



# THE SOUTH INDIA PAPER MILLS LIMITED

Regd. Office & Factory: Chikkayana Chatra, Nanjangud - 571 302, Karnataka State, India

Corporate & Marketing Office: # 1205/1206, Prestige Meridian II, M.G. Road, Bangalore - 560 001.

Ref: BSE / AFR / 2020/ - 640

25<sup>th</sup> June, 2020

**BSE Limited**

25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai - 400 001

Tel: (022) 2272 1233/34

Dear Sir,

**Scrip Code: 516108**

**Sub: Submission of Audited Financial Results for the quarter / financial year ended 31<sup>st</sup> March 2020 under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We wish to inform you that the Board of Directors at their meeting held today, have approved the Audited Financial Results for the Quarter / Year ended 31st March 2020.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the following statements:

- (i) Statement showing Audited Financial Results of the Company for the Quarter / year ended 31<sup>st</sup> March 2020
- (ii) Segment Report
- (iii) Statement of Assets and Liabilities
- (iv) Statement of Cash flows for the half year ended 31<sup>st</sup> March 2020
- (v) Auditor's Report on Quarterly & Annual Financial Results issued by M/s Murthy Swamy & Associates LLP, Chartered Accountants, Mysore
- (vi) Declaration for audit report with unmodified opinion

Kindly take the above disclosures on your records.

Thanking You,

Yours faithfully

**For The South India Paper Mills Ltd**

  
Manish M Patel

Managing Director

DIN 00128179

**SIPM**

CIN (Corporate Identity No.) L85110KA1959PLC001352

**FACTORY : PHONE: (91) (08221) 228265-67 FAX: (91) (08221) 228270**

**CORPORATE : PHONE: (91) (080) 41123605 FAX: (91) (080) 41512508**

**E-mail: [marketing@sipaper.com](mailto:marketing@sipaper.com) Grams: PAPERMILLS Website : [www.sipaper.com](http://www.sipaper.com)**



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## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31.03.2020

Rs in Lakhs

Sl. no.	PARTICULARS	3 months ended 31/03/2020	Preceeding 3 months ended 31/12/2019	Corresponding 3 months ended 31/03/2019 in the previous year	Current Accounting year ended 31/03/2020	Previous Accounting year ended 31/03/2019
		Ind AS	Ind AS	Ind AS	Ind AS	Ind AS
		Audited (see note no. 4)	Reviewed	Audited (see note no. 4)	Audited	Audited
I	Revenue from operations	4,654.56	5,612.59	5,759.80	21,761.08	24,249.58
II	Other Income	10.95	20.74	23.63	82.85	80.32
III	<b>Total Revenue (I + II)</b>	<b>4,665.51</b>	<b>5,633.33</b>	<b>5,783.43</b>	<b>21,843.93</b>	<b>24,329.90</b>
IV	Expenses					
	a) Cost of Materials Consumed	1,995.73	2,302.51	2,620.45	9,385.12	11,023.01
	b) Purchase of Stock-in-Trade	-	-	-	-	-
	c) Changes in inventories of Finished goods, WIP & Stk in Trade	(82.67)	50.99	52.84	(54.95)	93.70
	d) Employee Benefits Expenses	690.96	635.70	590.49	2,499.33	2,284.83
	e) Finance Costs	95.12	97.91	104.88	411.46	445.37
	f) Depreciation and amortisation expense	252.67	243.43	237.99	976.66	949.99
	g) Other expenses	1,383.35	1,701.17	1,728.49	6,492.87	7,211.29
	<b>Total Expenses</b>	<b>4,335.16</b>	<b>5,031.71</b>	<b>5,335.14</b>	<b>19,710.49</b>	<b>22,008.19</b>
V	Profit/(Loss) before Exceptional Items and Tax (III-IV)	<b>330.35</b>	<b>601.62</b>	<b>448.29</b>	<b>2,133.44</b>	<b>2,321.71</b>
VI	Exceptional Items				-	-
VII	Profit/(Loss) before tax (V - VI)	<b>330.35</b>	<b>601.62</b>	<b>448.29</b>	<b>2,133.44</b>	<b>2,321.71</b>
VIII	Less : Tax expense / Add : Tax credit	(11.66)	(177.00)	(79.99)	(538.66)	(484.96)
IX	<b>Profit/(Loss) for the period (VII-VIII)</b>	<b>318.69</b>	<b>424.62</b>	<b>368.30</b>	<b>1,594.78</b>	<b>1,836.75</b>
X	Other Comprehensive Income					
	A(i) Items that will not be reclassified to profit or loss	9.15		(30.34)	9.15	(30.34)
	Remeasurement gains on Defined Benefit Plans					
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.67)		8.84	(2.67)	8.84
	B(i) Items that will be reclassified to profit or loss		-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
XI	<b>Total Comprehensive Income for the period (IX + X)</b>	<b>325.17</b>	<b>424.62</b>	<b>346.80</b>	<b>1,601.26</b>	<b>1,815.25</b>
XII	Earnings per equity share (of Rs. 10/- face value) in Rs.					
	Basic	<b>2.12</b>	<b>2.83</b>	<b>2.46</b>	<b>10.63</b>	<b>12.25</b>
	Diluted	<b>2.12</b>	<b>2.83</b>	<b>2.46</b>	<b>10.63</b>	<b>12.25</b>



CIN (Corporate Identity No.) L85110KA1959PLC001352

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## Note :

- 1 In accordance with the requirements of Ind AS, Revenue from operations (as indicated in serial no. 1) is net of Goods and Service Tax (GST) w.e.f 1-7-2017.
- 2 No. of investor complaints pending at the beginning & end of the quarter- Nil; No. of Complaints received & resolved during the quarter ended 31.03.2020 is 2
- 3 The Board of Directors have recommended Dividend @ 15% on equity capital i.e Rs 1.50 per share for the year 2019-20
- 4 The figures of the last quarter of current and previous year are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures of 9 months of the respective year.
- 5 Company has taken properties on lease, only on short-term basis i.e. lease period's of less than 12 months. Hence, applying Para 6 of Ind AS 116, lease payments are recognised as an expense on a straight-line basis over the lease term
- 6 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, the Government of India declared lockdown on 23<sup>rd</sup> March 2020, and the Company temporarily suspended operations. After obtaining necessary permissions from appropriate authorities, the Company resumed production and supply from 03/04/2020 in Box Plant declared as emergency service operated @30% of normal volume in April 2020 and Paper Division resumed production from 04/05/2020 and ramped up its production with steady increase in operational levels. Considering the prevailing economic environment and the internal and external factors the company has assessed the carrying amount of property, plant and equipment, receivables, inventories, investments and other assets as at the balance sheet date, the current liquidity position including its cash flows, the business outlook and has concluded that no material adjustments are required in these financial results / statements of assets and liabilities. The potential future impact of global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions and assess the impact on its business.  
  
The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption
- 7 Expansion Project to increase Paper manufacturing capacity by installation of New Paper Machine of 350 Metric tonnes per day capacity is in progress. Civil works delayed due to Covid-19 pandemic and Capex on Machineries deferred by 4 months. Project is expected to be commissioned by March 2021.
- 8 The Company has taken the Plant maintenance shutdown in Feb 2020 affecting about half months production in Paper Plant during Q4 of FY 2019-20 and operations during last 8 days affected by Lockdown imposed by the Government to Combat Covid-19.
- 9 Figures of the previous period / year have been regrouped wherever necessary, to conform to current period classification.
- 10 The above results have been audited by the Statutory Auditors, reviewed by the Audit committee and approved by the Board of Directors in their respective meetings held on 25.06.2020

Place : NANJANGUD

Date : 25.06.2020

BY ORDER OF THE BOARD

MANISH M PATEL

MANAGING DIRECTOR

DIN 00128179

## SIPM

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SEGMENTWISE REVENUE, RESULTS, CAPITAL EMPLOYED					
Rs. In Lakhs					
PARTICULARS	3 months ended 31/03/2020	Preceding 3 months ended 31/12/2019	Corresponding 3 months ended 31/03/2019 in the previous year	Current accounting Year ended 31/03/2020	Previous Accounting year ended 31/03/2019
	Ind AS	Ind AS	Ind AS	Ind AS	Ind AS
	Audited (see note no. 2)	Reviewed	Audited (see note no. 2)	Audited	Audited
<b>1 Segment Revenue</b>					
i) Paper & Paper Products	4,548.36	5,540.74	5,540.61	21,323.33	23,483.68
ii) Power	599.68	701.56	793.91	2,775.45	3,209.53
<b>Total</b>	<b>5,148.04</b>	<b>6,242.30</b>	<b>6,334.52</b>	<b>24,098.78</b>	<b>26,693.21</b>
Less : Inter Segment Revenue	493.48	629.71	574.72	2,337.70	2,443.63
<b>Revenue from Operations</b>	<b>4,654.56</b>	<b>5,612.59</b>	<b>5,759.80</b>	<b>21,761.08</b>	<b>24,249.58</b>
<b>2 Segment Results</b>					
i) Paper & Paper Products	357.68	527.86	423.36	1,967.88	2,074.01
ii) Power	67.79	171.67	129.81	577.02	693.07
Add : Exceptional items (net)	-	-	-	-	-
<b>Total</b>	<b>425.47</b>	<b>699.53</b>	<b>553.17</b>	<b>2,544.90</b>	<b>2,767.08</b>
Less : Finance costs	95.12	97.91	104.88	411.46	445.37
Less : Unallocable expenses (net of Income)	-	-	-	-	-
<b>Total Profit before Tax</b>	<b>330.35</b>	<b>601.62</b>	<b>448.29</b>	<b>2,133.44</b>	<b>2,321.71</b>
<b>3 Segment Assets</b>					
i) Paper & Paper Products	20,406.48	19,517.64	18,706.73	20,406.48	18,706.73
ii) Power	4,928.26	4,899.74	5,173.98	4,928.26	5,173.98
<b>Total Segment Assets</b>	<b>25,334.74</b>	<b>24,417.38</b>	<b>23,880.71</b>	<b>25,334.74</b>	<b>23,880.71</b>
<b>4 Segment Liabilities</b>					
i) Paper & Paper Products	6,138.78	5,275.80	5,427.06	6,138.78	5,427.06
ii) Power	2,262.13	2,532.93	2,849.84	2,262.13	2,849.84
<b>Total Segment Liabilities</b>	<b>8,400.91</b>	<b>7,808.73</b>	<b>8,276.90</b>	<b>8,400.91</b>	<b>8,276.90</b>
<p>1. In accordance with the requirements of Ind AS, Revenue from operations (as indicated in serial no. I) is net of Goods and Service Tax (GST) w.e.f 01-07-2017</p> <p>2. The figures of the last quarter of current and previous year are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures of 9 months of the respective year.</p> <p>3. Figures of the previous period / year have been regrouped wherever necessary, to conform to current period classification.</p>					
<p>Place : NANJANGUD Date: 25.06.2020</p> <p style="text-align: right;">BY ORDER OF THE BOARD  MANISH M PATEL MANAGING DIRECTOR DIN 00128179</p>					

**SIPM**

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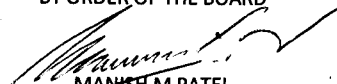
## STATEMENT OF ASSETS AND LIABILITIES

Rs. In Lakhs

	As at 31st March 2020 Audited	As at 31st March 2019 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,807.44	13,229.68
Capital work in progress	1,497.16	782.01
Intangible assets	0.63	1.82
Other Non-Current Assets	3,154.17	1,020.69
	<b>17,459.40</b>	<b>15,034.20</b>
<b>Current assets</b>		
Inventories	3,223.29	3,640.20
Financial assets		
Trade receivables	2,952.92	3,970.82
Cash and cash equivalents	39.48	99.88
Other bank balances	1,303.16	676.40
Other Financial Assets	26.26	18.68
Other Current Assets	309.07	440.53
	7,854.18	8,846.51
Assets classified as held for sale	21.16	-
	<b>7,875.34</b>	<b>8,846.51</b>
<b>TOTAL ASSETS</b>	<b>25,334.74</b>	<b>23,880.71</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,500.00	1,500.00
Other equity	15,433.83	14,103.81
<b>Total Equity</b>	<b>16,933.83</b>	<b>15,603.81</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	2,614.46	3,217.04
Other Financial Liabilities	168.24	170.49
Provisions	39.61	28.62
Deferred tax liabilities (net)	1,663.84	1,492.86
	<b>4,486.15</b>	<b>4,909.01</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	1,058.95	14.80
Trade payables		
(a) total outstanding dues of MSME; and	2.00	0.06
(b) total outstanding dues of creditors other than MSME	1,339.69	2,176.35
Other Financial Liabilities	735.44	639.87
Other current liabilities	464.94	246.95
Provisions	296.24	289.86
Current tax liabilities (net)	17.50	-
	<b>3,914.76</b>	<b>3,367.89</b>
<b>Total Liabilities</b>	<b>8,400.91</b>	<b>8,276.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,334.74</b>	<b>23,880.71</b>

Place : NANJANGUD  
Date: 25.06.2020

BY ORDER OF THE BOARD

  
MANISH M PATEL  
MANAGING DIRECTOR  
DIN 00128179

**SIPM**

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Rs. In Lakhs

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
	Audited		Audited	
<b>A) Cash Flow from Operating Activities</b>				
Profit before tax		2,133.44		2,321.71
Adjustments for :				
Depreciation & amortisation expense	976.66		949.99	
Finance costs	411.46		445.37	
Interest Income	(75.70)		(50.41)	
Profit on sale of Plant & equipments	(0.70)		(1.12)	
Bad debts written off	6.96		-	
Unrealised foreign exchange loss /(gain)	10.62	1,329.30	(19.85)	1,323.98
<b>Operating Profit before Working Capital Changes</b>		3,462.74		3,645.69
(Increase) / Decrease in inventories	416.91		(132.25)	
(Increase) / Decrease in trade receivables	1,010.93		(144.21)	
(Increase) / Decrease in other financial assets	(6.83)		(1.02)	
(Increase) / Decrease in other assets	142.94		441.20	
Increase / (Decrease) in trade payables	(845.34)		445.74	
Increase / (Decrease) in other financial liabilities	93.32		2.50	
Increase / (Decrease) in other liabilities	217.99		112.95	
Increase / (Decrease) in provisions	17.38	1,047.30	45.00	769.91
<b>Cash generated from operating activities</b>		4,510.04		4,415.60
Less : Income Tax paid		(357.03)		(521.78)
<b>Net Cash generated from / (used in) Operating Activities (A)</b>		4,153.01		3,893.82
<b>B) Cash Flow from Investing Activities</b>				
Purchase of Property, plant & equipment (including Capital advances)		(3,399.85)		(1,276.20)
Proceeds from sale of Plant & equipment		1.43		2.17
Interest received		74.94		47.83
<b>Net Cash generated from / (used in) Investing Activities (B)</b>		(3,323.48)		(1,226.20)
<b>C) Cash Flow from Financing Activities</b>				
Proceeds (net) from current borrowings		1,044.15		(1,153.99)
Proceeds from non-current borrowings		-		200.00
Repayment of non-current borrowings		(602.59)		(546.93)
Finance costs paid		(433.50)		(444.00)
Equity Dividend paid		(225.00)		(149.38)
Dividend Distribution Tax paid		(46.25)		(30.84)
<b>Net Cash (used in) / generated from Financing Activities (C)</b>		-263.19		(2,125.14)
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>		566.35		542.48
<b>Cash and cash equivalents as at the beginning of the year</b>		776.28		233.80
<b>Cash and cash equivalents as at the end of the year</b>		1,342.63		776.28

Place : NANJANGUD  
Date: 25.06.2020

BY ORDER OF THE BOARD

  
MANISH M PATEL

MANAGING DIRECTOR  
DIN 00128179

**SIPM**

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Ref: BSE/ AFR / 2020 / 642

25.06.2020

**BSE Limited**

25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai – 400 001

Ph : 022 2272 1233

Dear Sir,

**Scrip Code: 516108**

**Sub: Declaration pursuant to Regulation 33(3)(d) of the SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Audit Report with Unmodified Opinion for the Financial year ended 31<sup>st</sup> March 2020.**

Pursuant to SEBI Circular No. CIR/ CFD /CMD/56/ 2016 Dated 27.05.2016 and BSE Circular DCS/ COMP/ 04/2016-17 dated 1<sup>st</sup> June 2016, it is hereby declared that the Auditors of the Company, M/s Murthy Swamy & Associates LLP , Mysore have issued the Audit Reports for the Financial Statements prepared under the Companies Act, 2013 & Financial Results as prepared under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended 31<sup>st</sup> March 2020 and they do not contain any qualifications, reservations or any adverse remarks. The Audit Report for the said period is Unmodified.

Thanking You,

Yours faithfully,

For The South India Paper Mills Ltd

  
Manish M Patel

Managing Director

DIN No. 00128179

**SIPM**

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**Partners :**

M. D. Venkatesha Murthy, FCA  
Narayana Swamy T.S., B.Com., ACA,

73, Nazarbad Main Road  
Nazarbad, MYSURU - 570 010  
Karnataka, INDIA

**Independent Auditor's Report on the Quarterly and Year to Date Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To**  
**The Board of Directors of**  
**The South India Paper Mills Limited, Nanjangud.**

**Report on the audit of the Financial Results**

**Opinion**

We have audited the accompanying quarterly financial results of **The South India Paper Mills Limited** ("the Company") for the quarter ended 31<sup>st</sup> March 2020 and the year to date results for the year ended 31<sup>st</sup> March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results :

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March 2020 as well as the year to date results for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note No.6 of the financial results, describing that the pandemic COVID-19 would cause various social and economic disruption impacting supply chains, consumer demand, commodity prices, personnel available for work and access of offices of the Company. Our opinion is not modified in respect of this matter.





**Management's Responsibilities for the Financial Results**

These financial results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matter**

The financial results includes the results for the quarter ended 31<sup>st</sup> March 2020 being the balancing figure between the audited figures in respect of the full financial year ended 31<sup>st</sup> March 2020 and the published unaudited year to date figures up to the third quarter of the current financial year, which were subjected to Limited Review by us, as required under the Listing Regulations.

for **Murthy Swamy & Associates LLP**

*Chartered Accountants*

Firm Registration Number: S200065

  
**Narayana Swamy T S**

Partner

M No. 241535

UDIN : **20241535AAAB3080**

Date : 25<sup>th</sup> June 2020

Place: Mysore







# THE SOUTH INDIA PAPER MILLS LIMITED

Regd. Office & Factory: Chikkayana Chutra, Nanjangud - 571 302, Karnataka State, India

Corporate & Marketing Office: # 1205/1206, Prestige Meridian II, M.G. Road, Bangalore - 560 001.

## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31.03.2020

Rs in Lakhs

Sl. no.	PARTICULARS	3 months ended 31/03/2020	Preceding 3 months ended 31/12/2019	Corresponding 3 months ended 31/03/2019 in the previous year	Current Accounting year ended 31/03/2020	Previous Accounting year ended 31/03/2019
		Ind AS	Ind AS	Ind AS	Ind AS	Ind AS
		Audited (see note no. 4)	Reviewed	Audited (see note no. 4)	Audited	Audited
I	Revenue from operations	4,654.56	5,612.59	5,759.80	21,761.08	24,249.58
II	Other Income	10.95	20.74	23.63	82.85	80.32
III	<b>Total Revenue (I + II)</b>	<b>4,665.51</b>	<b>5,633.33</b>	<b>5,783.43</b>	<b>21,843.93</b>	<b>24,329.90</b>
IV	Expenses					
	a) Cost of Materials Consumed	1,995.73	2,302.51	2,620.45	9,385.12	11,023.01
	b) Purchase of Stock-in-Trade	-	-	-	-	-
	c) Changes in inventories of Finished goods, WIP & Stk in Trade	(82.67)	50.99	52.84	(54.95)	93.70
	d) Employee Benefits Expenses	690.96	635.70	590.49	2,499.33	2,284.83
	e) Finance Costs	95.12	97.91	104.88	411.46	445.37
	f) Depreciation and amortisation expense	252.67	243.43	237.99	976.66	949.99
	g) Other expenses	1,383.35	1,701.17	1,728.49	6,492.87	7,211.29
	<b>Total Expenses</b>	<b>4,335.16</b>	<b>5,031.71</b>	<b>5,335.14</b>	<b>19,710.49</b>	<b>22,008.19</b>
V	Profit/(Loss) before Exceptional Items and Tax (III-IV)	330.35	601.62	448.29	2,133.44	2,321.71
VI	Exceptional Items				-	-
VII	Profit/(Loss) before tax (V- VI)	330.35	601.62	448.29	2,133.44	2,321.71
VIII	Less : Tax expense / Add : Tax credit	(11.66)	(177.00)	(79.99)	(538.66)	(484.96)
IX	<b>Profit/(Loss) for the period (VII-VIII)</b>	<b>318.69</b>	<b>424.62</b>	<b>368.30</b>	<b>1,594.78</b>	<b>1,836.75</b>
X	Other Comprehensive Income					
	A(i) Items that will not be reclassified to profit or loss Remeasurement gains on Defined Benefit Plans	9.15		(30.34)	9.15	(30.34)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.67)	-	8.84	(2.67)	8.84
	B(i) Items that will be reclassified to profit or loss		-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
XI	<b>Total Comprehensive Income for the period (IX + X)</b>	<b>325.17</b>	<b>424.62</b>	<b>346.80</b>	<b>1,601.26</b>	<b>1,815.25</b>
XII	Earnings per equity share (of Rs. 10/- face value) in Rs.					
	Basic	2.12	2.83	2.46	10.63	12.25
	Diluted	2.12	2.83	2.46	10.63	12.25



25.06.2020

UDIN: 20241535AAAAAB3080



CIN (Corporate Identity No.) L85110KA1959PLC001352

FACTORY : PHONE: (91) (08221) 228265-67 FAX: (91) (08221) 228270

CORPORATE : PHONE: (91) (080) 41123605 FAX: (91) (080) 41512508

E-mail: marketing@sipaper.com Grams: PAPERMILLS Website : www.sipaper.com



# THE SOUTH INDIA PAPER MILLS LIMITED

Regd. Office & Factory: Chikkayana Chatra, Nanjangud - 571 302, Karnataka State, India  
Corporate & Marketing Office: # 1205/1206, Prestige Meridian II, M.G. Road, Bangalore - 560 001.

## Note :

- 1 In accordance with the requirements of Ind AS, Revenue from operations (as indicated in serial no 1) is net of Goods and Service Tax (GST) w.e.f 1-7-2017.
- 2 No. of investor complaints pending at the beginning & end of the quarter- Nil; No. of Complaints received & resolved during the quarter ended 31.03.2020 is 2
- 3 The Board of Directors have recommended Dividend @ 15% on equity capital i.e. Rs 1.50 per share for the year 2019-20
- 4 The figures of the last quarter of current and previous year are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures of 9 months of the respective year.
- 5 Company has taken properties on lease, only on short-term basis i.e. lease period's of less than 12 months. Hence, applying Para 6 of Ind AS 116, lease payments are recognised as an expense on a straight-line basis over the lease term
- 6 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, the Government of India declared lockdown on 23<sup>rd</sup> March 2020, and the Company temporarily suspended operations. After obtaining necessary permissions from appropriate authorities, the Company resumed production and supply from 03/04/2020 in Box Plant declared as emergency service operated @30% of normal volume in April 2020 and Paper Division resumed production from 04/05/2020 and ramped up its production with steady increase in operational levels. Considering the prevailing economic environment and the internal and external factors the company has assessed the carrying amount of property, plant and equipment, receivables, inventories, investments and other assets as at the balance sheet date, the current liquidity position including its cash flows, the business outlook and has concluded that no material adjustments are required in these financial results / statements of assets and liabilities. The potential future impact of global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions and assess the impact on its business.  
The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption
- 7 Expansion Project to increase Paper manufacturing capacity by installation of New Paper Machine of 350 Metric tonnes per day capacity is in progress. Civil works delayed due to Covid-19 pandemic and Capex on Machineries deferred by 4 months. Project is expected to be commissioned by March 2021.
- 8 The Company has taken the Plant maintenance shutdown in Feb 2020 affecting about half months production in Paper Plant during Q4 of FY 2019-20 and operations during last 8 days affected by Lockdown imposed by the Government to Combat Covid-19.
- 9 Figures of the previous period / year have been regrouped wherever necessary, to conform to current period classification.
- 10 The above results have been audited by the Statutory Auditors, reviewed by the Audit committee and approved by the Board of Directors in their respective meetings held on 25.06.2020

Place : NANJANGUD  
Date : 25.06.2020

for **Murthy Swamy & Associates LLP**  
Chartered Accountants  
Firm Registration No S200065

BY ORDER OF THE BOARD

**MANISH M PATEL**  
MANAGING DIRECTOR  
DIN 00128179

**Narayana Swamy T S**  
Partner  
M No 241535

25.06.2020



UDIN: 20241535AAAAAB3080

## SIPM

CIN (Corporate Identity No.) L85110KA1959PLC001352  
FACTORY : PHONE: (91) (08221) 228265-67 FAX: (91) (08221) 228270  
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E-mail: [marketing@sipaper.com](mailto:marketing@sipaper.com) Grams: PAPERMILLS Website : [www.sipaper.com](http://www.sipaper.com)





# THE SOUTH INDIA PAPER MILLS LIMITED

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Corporate & Marketing Office: # 1205/1206, Prestige Meridian II, M.G. Road, Bangalore - 560 001.

SEGMENTWISE REVENUE, RESULTS, CAPITAL EMPLOYED			Rs. In Lakhs		
PARTICULARS	3 months ended 31/03/2020	Preceding 3 months ended 31/12/2019	Corresponding 3 months ended 31/03/2019 in the previous year	Current accounting Year ended 31/03/2020	Previous Accounting year ended 31/03/2019
	Ind AS Audited (see note no. 2)	Ind AS Reviewed	Ind AS Audited (see note no. 2)	Ind AS Audited	Ind AS Audited
<b>1 Segment Revenue</b>					
i) Paper & Paper Products	4,548.36	5,540.74	5,540.61	21,323.33	23,483.68
ii) Power	599.68	701.56	793.91	2,775.45	3,209.53
<b>Total</b>	<b>5,148.04</b>	<b>6,242.30</b>	<b>6,334.52</b>	<b>24,098.78</b>	<b>26,693.21</b>
Less : Inter Segment Revenue	493.48	629.71	574.72	2,337.70	2,443.63
<b>Revenue from Operations</b>	<b>4,654.56</b>	<b>5,612.59</b>	<b>5,759.80</b>	<b>21,761.08</b>	<b>24,249.58</b>
<b>2 Segment Results</b>					
i) Paper & Paper Products	357.68	527.86	423.36	1,967.88	2,074.01
ii) Power	67.79	171.67	129.81	577.02	693.07
Add : Exceptional items (net)					
<b>Total</b>	<b>425.47</b>	<b>699.53</b>	<b>553.17</b>	<b>2,544.90</b>	<b>2,767.08</b>
Less : Finance costs	95.12	97.91	104.88	411.46	445.37
Less : Unallocable expenses (net of Income)					
<b>Total Profit before Tax</b>	<b>330.35</b>	<b>601.62</b>	<b>448.29</b>	<b>2,133.44</b>	<b>2,321.71</b>
<b>3 Segment Assets</b>					
i) Paper & Paper Products	20,406.48	19,517.64	18,706.73	20,406.48	18,706.73
ii) Power	4,928.26	4,899.74	5,173.98	4,928.26	5,173.98
<b>Total Segment Assets</b>	<b>25,334.74</b>	<b>24,417.38</b>	<b>23,880.71</b>	<b>25,334.74</b>	<b>23,880.71</b>
<b>4 Segment Liabilities</b>					
i) Paper & Paper Products	6,138.78	5,275.80	5,427.06	6,138.78	5,427.06
ii) Power	2,262.13	2,532.93	2,849.84	2,262.13	2,849.84
<b>Total Segment Liabilities</b>	<b>8,400.91</b>	<b>7,808.73</b>	<b>8,276.90</b>	<b>8,400.91</b>	<b>8,276.90</b>

1. In accordance with the requirements of Ind AS, Revenue from operations (as indicated in serial no. I) is net of Goods and Service Tax (GST) w.e.f 01-07-2017
2. The figures of the last quarter of current and previous year are the balancing figures between the audited figures in respect of the full full financial year and the published year to date figures of 9 months of the respective year.
3. Figures of the previous period / year have been regrouped wherever necessary, to conform to current period classification.

Place : NANJANGUD  
Date: 25.06.2020

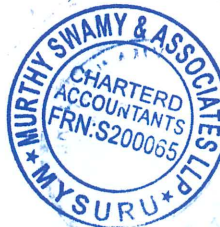
for **Murthy Swamy & Associates LLP**  
Chartered Accountants  
Firm Registration No.S200065

BY ORDER OF THE BOARD

**MANISH M PATEL**  
MANAGING DIRECTOR  
DIN 00128179

*Narayana Swamy T S*  
Narayana Swamy T S  
Partner  
M No. 241535

UDIN:20241535AAAAAB3080



**SIPM**

CIN (Corporate Identity No.) L85110KA1959PLC001352

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# THE SOUTH INDIA PAPER MILLS LIMITED

Regd. Office & Factory: Chikkayana Chatra, Nanjangud - 571 302, Karnataka State, India  
Corporate & Marketing Office: # 1205/1206, Prestige Meridian II, M.G. Road, Bangalore - 560 001.

## STATEMENT OF ASSETS AND LIABILITIES

Rs. In Lakhs

	As at 31st March 2020 Audited	As at 31st March 2019 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,807.44	13,229.68
Capital work in progress	1,497.16	782.01
Intangible assets	0.63	1.82
Other Non-Current Assets	3,154.17	1,020.69
	<b>17,459.40</b>	<b>15,034.20</b>
<b>Current assets</b>		
Inventories	3,223.29	3,640.20
Financial assets		
Trade receivables	2,952.92	3,970.82
Cash and cash equivalents	39.48	99.88
Other bank balances	1,303.16	676.40
Other Financial Assets	26.26	18.68
Other Current Assets	309.07	440.53
	7,854.18	8,846.51
Assets classified as held for sale	21.16	-
	<b>7,875.34</b>	<b>8,846.51</b>
<b>TOTAL ASSETS</b>	<b>25,334.74</b>	<b>23,880.71</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,500.00	1,500.00
Other equity	15,433.83	14,103.81
<b>Total Equity</b>	<b>16,933.83</b>	<b>15,603.81</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	2,614.46	3,217.04
Other Financial Liabilities	168.24	170.49
Provisions	39.61	28.62
Deferred tax liabilities (net)	1,663.84	1,492.86
	<b>4,486.15</b>	<b>4,909.01</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	1,058.95	14.80
Trade payables		
(a) total outstanding dues of MSME; and	2.00	0.06
(b) total outstanding dues of creditors other than MSME	1,339.69	2,176.35
Other Financial Liabilities	735.44	639.87
Other current liabilities	464.94	246.95
Provisions	296.24	289.86
Current tax liabilities (net)	17.50	-
	<b>3,914.76</b>	<b>3,367.89</b>
<b>Total Liabilities</b>	<b>8,400.91</b>	<b>8,276.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,334.74</b>	<b>23,880.71</b>

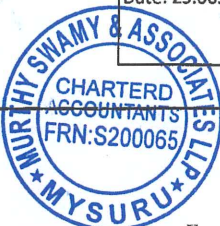
for **Murthy Swamy & Associates LLP**  
Chartered Accountants  
Firm Registration No. S200065

Place : NANJANGUD  
Date: 25.06.2020

*Narayana Swamy T S*  
Narayana Swamy T S  
Partner  
M No. 241535

BY ORDER OF THE BOARD

*Manish M Patel*  
MANISH M PATEL  
MANAGING DIRECTOR  
DIN 00128179



UDIN: 20241535AAAAAB3080

CIN (Corporate Identity No.) L85110KA1959PLC001352

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Rs. In Lakhs

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
	Audited		Audited	
<b>A) Cash Flow from Operating Activities</b>				
Profit before tax		2,133.44		2,321.71
Adjustments for :				
Depreciation & amortisation expense	976.66		949.99	
Finance costs	411.46		445.37	
Interest Income	(75.70)		(50.41)	
Profit on sale of Plant & equipments	(0.70)		(1.12)	
Bad debts written off	6.96		-	
Unrealised foreign exchange loss /(gain)	10.62	1,329.30	(19.85)	1,323.98
<b>Operating Profit before Working Capital Changes</b>		3,462.74		3,645.69
(Increase) / Decrease in inventories	416.91		(132.25)	
(Increase) / Decrease in trade receivables	1,010.93		(144.21)	
(Increase) / Decrease in other financial assets	(6.83)		(1.02)	
(Increase) / Decrease in other assets	142.94		441.20	
Increase / (Decrease) in trade payables	(845.34)		445.74	
Increase / (Decrease) in other financial liabilities	93.32		2.50	
Increase / (Decrease) in other liabilities	217.99		112.95	
Increase / (Decrease) in provisions	17.38	1,047.30	45.00	769.91
<b>Cash generated from operating activities</b>		4,510.04		4,415.60
Less : Income Tax paid		(357.03)		(521.78)
<b>Net Cash generated from / (used in) Operating Activities (A)</b>		4,153.01		3,893.82
<b>B) Cash Flow from Investing Activities</b>				
Purchase of Property, plant & equipment (including Capital advances)		(3,399.85)		(1,276.20)
Proceeds from sale of Plant & equipment		1.43		2.17
Interest received		74.94		47.83
<b>Net Cash generated from / (used in) Investing Activities (B)</b>		(3,323.48)		(1,226.20)
<b>C) Cash Flow from Financing Activities</b>				
Proceeds (net) from current borrowings		1,044.15		(1,153.99)
Proceeds from non-current borrowings		-		200.00
Repayment of non-current borrowings		(602.59)		(546.93)
Finance costs paid		(433.50)		(444.00)
Equity Dividend paid		(225.00)		(149.38)
Dividend Distribution Tax paid		(46.25)		(30.84)
<b>Net Cash (used in) / generated from Financing Activities (C)</b>		(263.19)		(2,125.14)
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>		566.35		542.48
<b>Cash and cash equivalents as at the beginning of the year</b>		776.28		233.80
<b>Cash and cash equivalents as at the end of the year</b>		1,342.63		776.28

BY ORDER OF THE BOARD

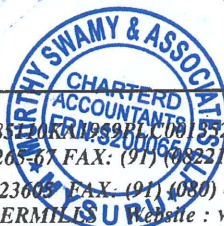
Place : NANJANGUD  
Date: 25.06.2020

for **Murthy Swamy & Associates LLP**  
Chartered Accountants  
Firm Registration No. S200065

MANISH M PATEL  
MANAGING DIRECTOR  
DIN 00128179

Narayana Swamy T S  
Partner  
M No. 241535

UDIN: 20241535AAAAAB3080



**SIPM**

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FACTORY : PHONE: (91) (08221) 228205-67 FAX: (91) (08221) 228270  
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