financial Statements

(All amounts are in ₹ in Lakhs, unless otherwise stated)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015	Year ended 31st March 2016	Year ended 31st March 2015	Year ended 31st March 2016	Year ended 31st March 2015
	Paper		Power		Total	
Less: Inter Segment revenue Net Sales / Income from operations			964.53	3660.79	964.53	3660.79
Add: Other Income attributable to Segments	239.71	639.37			239.71	639.37
Total Segment Revenue	4766.81	17097.62	511.34	1523.47	5278.15	18621.09
2 Segment Results						
(Profit (+) / Loss (-) Before tax and Interest)	(7043.86)	(1644.48)	(973.78)	647.53	(8017.64)	(996.95)
Less:						
i) Interest					4720.83	3212.74
ii) Other unallocable expenditure net of unallocable come						
iii) Prior period / extra ordinary items						
Profit Before Tax	(7043.86)	(1644.48)	(973.78)	647.53	(12738.48)	(4209.69)
Provision for Taxation						
Profit After Tax	(7043.86)	(1644.48)	(973.78)	647.53	(12738.48)	(4209.69)
3 Other Information						
Segment Assets	22023.73	28192.90	6783.91	7446.71	28807.64	35639.61
Unallocated Corporate Assets						
Total Assets	22023.73	28192.90	6783.91	7446.71	28807.64	35639.61
Segment Liabilities	37460.18	17078.45	213.74	213.47	37673.92	17291.92
Unallocated Corporate Liabilities						
Total Liabilities	37460.18	17078.45	213.74	213.47	37673.92	17291.92
Capital Expenditure (excludes unallocated capital expenditure Rs.NIL lakhs (previous year Rs NIL lakhs)	119.14	677.88	0.00	0.00	119.14	677.88
Depreciation (excludes unallocated capital expenditure Rs.NIL lakhs. (previous year Rs.NIL lakhs)	0.00	0.00	0.00	0.00	0.00	0.00

Notes to the Financial Statements

(All amounts are in ₹ in Lakhs, unless otherwise stated)

b. Geographical Segment

(₹ in lakhs)

Particulars	India		Rest of the world		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Revenue from external customers	4757.28	13598.23	281.16	4383.49	5038.44	17981.72

38. Related Party Disclosures:

1. Key Managerial Personnel : Sri. R. Ramswamy, Executive Chairman
Sri Y. Shivaram Prasad, Managing Director
2. Relatives of Key Managerial Personnel : Smt. R. Jeevanlatha, Wife of Sri. R. Ramswamy
Smt. Shobana S Prasad, Daughter of Sri. R. Ramswamy
Smt. Nirupa Sriramulu, Daughter of Sri. R. Ramswamy
3. Other related parties : Danalakshmi Paper Mills (P) Ltd.,
Servall Engineering Works (P) Ltd
Techno Spin (P) Ltd.,
Vijayalakshmi Paper Mills
Sri Lakshmi Engineering Works

(₹ in lakhs)

Nature of transaction	31.03.2016			31.03.2015		
	Key Managerial Personnel	Relatives of Key Managerial personnel	Other Related parties	Key Managerial Personnel	Relatives of Key Managerial personnel	Other Related parties
Promoters Contribution under CDR scheme	—	—	—	277.50	—	1143.00
Purchases	—	—	121.81	—	—	427.94
Receiving of services	—	—	4.11	—	—	20.69
Remuneration	—	—	—	100.27	—	—
Amount payable	74.19	—	224.58	75.18	—	417.47
Amount receivable	—	—	270.55	—	—	305.92

SERVALAKSHMI PAPER LIMITED

Notes to the Financial Statements

(All amounts are in ₹ in Lakhs, unless otherwise stated)

39. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related Parties:

Particulars	Transactions	
	31st March 2016	31st March 2015
1. Purchases		
Other Related Parties		
Servall Engineering works (P) Ltd	121.81	416.82
2. Receiving of Services		
Other Related Parties		
Servall Engineering works (P) Ltd	1.52	17.87
Sri Lakshmi Engineering Works	2.59	2.82
3. Promoters Contribution Under CDR Scheme		
Other Related Parties		
Servall Engineering works (P) Ltd	0.00	1143.00
Key Management Personnel		
Sri. R. Ramswamy	0.00	277.50
4. Remuneration		
Key Management Personnel		
Sri. R. Ramswamy	0.00	48.17
Sri. Y. Shivaram Prasad	0.00	48.17
Sri. Y. Rambabu (Resigned from 09.08.2014)	0.00	3.94

40. Earnings Per Share

Particulars	2015-16	2014-15
Net loss as per the profit and loss account (₹ Lakhs)	(12738.48)	(4209.69)
Weighted average number of equity shares outstanding as at the end of the year	43113656	43113656
Basic and diluted earnings per share (in ₹)	(29.55)	(9.76)

Notes to the Financial Statements

(All amounts are in ₹ in Lakhs, unless otherwise stated)

41. Deferred tax Liability/Asset

In accordance with Accounting Standard 22 “Accounting for taxes on Income” (AS 22) issued by the Institute of Chartered Accountants of India, deferred tax assets and liability should be recognized for all timing differences in accordance with said standards. However, considering the present financial position and requirement of the Accounting Standard regarding certainty / virtual certainty, the same is not provided for as an asset (net). However, the same will be reassessed at a subsequent Balance Sheet date and will be accounted for in the year of certainty / virtual certainty in accordance with the aforesaid Accounting Standard.

42. Disclosure of Revenue from Sales Transactions as per Para 10 of Accounting Standard 9

The total excise duty for the Period excluding the excise duty related to difference between the closing stock and opening stock has been disclosed as a reduction from turnover. Excise duty related to difference between the closing stock and opening stock has been disclosed in Schedule 17 "Other Expenditure".

43. Unhedged foreign currency exposure

The foreign currency exposures at the end of the period that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Amount (Foreign currency)		Amount (₹ In Lakhs)	
	2016	2015	2016	2015
Trade receivable	17077.35 USD	86959.70 USD	11.32	54.43
Loan payable	—	—	—	—
Trade payable	1284360.06 USD	1132893.40 USD	851.92	709.08

44. Previous year comparatives

Figures for the previous year have been regrouped wherever necessary to conform to the classification for the Period.

As per our report of even date attached
For **S. KRISHNAMOORTHY & Co.,**
Chartered Accountants
(Registration No.001496S)
(Sd.) K. RAGHU
Partner, Auditor
Membership No.11178

(Sd) R. RAMSWAMY
Executive Chairman

(Sd) Y. SHIVARAM PRASAD
Managing Director

Coimbatore
30.05.2016