

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF THE SIRPUR PAPER MILLS LIMITED

1. We have reviewed part "B" of the accompanying Statement of Standalone Unaudited Financial Results of THE SIRPUR PAPER MILLS LIMITED ("the Company") for the Quarter and six months ended September 30, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to Note 5 to the statement which indicates that as at September 30, 2014 the accumulated losses amounted to ₹ 26,413 lakhs has eroded the net worth of the Company and company has intimated to Board for Industrial and Financial Reconstruction (BIFR), under Section 23 of Sick Industrial Companies (Special Provision) Act, 1985, indicating the existence of material uncertainty about the Company's ability to continue as a going concern. This financial result have been prepared on a going concern basis for the reasons stated in the said Note. Our report is not qualified in respect of this matter.



Deloitte Haskins & Sells

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and six months ended September 30, 2014 of the Statement, from the details furnished by the Registrars.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)



Ganesh Balakrishnan
Partner
(Membership No.201193)

Secunderabad, November 13, 2014



THE SIRPUR PAPER MILLS LIMITED

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THE SIRPUR PAPER MILLS LIMITED						
Regd. Office : 5-9-22/1/1, 1 st Floor, Adarshnagar, HYDERABAD - 500 063						
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Un Audited Financial Results for the quarter ended Sept 30, 2014						
A) PAPER , PAPER BOARD AND PULP (FOR SALE)	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	Sept. 30, 2014	Jun 30, 2014	Sept. 30, 2013	Sept. 30, 2014	Sept. 30, 2013	Mar 31, 2014
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
Quantity in Metric Tons						
Production MT	18,203	21,094	21,236	37,296	42,943	80,236
Sales MT	17,323	21,172	21,485	38,495	42,566	86,323
Stock (including process stock) MT	2,469	6,138	1,424	2,469	1,424	4,374
B) Part I	Rupees in Lakhs					
1) Income from operations						
(a) Net Sales/Income from Operations (Net of Excise Duty)	8,378	10,713	10,061	19,091	19,953	42,049
(b) Other Operating Income	185	26	31	211	48	255
Total income from operations (net)	8,563	10,739	10,092	19,302	20,001	42,304
2) Expenses						
(a) Cost of materials consumed	5,006	5,991	5,827	10,997	11,158	24,328
(b) Purchases of stock-in-trade	-	-	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,016	37	215	1,053	40	(1,500)
(d) Employee benefits expense	1,808	1,668	1,884	3,476	3,650	6,903
(e) Depreciation and amortisation expense	509	504	726	1,013	1,439	2,884
(f) Consumption of stores and spares	378	380	382	758	755	1,467
(g) Power & fuel	2,110	2,495	2,409	4,605	6,403	10,705
(h) Other expenditure	567	595	541	1,162	1,137	2,399
Total Expenses	11,394	11,670	12,414	23,964	28,642	47,336
3) Loss from Operations before Other Income, finance costs and Exceptional Items (1-2)	(2,831)	(931)	(2,322)	(3,762)	(3,641)	(5,032)
4) Other Income	-	-	58	-	62	92
5) Loss from ordinary activities before finance costs (3+4)	(2,831)	(931)	(2,264)	(3,762)	(3,579)	(4,940)
6) Finance costs (net)	1,156	1,134	1,035	2,290	2,031	4,158
7) Loss from ordinary activities after finance costs but before Exceptional Items (5-6)	(3,987)	(2,065)	(3,299)	(6,052)	(5,610)	(9,098)
8) Exceptional Items	-	-	-	-	-	-
9) Loss from Ordinary Activities before Tax (7-8)	(3,987)	(2,065)	(3,299)	(6,052)	(5,610)	(9,098)
10) Tax Expense	-	-	-	-	-	-
11) Net Loss from Ordinary Activities after Tax (9-10)	(3,987)	(2,065)	(3,299)	(6,052)	(5,610)	(9,098)
12) Extraordinary Items (Net of Tax Expense)	-	-	-	-	-	-
13) Net Loss for the period (11-12)	(3,987)	(2,065)	(3,299)	(6,052)	(5,610)	(9,098)
14) Paid up Ordinary Share Capital						
15) Face value of Rs.10/- each	1,699	1,699	1,699	1,699	1,699	1,699
16) Reserves excluding Revaluation Reserves (as per Balance Sheet of previous accounting year)	-	-	-	-	-	(4,538)
17) Earning per Share (EPS)						
Basic and Diluted EPS (not annualized) Rs.	(23.47)	(12.15)	(19.42)	(35.62)	(33.02)	(54.22)*
*Annualized						
Part II						
a PARTICULARS OF SHAREHOLDING						
1) Public Shareholding						
- Number of Shares	8,508,526	8,507,526	8,507,526	8,508,526	8,507,526	8,507,526
- Percentage of Shareholding	50.09%	50.09%	50.09%	50.09%	50.09%	50.09%
2) Promoters and Promoter Group Shareholding						
a) Pledged /Encumbered						
- Number of Shares	6,794,297	6,794,297	6,794,297	6,794,297	6,794,297	6,794,297
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	80.15%	80.15%	80.15%	80.15%	80.15%	80.15%
- Percentage of Shares (as a % of the total share capital of the company)	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
b) Non encumbered						
- Number of Shares	1,682,177	1,683,177	1,683,177	1,682,177	1,683,177	1,683,177
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	19.85%	19.85%	19.85%	19.85%	19.85%	19.85%
- Percentage of Shares (as a % of the total share capital of the company)	9.90%	9.91%	9.91%	9.90%	9.91%	9.91%
b INVESTORS COMPLAINTS						
Number of Investors' complaints for the quarter ended Sept 30, 2014 :						
Orenine - Nil; Received - Nil; Disposed - Nil and Pending - Nil.						

Jeeva Shri Sh Poddar



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NOTES

1. The Company is in the business of manufacture and sale of pulp, paper and paper boards. Management views manufacture and sale of pulp, paper and paper boards as a single reportable business segment.
2. The Auditors of the Company have carried out the limited review of the above results in terms of Clause 41 of the listing agreement.
3. Workers agreement has expired on March 31, 2013 and new agreement is yet to be concluded.
4. The Statement of Assets & Liabilities as required under Clause 41(VI)(h) of the listing agreement is as under:

	(Amount in Rs Lakhs)	
	As at 30-09-2014 UnAudited	As at 31-03-2014 Audited
STATEMENT OF EQUITY AND LIABILITIES		
a. EQUITY AND LIABILITIES		
1. Shareholders' funds		
a) Share capital	1,699	1,699
b) Reserves and surplus	(6,484)	(269)
	(6,785)	1,430
2. Non-current liabilities		
a) Long-term borrowings	29,413	31,516
b) Deferred tax liabilities (Net)		
c) Other Long-term liabilities	3,851	3,987
d) Long-term provisions	967	868
	34,231	36,341
3. Current liabilities		
a) Short-term borrowings	5,543	3,819
b) Trade payables	9,287	9,470
c) Other current liabilities	6,584	5,214
d) Short-term provisions	209	185
	21,723	18,688
TOTAL EQUITY AND LIABILITIES	51,229	56,459
b. ASSETS		
1. Non-current assets		
a) Fixed assets		
Tangible Assets	38,709	39,880
Intangible Assets	10	14
Capital work-in-process	3	-
	38,722	39,894
b) Long-term loans and advances	2,153	2,145
	40,875	42,039
2. Current assets		
a) Inventories	3,305	4,612
b) Trade Receivables	3,841	6,008
c) Cash and cash equivalents	274	149
d) Short-term loans and advances	1,806	2,407
e) Other current assets	1,228	1,344
	10,354	14,420
TOTAL-ASSETS	51,229	56,459

5. As at Sept 30, 2014, the accumulated losses amounted to Rs 26413 lakhs has eroded the net worth of the company. The Company has the continuous support from the Promoters and has put in place measures for revival and cost reduction, which in the opinion of the Management would enable the Company to generate sufficient profits in the foreseeable future.
6. The Company has adopted the useful lives of fixed assets as specified in Part C of Schedule II of the Companies Act, 2013 effective April 1, 2014. Consequently the depreciation and amortization expenses for the quarter ended September 30, 2014 is lower by Rs. 425 lakhs.
7. The company has stopped production wef 28th Sept 2014 due to insufficient availability of Raw Materials and Maintenance shut down.
8. The figures of the previous periods have been regrouped/reclassified, wherever considered necessary to correspond with the current period's classification/disclosure.

The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 13th November, 2014.

Place: Gurgaon

Date: 13th November, 2014.

By order of the Board,
 For THE SIRPUR PAPER MILLS LIMITED,

Devashish Poddar
 DEVASHISH PODDAR
 Vice Chairman & Managing Director



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