ANNUAL REPORT

2016-17

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Notice is hereby given that the Annual General Meeting of the shareholders of **M/S SHAKUMBHARI PULP AND PAPER PRIVATE LIMITED** will be held on the 29th day of September, 2017 at its Registered Office, at 11:00 A.M. to transact the following business:-

ORDINARY BUSINESS(s):

- 1. To review and adopt the Audited Balance Sheet as at 31st March 2017 and Profit & Loss Account for the year ended on the date and the report of the Directors and Auditors thereon.
- 2. To appoint a Director in place of ShriSanjeev Kumar Sangal, who retires by rotation and being eligible offers himself for re-appointment.
- 3. To appoint a Director in place of ShriAmitAgarwal, who retires by rotation and being eligible offers himself for reappointment.
- 4. To appoint a Director in place of ShriArjunKumar Agarwal, who retires by rotation and being eligible offers himself for reappointment.
- 5. To appoint a Director in place of ShriAyushAgarwal, who retires by rotation and being eligible offers himself for reappointment.
- 6. To appoint a Director in place of ShriGirish Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
- 7. To ratify the appointment of Statutory Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors For Shakumbhri Pulp And Paper Mills Limited

s/d
ARJUN KUMAR AGARWAL
(DIRECTOR)

Dated: 04.09.2017 Place: Muzaffarnagar

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING

DIRECTORS' REPORT

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March, 2017,

The Directors have pleasure in presenting their Annual Report and Statement of Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS:

PARTICULARS	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
Net Profit/(Loss)	9289307	6884727
(Before Dep. & Income Tax)		
Less: Depreciation	5322895	4548290
Profit After Dep.	3966412	2336437
Income Tax Provision	755800	445210
Deferred Tax	1562000	736000
Old Income Tax	47494	42137
Credit for MAT entitlement	(755800)	(445210)
Profit After Dep. & Income Tax	2356918	1558300
Balance carried to Balance sheet	2356918	1558300

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

Your Directors are optimistic about company's business and hopeful of better performance with increased revenue in next year. Your directors are working on listing of the shares at some recognised stock exchange. Necessary steps are being taking for the same.

There was no change in the nature of business of company.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR:

There are no material changes and commitments affecting financial position of the company which have occurred between the end of the financial year of the company and date of the report.

DIVIDEND

Your Directors do not recommend any Dividend for the financial year 2016-2017.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend pending for more than seven years.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) In the preparation of the annual accounts, the applicable accounting standards had been followed.

- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2017, and of the loss of the Company for the year ended 31st March, 2017,
- (iii) The Director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
- (iv) The Director had prepared the annual accounts on a going concern basis.
- (v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

AUDITORS' REMARKS:

The observations made by the Auditors with reference to notes on the accounts for the year under report are self explanatory and need no further comments from the Directors.

MEETINGS OF BOARD OF DIRECTORS:

Five meetings of the board of director were held during the year.

DIRECTORS

Shri Sanjeev Kumar Sangal & Amit Agarwal & Arjun Kumar Agarwal & Ayush Agarwal & Girish Kumar Aggarwal Directors of the Company retires at the annual meeting and are eligible for re-appointment.

DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS

There has been no Appointment and Resignation of Directors during the financial Year 2016-2017.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company need not to develop and implement any Corporate Social Responsibility initiatives as the said provisions are not applicable to the company.

SHARE CAPITAL

The paid up share capital of the company as at 31st March 2017 stood at Rs.3,85,50,000/- During the under review, the company has not issued any shares with differential voting rights nor has granted any stock option or sweat equity. As on 31st March 2017, none of the Directors of the company hold instruments convertible equity shares of the company.

PARTICULARS OF EMPLOYEES

MANAGERIAL REMUNERATION AND OTHER DISCLOSURES:

There are no employees whose particulars are needed to be disclosed in terms of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

There are no employees in receipts of remuneration in excess of amount specified in Section 217(2A) read with Companies (Particular of employees) rules 1975 as amended.

DEPOSITS:

The company has not invited or accepted any deposits from the public attracting the provisions of section 73 to 76 of the Companies Act, 2013 during the year. There was no overdue deposits payable.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

- 1.) The Company has always been conscious about the need for conservation of energy & will constantly endeavour to conserve energy to the maximum extent possible.
- 2.) The company has no specific Research & Development Department.

FOREIGN EXCHANGE EARNING AND OUTGO:

There is no Foreign exchange earnings but Foreign exchange outgo was Rs. 417577.00

EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the companies act, 2013 and rule 12(1) of the companies (Management and Administration) rules, 2014, an extract of annual return in MGT-9 as a part of this annual report as annexure A.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions, contracts, arrangements, including certain arm's length transactions, during the year under review hence, the disclosure in Form AOC 2 is not required.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS:

During the year Company had not given any loans/guarantee/investment attracting the provisions of Section 186 of Companies Act 2013.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

SUBSIDIARY COMPANIES

The company does not have any subsidiary / associate / joint venture company.

AUDITORS:

M/S SHIAM & CO., Chartered Accountants, Muzaffarnagar were already appointed auditors for the year 2016-17. Their appointment is to be ratified in the ensuing Annual General Meeting.

INDUSTRIAL RELATIONS:

Industrial relations during the year remained cordial at all the levels of the Company. The management appreciates the whole hearted co-operation given by the employees of the company.

ACKNOWLEDGEMENTS

Your Directors express their sincere appreciation for the co-operation, patronage, assistance and guidance by their business associates, bankers and clients.

The Board members also place on record their appreciation of the service rendered by the dedicated employees of the company.

The Board also beholden to you all, partners in our enterprises, for your confidence, encouragement and unstinting support.

By order of the Board For Shakumbhri Pulp And Papers Mills Ltd. By order of the Board For Shakumbhri Pulp And Papers Mills Ltd.

s/ds/dGirish Kumar AgarwalArjun Kumar AgarwalDirectorDirectorDIN: 06457199DIN: 02614019

Place: Muzaffarnagar Date: 04.09.2017

REGTD. OFF. 4.5 KM, BHOPA ROAD,

MUZAFFARNAGAR UTTAR PRADESH UP 251001 IN

CIN: U21012UP1986PLC007671

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U21012UP1986PLC007671
ii)	Registration Date	06/02/1986
iii)	Name of the Company	Shakumbhri Pulp And Paper Mills
		Limited.
iv)	Category	Company Limited by Shares
	Sub category of the Company	Indian Non-Government Company
v)	Address of the Registered office	4.5 Kmbhopa Road Muzaffarnagar Uttar
	and contact details	Pradesh UP 251001 IN
vi)	Whether listed company	No
vii)	Name, Address and Contact	N.A.
	details of Registrar and Transfer	
	Agent, if any	

NIL

NIL

% Chang e uring the year

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

NIL

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

NIL

NIL

Sr. No.	Main Activity Group Code	Name and Description of main products/services	Business Activity code of the product / service	% to total turnover of the Company
1.	С	Manufacturing	C3	100

NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NIL NIL

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiar y/ Associate	% of shares held	Applica ble Section
1	NA	NA	NA	NA	NA

NIL

NIL by Custodian for

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding as of March 31, 2017

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Chang e during the year	
	Dema t	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/H UF	NIL	3487600	3487600	90.47	NIL	3487600	3487600	90.47	NIL
b) Others	NIL	367400	367400	9.53	NIL	367400	367400	9.53	NIL
Sub-total (A) (1):-	NIL	3855000	3855000	100	NIL	3855000	3855000	100	NIL
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	NIL	3855000	3855000	100	NIL	3855000	3855000	100	NIL
B.Public Shareholding									
1. Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

GDRs & ADRs									
Grand Total	MII	3855000	2955000	100	NIL	3855000	3855000	100	NIL
(A+B+C)	INIL	3833000	3633000	100	INIL	3633000	3633000	100	INIL

(ii) Shareholding of Promoters:

Sn	Shareholder's Name	Shar	Shareholding At The Shareholding At The End Of			%		
		Begini	ning Of Th	e Year		The Year		Change
		No. Of	% Of	% Of	No. Of	% Of	% Of	In
		Shares	Total	Shares	Shares	Total	Shares	Shareho
			Shares Of	Pledged/		Shares	Pledged /	lding
			The	Encumbe		Of The	Encumbe	During
			Company	red To		Compan	red To	The
				Total		y	Total	Year
				Shares			Shares	
1	Sanjeev Kumar Sangal	42150		Nil	42150		Nil	0.00%
2	Amit Agarwal	705700		Nil	705700		Nil	0.00%
3	Arjun Kumar Agarwal	249100		Nil	249100		Nil	0.00%
4	Ayush Agarwal	50000		Nil	50000		Nil	0.00%
5	Girish Kumar Aggarwal	62500		Nil	62500		Nil	0.00%

(iii) Change in Promoters' Shareholding:

There is no change in the total shareholding of the Promoters between April 1, 2016 and March 31, 2017.

(iv) Shareholding of Directors and Key Managerial Personnel:

S.No	DIN	Name of Director /KMP	Designation	Shares held at the Beginning of the Year	Shares at the end of the Year
1.	00954385	Sanjeev Kumar Sangal	Wholetime Director	42150	42150
2.	01336763	Amit Agarwal	Director	705700	705700
3	02614019	Arjun Kumar Agarwal	Wholetime Director	249100	249100
4	04416646	Ayush Agarwal	Director	50000	50000
5	06457199	Girish Kumar Aggarwal	Director	62500	62500

6	07145595	Alka Rani	Director	0	0
7	07145613	Shikhar Agarwal	Director	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in Rupees)

Particulars	Secured Loans	Unsecured	Deposits	Total
	excluding	Loans	•	Indebtedness
	deposits			
Indebtedness as at April,				
2015				
i) Principal Amount	61856929	7141367	29300000	98298296
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not	NIL	NIL	NIL	NIL
due				
Total (i+ii+iii)	61856929	7141367	29300000	98298296
Change in Indebtedness				
during the financial year				
· Addition	NIL	2326326	NIL	2326326
· Reduction	6660628	NIL	6300000	12960628
Net Change	(6660628)	2326326	(6300000)	(10634302)
Indebtedness as at				
March 31, 2017				
i) Principal Amount	55196301	9467693	23000000	87663994
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not	NIL	NIL	NIL	NIL
due				
Total (i+ii+iii)	55196301	9467693	23000000	87663994

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rupees)

Sr.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
No.		NOT APPLICABLE	
1.	Gross Salary	NIL	NIL
	a. Salary as per provisions	NIL	NIL

		NIL	NIL
	17(2) Income-tax Act, 1961 c. Profits in lieu of salary	NIL	NIL
	under section 17(3) Income-		
	tax Act, 1961		
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission:	NIL	NIL
	- as a % of Profit	NIL	NIL
	- others, specify	NIL	NIL
5.	Others, please specify	NIL	NIL
Tota	ıl (A)	NIL	NIL
Ceil	ing as per the Act	-	-

B. Remuneration to other Director

Sr.	Particulars of Remuneration	Name of Directors	Total Amount
No.			
1.	Executive Directors ·	NIL	NIL
	Fee for attending board / committee meetings		NIL
	· Commission	NIL	NIL
	· Others, please specify	NIL	NIL
	Total (1)	NIL	NIL
2.	Other Executive Directors-		
	· Fee for attending board / committee meetings	NIL	NIL
	Commission:	NIL	NIL
	- others, specify	0	0
	Total (2)	0	0
Total	(B)=(1+2)	0	0
Total	Managerial Remuneration		0
Overa	ll Ceiling as per the Act		-

C. Remuneration to Key Managerial Personnel other than the MD/Manager/WTD

(Amount in Rupees)

Sr.	Particulars of	Key	Managerial Perso	nnel	Total
No.	Remuneration	NOT APPLICABLE			
1.	Gross Salary	NIL	NIL	NIL	NIL
	a. Salary as per	NIL	NIL	NIL	NIL
	provisions				
	contained in section				
	17(1) of the Income				
	Tax Act, 1961				
	b. Value of	NIL	NIL	NIL	NIL
	perquisites u/s				
	17(2) Income-tax				
	Act, 1961				
	c. Profits in lieu of	NIL	NIL	NIL	NIL
	salary under section				
	17(3) Income-tax				
	Act, 1961				
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission:	NIL	NIL	NIL	NIL
	- as a % of Profit	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL
5.	Others, please	NIL	NIL	NIL	NIL
	specify				
	Total	NIL	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Туре	Section of the Companies Act	Brief Description	Details of Penalty / punishment / compounding fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Director	'S				
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

C. Other officers in default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

By order of the Board For Shakumbhri Pulp And (P) Ltd.

Date: 04.09.2017

Place: MUZAFFARNAGAR

Girish Kumar Aggarwal

Director

DIN: 06457199

Arjun Kumar Agarwal Whole-time Director

DIN: 02614019

Independent Auditor's Report
To the Members of SHAKUMBARI PULP & PAPER MILLS LIMITED,
MUZAFFARNAGAR

Report on the Financial Statements

We have audited the accompanying financial statements of SHAKUMBARI PULP & PAPER MILLS LIMITED, MUZAFFARNAGAR ("the Company") which comprise the Balance sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under.

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 financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 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 financial statement.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 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" statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, 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 Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. on the basis of written representations received from the directors as on **31 March 2017**, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, from being appointed as a director in terms of section 164 (2) of the Act, and
- f. with respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 32 to the financial statements.
- (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- (iii) There is no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company.

For **SHIAM & CO.**, Chartered Accountants, Firm Regn. No. 000030C

s/d Rajesh Kumar Jain **Partner** Membership No.073352

Dated: 04.09.2017 Place: Muzaffarnagar

ANNEXURE TO THE AUDITORS' REPORT

The Annexure "A" referred to in our report to the members of SHAKUMBARI PULP & PAPER MILLS LIMITED, MUZAFFARNAGAR ('the Company') for the year ended 31 March 2017. We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, physical verification of fixed assets have been carried out by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the company and nature of its assets.
 - (c) In our opinion and according to the information and explanations given to us, the title deeds of properties are held in the name of the company.
- (ii) The inventory has been physical verified at reasonable intervals by the management during the year. As explained to us, no material discrepancies were noticed on physical verification as compared to book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans or guarantees/made any investments within the meaning of Section 185 & 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public.
- (vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act, 2013, in respect of the activities carried on by the Company.
- (vii) (a) According to the records of company and information and explanation given to us, the company is regular in depositing undisputed statutory dues including, provident fund, employees' state insurance, income-tax, sales- tax, service tax, duty of customs, value added tax, cess and any other statutory dues with the appropriate authorities during the year. There is no undisputed amounts payable, as at 31.03.2017 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income tax, value added tax, duty of customs, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to banks or financial institutions. The Company has not taken any loan from Government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the company has neither raised any money by way of initial public offer or further public offer (including debt instrument) and nor obtained any term loans during the year.
- (x) According to information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to information and explanation given 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 Companies Act, 2013.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi company.

- (xiii) In our opinion and according to the information and explanation given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to information and explanation given to us by the management, 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 information and explanation given to us by the management, the company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **SHIAM & CO**., Chartered Accountants, Firm Regn. No. 000030C

s/d
Rajesh Kumar Jain
Partner
Membership No 07335

Dated: 04.09.2017 Partner
Place: MUZAFFARNAGAR Membership No.073352

ANNEXURE "B" TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of SHAKUMBARI PULP & PAPER MILLS LIMITED, MUZAFFARNAGAR ('the company') as of 31 March 2017 in conjunction with our audit of the 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 **SHIAM & CO**., Chartered Accountants, Firm Regn. No. 000030C

> s/d Rajesh Kumar Jain **Partner** Membership No.073352

Dated: 04.09.2017

Place: MUZAFFARNAGAR

1. SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of preparation of financial statements

- i) The financial statements are prepared on the historical cost convention basis in accordance with the generally accepted accounting principles.
 - ii) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

(2) Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statement and notes thereto. Differences between actual and estimates are recognized in the period in which the results are known/ materialized.

(3) Valuation of inventories

Inventories are valued at the lower of the cost and estimated net realisable value. Cost of inventories is computed on a weighted average/FIFO basis. Finished Goods and Work in process includes Raw Material Cost, Cost of conversion and other costs in bringing the inventories to their present location and conditions.

(4) Excise Duty

Excise Duty has been accounted for on the basis of both payments made in respect of goods cleared and also provision made for the goods lying in the bonded warehouses. Amount of Excise Duty deducted from sale is relatable to the sale made during the year and the amount recognized separately in the statement of Statement of Profit & Loss is relatable to difference between closing stock and opening stock. Amount of Cenvat credits in respect of material consumed is deducted from cost of material.

(5) Sales

Sales are inclusive of excise duty.

(6) Fixed Assets

Fixed Assets are stated at cost. Cost includes installation charges, and expenditure during construction period wherever applicable.

(7) **Depreciation**

Depreciation on fixed assets is provided on straight line method (SLM) based on useful lives of assets, which is stated in Schedule II of the Companies Act, 2013

(8) Employee Retirement Benefit

- i) Retirement benefit in the form of provident fund and superannuation/pension schemes whether in pursuance of any law or otherwise is accounted on accrual basis and charged to the Statement of Profit & Loss of the year.
- ii) Gratuity and leave encashment is accounted for on payment basis.

(9) Investment

Long Term Investment are stated at cost. Provision for diminution in the value of investment is made, if such diminution, in the opinion of the management is other than of temporary in nature.

(10) Borrowing cost

Borrowing cost directs attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of assets, upto the date of assets is put to use. Other borrowing cost are charged to the Statement of profit and loss in which they are incurred.

(11) Taxes on Income

(a) Current Tax

Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.

(b) **Deferred Tax Provision**

Deferred Tax is recognised on timing differences being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

(12) Provision, Contingent Liabilities and Contingent Assets

Provision 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 neither recognized not disclosed in the finance.

SHAKUMBHRI PULP AND PAPER MILLS LIMITED, MUZAFFARNAGAR BALANCE SHEET AS AT 31st MARCH 2017

DALANCES	OHEET AS AT 31st MARCH 2017		(Amount in ')
Particulars	Note No.	As at	As at
EQUITY AND LIABILITIES		31.03.2017	31.03.2016
Shareholders' funds			
Share capital	2	38,550,000	38,550,000
Reserve and surplus	3	34,606,156	32,249,238
reserve and surplus	3	73,156,156	70,799,238
Non-current liabilities		73,130,130	70,799,250
Long-term borrowings	4	17,306,769	16,529,513
Other long-term liabilities	5	23,000,000	29,300,000
Deferred tax liabilities (Net)	6	11,669,000	10,107,000
	•	51,975,769	55,936,513
Current liabilities		. , ,	9 9-
Short-term borrowings	7	43,406,763	48,506,125
Trade payable	8	13,535,223	11,933,482
Other current liabilities	9	42,160,084	30,112,942
Short-term provisions	10	853,848	617,256
r		99,955,918	91,169,805
			,,
TOTAL		225,087,843	217,905,556
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	100,571,353	95,987,603
Non-current investments	12	339,605	339,605
Long-term loans and advances	13	4,592,672	4,626,459
Other non-current assets	14	4,879,380	4,573,345
Other non-current assets	17	110,383,010	105,527,012
Current assets		110,303,010	103,327,012
Inventories	15	27,269,249	39,734,167
Trade receivable	16	76,435,781	63,428,365
Cash and bank balances	17	839,030	3,384,410
Short-term loans and advances	18	10,160,773	5,831,602
Short term loans and advances	10	114,704,833	112,378,544
TOTAL		225,087,843	217,905,556
IOTAL		223,007,043	217,703,330
The accompanying notes form an integral part of	the Financial Statements.		
		In terms of or	ır separate
s/d	s/d	report of ever	n date
Girish Kumar Aggarwal	Arjun Kumar Agarwal	For SHIAM &	& CO.,
Director	Whole-time Director	Chartered Ac	countants,
DIN: 06457199	DIN: 02614019	Firm Regn. No	o. 000030C
		1.4	
		s/d	
- 1 0100 - 01-		Rajesh Kuma	
Dated: 04.09.2017		Partner	
Place: MUZAFFARNAGAR		Membership	No. 073352

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SHAKUMBHRI PULP AND PAPER MILLS LIMITED, MUZAFFARNAGAR STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

			(Amount i
Particulars	Note No.	For the year	For the ye
		ended	ended
		31.03.2017	31.03.201
INCOME			
Revenue from operations			
Sales (Gross)	19	231,212,834	210,114,
Less: Excise duty		13,344,352	12,127,
Sales (Net)		217,868,482	197,986,
Other Income	20	304,853	408,
Total revenue		218,173,335	198,395,1
EXPENSES			
Cost of material consumed	21	95,664,957	84,968,0
Changes in inventories of finished goods, stock-in-process	22	, , ,	, -,
Ç François Production		1,206,110	(48,
Excise duty related to the difference between closing stock		, ,	(-9
and opening stock		(73,997)	(13,
Employee benefits expense	23	6,483,511	4,078,
Finance costs	24	10,196,591	8,414,
Depreciation	11	5,322,895	4,548,
Other expenses	25	95,406,856	94,111,
Total expenses		214,206,923	196,058,7
Profit before tax		3,966,412	2,336,4
Tax expense		2,500,112	_,,,,,
Current tax		755,800	445,2
Mat credit entitlement		(755,800)	(445,
Deferred tax		1,562,000	736,
Income tax relating to earlier year		47,494	42,
Profit after tax		2,356,918	1,558,3
Earnings per equity share (Basic)		0.61	0
The accompanying notes form an integral part of the Financi	al Statements.		
	/1	In terms of ou	_
s/d	s/d	report of ever	
	Arjun Kumar Agarwal	For SHIAM &	
	Whole-time Director	Chartered Ac	
DIN: 06457199	DIN : 02614019	Firm Regn. No	o. 000030C
		s/d	
		Rajesh Kuma	r Jain
1: 04.09.2017		Partner	
: MUZAFFARNAGAR		Membership	No. 073352

	CASH FLOW STATEMENT FOR THE YEAR	ANNEXED TO THE LENDED 31 MARCH		ЕГ	
	·				(Amount in `)
Sr.	Particulars		2016-17		2015-16
No.	CARLET ON FROM ORDER ATTOMA CITE HERE				
A.	CASH FLOW FROM OPERATION ACTIVITIES:		2 066 412		2 226 427
	Net Profit before tax and extraordinary items Adjustments for:		3,966,412		2,336,437
	Depreciation	5,322,895		4,548,290	
	Finance Charges	10,196,591	15,519,486	8,414,087	12,962,377
	Operating Profit before working capital changes	10,170,371	19,485,898	0,414,007	15,298,814
	Adjustments for:		19,100,090		13,270,011
	Trade and other Receivables	(17,336,587)		2,282,585	
	Inventories	12,464,918		(8,231,193)	
	Trade Payables & Other Liabilities	8,786,113	3,914,444	(20,399,093)	(26,347,701
			23,400,342	(- , ,)	(11,048,887
	Cash generated from operations before tax		-,,-		,,,,,,,,,
	Finance Charges		10,196,591		8,414,087
	Income Tax		803,294		487,347
	Net Cash from operating activities	_	12,400,457	-	(19,950,321
	• •				•
В.	CASH FLOW FROM INVESTING ACTIVITIES:				
	Movement in Loans and Advances	483,552		1,104,722	
	Purchase of Fixed Assets (including				
	Capital work in progress)	(9,906,645)		(18,843,680)	
	Net Cash used in Investing activities		(9,423,093)		(17,738,958
			2,977,364		(37,689,279
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Borrowings/(Repayment) of Loans	(5,522,744)		32,922,884	
	Net Cash used in Financial Activities		(5,522,744)		32,922,884
		_	(2,545,380)	_	(4,766,395
	Cash and bank balance as at 31.03.2016	3,384,410		8,150,805	
	Cash and bank balance as at 31.03.2017	839,030	(2,545,380)	3,384,410	(4,766,395
		_	(2,545,380)	_	(4,766,395
	The accompanying notes form an integral part of the	Financial Statements			
				A	
	s/d	/ 1		As per our segon of even date	parate report
	Girish Kumar Aggarwal	s/d Arjun Kumar Aga	rwal	For SHIAM &	· CO
	Director	Whole-time Direction		Chartered Aco	
	DIN : 06457199	DIN: 02614019	Ctoi	Registration N	
	DIN. 0043/177	DIIV. 02014017		registration 1	10. 000030C
				s/d	
	1 04 00 2017			Rajesh Kumar	
	ed: 04.09.2017			Partner	
Plac	ce: MUZAFFARNAGAR			Membership 1	No. 073352

2	Share Capital Authorised, Issued, Subscribed and paid-up share capit	tal and nar value cher	Δ.		(Amount in
	Particulars	ai anu pai vaiue snaiv		As at 31.03.2017	As at 31.03.2016
	Authorised share capital				
	4000000 Equity shares of Rs. 10/- each		=	40,000,000	40,000,00
	Issued, subscribed and paid-up share capital				
	3855000 Equity shares of Rs. 10/- each fully paidup		_	38,550,000	38,550,00
	Total		=	38,550,000	38,550,000
	The company has only equity shares having a par value In the event of liquidation of the company, the holders company, after distribution of all preferential amounts. shares held by the shareholders.	of shares shall be en	titled to receive an	ny of the remaini	ng assets of th
	Reconciliation of number of equity shares outstanding Particulars	at the beginning and	end of the year	As at	As at
	T at treatains			31.03.2017	31.03.2016
	Number of shares outstanding as at the beginning and Shares in the company held by each shareholder holding	•	res	3,855,000	3,855,00
		•	res % of Holding	3,855,000 Number of shares as on 31.03.2016	3,855,00 % of Holding
	Shares in the company held by each shareholder holding	ng more than 5% sha Number of shares as on		Number of shares as on	
No.	Shares in the company held by each shareholder holdin Name of the shareholder	ng more than 5% sha Number of shares as on 31.03.2017	% of Holding	Number of shares as on 31.03.2016	% of Holdin
No.	Shares in the company held by each shareholder holding. Name of the shareholder Arjun Kumar Agarwal	Number of shares as on 31.03.2017	% of Holding 6.46%	Number of shares as on 31.03.2016 249,100	% of Holdin
1 2	Shares in the company held by each shareholder holdin Name of the shareholder Arjun Kumar Agarwal Amit Bindal Archana Agarawal Reserve and Surplus	Number of shares as on 31.03.2017 249,100 705,700	% of Holding 6.46% 18.31%	Number of shares as on 31.03.2016 249,100 705,700	% of Holdin 6.46 18.31
1 2 3	Shares in the company held by each shareholder holding Name of the shareholder Arjun Kumar Agarwal Amit Bindal Archana Agarawal Reserve and Surplus Securities premium reserve	Number of shares as on 31.03.2017 249,100 705,700	% of Holding 6.46% 18.31%	Number of shares as on 31.03.2016 249,100 705,700 196,700	% of Holdin 6.46 18.31 5.10
1 2 3	Shares in the company held by each shareholder holdin Name of the shareholder Arjun Kumar Agarwal Amit Bindal Archana Agarawal Reserve and Surplus Securities premium reserve As per last balance sheet	Number of shares as on 31.03.2017 249,100 705,700	% of Holding 6.46% 18.31%	Number of shares as on 31.03.2016 249,100 705,700 196,700	% of Holdin 6.46 18.31 5.10
1 2 3	Shares in the company held by each shareholder holding Name of the shareholder Arjun Kumar Agarwal Amit Bindal Archana Agarawal Reserve and Surplus Securities premium reserve	Number of shares as on 31.03.2017 249,100 705,700	% of Holding 6.46% 18.31%	Number of shares as on 31.03.2016 249,100 705,700 196,700	% of Holdin 6.46 18.31 5.10
1 2 3 3 (a)	Shares in the company held by each shareholder holding Name of the shareholder Arjun Kumar Agarwal Amit Bindal Archana Agarawal Reserve and Surplus Securities premium reserve As per last balance sheet Total (a)	Number of shares as on 31.03.2017 249,100 705,700	% of Holding 6.46% 18.31%	Number of shares as on 31.03.2016 249,100 705,700 196,700 11,200,000 11,200,000	% of Holdin 6.46 18.31 5.10 11,200,00 11,200,00
1 2 3 3 (a)	Shares in the company held by each shareholder holding Name of the shareholder Arjun Kumar Agarwal Amit Bindal Archana Agarawal Reserve and Surplus Securities premium reserve As per last balance sheet Total (a) General seserve As per last balance sheet	Number of shares as on 31.03.2017 249,100 705,700	% of Holding 6.46% 18.31%	Number of shares as on 31.03.2016 249,100 705,700 196,700 11,200,000 11,200,000	% of Holdin 6.46 18.31 5.10 11,200,00 11,200,00 3,900,50
1 2 3 3 (a)	Shares in the company held by each shareholder holding Name of the shareholder Arjun Kumar Agarwal Amit Bindal Archana Agarawal Reserve and Surplus Securities premium reserve As per last balance sheet Total (a)	Number of shares as on 31.03.2017 249,100 705,700	% of Holding 6.46% 18.31%	Number of shares as on 31.03.2016 249,100 705,700 196,700 11,200,000 11,200,000	% of Holdin 6.46 18.31 5.10 11,200,00 11,200,00
1 2 3 3 (a)	Shares in the company held by each shareholder holding Name of the shareholder Arjun Kumar Agarwal Amit Bindal Archana Agarawal Reserve and Surplus Securities premium reserve As per last balance sheet Total (a) General seserve As per last balance sheet Total (b) Surplus (Statement of Profit and Loss)	Number of shares as on 31.03.2017 249,100 705,700	% of Holding 6.46% 18.31%	Number of shares as on 31.03.2016 249,100 705,700 196,700 11,200,000 11,200,000 3,900,501 3,900,501	% of Holdin 6.46 18.31 5.10 11,200,00 11,200,00 3,900,50 3,900,50
1 2 3 3 (a)	Arjun Kumar Agarwal Amit Bindal Archana Agarawal Reserve and Surplus Securities premium reserve As per last balance sheet Total (a) General seserve As per last balance sheet Total (b) Surplus (Statement of Profit and Loss) As per last balance sheet	Number of shares as on 31.03.2017 249,100 705,700	% of Holding 6.46% 18.31%	Number of shares as on 31.03.2016 249,100 705,700 196,700 11,200,000 11,200,000 3,900,501 3,900,501	% of Holdin 6.46 18.31 5.10 11,200,00 11,200,00 3,900,50 3,900,50 15,590,43
1 2 3 3 (a)	Arjun Kumar Agarwal Amit Bindal Archana Agarawal Reserve and Surplus Securities premium reserve As per last balance sheet Total (a) General seserve As per last balance sheet Total (b) Surplus (Statement of Profit and Loss) As per last balance sheet Add: Addition during the year	Number of shares as on 31.03.2017 249,100 705,700	% of Holding 6.46% 18.31%	Number of shares as on 31.03.2016 249,100 705,700 196,700 11,200,000 11,200,000 3,900,501 3,900,501 17,148,737 2,356,918	% of Holdin 6.46 18.31 5.10 11,200,00 11,200,00 3,900,50 3,900,50 15,590,43 1,558,30
2 3 (a)	Arjun Kumar Agarwal Amit Bindal Archana Agarawal Reserve and Surplus Securities premium reserve As per last balance sheet Total (a) General seserve As per last balance sheet Total (b) Surplus (Statement of Profit and Loss) As per last balance sheet	Number of shares as on 31.03.2017 249,100 705,700	% of Holding 6.46% 18.31%	Number of shares as on 31.03.2016 249,100 705,700 196,700 11,200,000 11,200,000 3,900,501 3,900,501	% of Holdin 6.46 18.31 5.10 11,200,00 11,200,00 3,900,50 3,900,50

Long term borrowings Secured borrowings Term loans from banks 7,839,076 9,388,146 **Unsecured borrowings** Loans and advances from directors 9,467,693 7,141,367 Total 17,306,769 16,529,513 Term loan from Union bank of india is secured by way of hypothecation of Fixed Assets of the Company and also personally guaranteed by the directors of the Company. From Union Bank of India (for term loan of Rs. 12000000.00) At the rate of 12.30% (previous year base rate +4%) Repayable in 48 monthly installment of Rs. 250000 each starting from April, 2016. Term loan from Union Bank of India is secured against hypothecation of specific vehicle and personal guarantee of directors of the Company. From Union Bank of India (for term loan of Rs. 500000) At the rate of 12.50% (Previous year 12.50% p.a.). Repayable in 60 monthly installment of Rs. 11249 each starting from July From Union Bank of India (for term loan of Rs. 1500000) At the rate of 9.50% p.a. (Previous year 10.95% p.a.) Repayable in 60 monthly installment of Rs. 25649 each starting from Dec 2012. From Union Bank of India (for term loan of Rs. 800000.00) At the rate of 10.70% p.a. (Previous year 10.70% p.a.) Repayable in 49 monthly installment of Rs. 20561 each starting from Jan 2014. Other long-term liabilities 23,000,000 29,300,000 Security deposits 23,000,000 29,300,000 Total Deferred Tax Liability (Net) (a) Deferred Tax Liability Related to fixed assets 16,214,000 14,501,000 Total (a) 16,214,000 14,501,000 (b) Deferred Tax Assets Unabsorbed Losses 4,452,000 4,394,000 Disallowances under the Income Tax Act, 1961 93,000 Total (b) 4,545,000 4,394,000 Total (a-b) 11,669,000 10,107,000 Short-term borrowings Secured borrowings Working capital loans from bank 43,406,763 48,506,125 43,406,763 Total 48.506.125 Working Capital Loans from Union Bank of India is secured by way of Stock of Raw Material, Stores & spares, work in process. finished goods, semi finished goods, bills and Book Debts of the Company and personal guarantee by Directors of the Company. Trade payable Trade payable 11,933,482 13.535.223 Total 13,535,223 11,933,482 Other current liabilities Current maturities of long term debt 3,950,462 3,962,658 20,933,767 19,499,356 Advances from Customers 5,913,669 Cheque issued but not presented 15,723,486 Other payables 1,552,369 737,259

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42,160,084

30,112,942

Total

==			1
10	Short term provision		
	Excise duty	98,048	172,046
	Income tax	755,800	445,210
	Total	853,848	617,256
12	Non-current investment		
12	Long Term Investments - At cost		
	In Equity Instruments- fully paid		
	Trade:		
(2)	2500 Equity Shares of Rs.10/-each fully paid up in		
(a)	Ruchi Strip & Alloys Limited.	45,625	45,625
(b)	1000 Equity Shares of Rs.10/-each fully paid up in	43,023	45,025
(0)	Shri Ambeshwar Paper Mills Limited.	77,480	77,480
(c)	200 Equity Shares of Rs.10/-each fully paid up in	77,400	77,400
(0)	Prime Securities Limited.	49,080	49,080
(4)	1700 Triple Option Convertible Debentures of Rs.	49,000	49,000
(d)	each fully paid up in Reliance Petroleum Limited.	81,990	21 000
(0)	202 Equity Shares of Rs.10/-each fully paid up in	81,990	81,990
(e)	Union Bank of India	22.220	22.220
		22,220	22,220
(f)	Non-Trade 6221 Equity Shares of Rs 10/ each fully noid up		
(f)	6321 Equity Shares of Rs.10/- each fully paid up	62.210	62.210
	in Gulshan Mercantile Urban Co-Operative Bank Ltd.	63,210	63,210
	Total	339,605	339,605
13	Long-term loans and advances		
	(Unsecured, considered good)		
	Advance Income taxes	614,268	648,055
	Security deposits	3,978,404	3,978,404
	Total	4,592,672	4,626,459
14	Other non-current assets		
	(Unsecured, considered good)		
	Mat credit entitlement	4,478,826	3,723,026
	Others	400,554	850,319
	Total	4,879,380	4,573,345
			<i>y y-</i> -
15	Inventories		
	Raw materials	8,950,194	13,294,565
	Finished goods	1,698,846	2,980,956
	Work-in-progress	631,000	555,000
	Scrap	1,000,000	1,000,000
	Stores and spares	5,500,000	6,000,000
	Packing material	450,000	550,000
	Chemicals	2,966,486	944,921
	Fuel	6,072,723	14,408,725
	Total	27,269,249	39,734,167
17	Trade receivables		
16	Unsecured, considered good		
l	Trade receivables outstanding for more than six months	7.705.204	£ 400 211
	from the date they became due for payment:	7,705,384	6,400,311
	Others	68,730,397	57,028,054
	Total	76,435,781	63,428,365

27)

17	Cook and book below.		
17	Cash and bank balance		
	Balance with banks		
	Other bank balances		
	Bank deposits with more that 12 months	201,950	195,608
	Others	165,569	1,596,901
	Cash in hand	471,511	1,591,901
	Total	839,030	3,384,410
10			
18	Short-term loans and advances Unsecured, considered good		
	, 8	(702 00(2 592 175
	Balance with Central Excise Authorities	6,703,986	2,583,175
	Advance to suppliers Others	1,348,757	1,279,848
	Total	2,108,030 10,160,773	1,968,579 5,831,602
	Total	10,100,773	3,031,002
19	Revenue from operations		
	Sale of Products		
	Kraft paper	231,212,834	210,114,186
	Total	231,212,834	210,114,186
20	Other income Dividends	7,584	5,184
	Interest received		
	Total	297,269 304,853	403,132
	Total	304,653	408,316
21	Cost of material consumed		
	Opening stock	13,294,565	17,900,812
	Purchases	91,320,586	80,361,829
		104,615,151	98,262,641
	Less-Closing stock	8,950,194	13,294,565
	Total	95,664,957	84,968,076
	Details of material consumed		
	Particulars	05.664.057	04.060.077
	Waste paper Total	95,664,957 95,664,95 7	84,968,077
	1 Otal	95,004,95/	84,968,077
22	Changes in inventories of finished goods, stock-in-process & scrap		
	Opening stock:		
	Finished goods	2,980,956	3,216,138
	Stock in process	555,000	571,300
	Scrap	1,000,000	700,000
	Total (a)	4,535,956	4,487,438
	Closing stock:		<u> </u>
	Finished goods	1,698,846	2,980,956
	Stock in process	631,000	555,000
	Scrap	1,000,000	1,000,000
	Total (b)	3,329,846	4,535,956
	Total (a-b)	1,206,110	(48,518)
	Fundamental Company		
23	Employee benefit expense Salaries & wages	5,385,247	3,316,122
	Salary to director	3,303,247	30,000
	Provident fund	486,090	405,077
	E.S.I.	137,155	126,806
	E.S.I. Watch & ward	143,465	120,000
	Bonus	331,554	200,430
	Total	6,483,511	4,078,435
	2000	0,100,011	.,070,100

24 Finance costs		
Interest on:		
Term Loans	1,388,097	724,513
Bank borrowings & Others	6,884,684	6,880,560
Unsecured Loan	1,629,450	1,113,959
Bank charges & Others	294,360	426,055
	10,196,591	9,145,087
Less: Amount included in Capital Work in Progress		731,000
Total	10,196,591	8,414,087
25 Other expenses		
<u>Manufacturing</u>		
Chemicals	2,964,969	7,566,985
Power & Fuel	77,818,471	76,449,973
Stores & Spares	7,031,786	5,534,939
Packing material	1,101,290	866,877
Repairs - Plant & Machinery	1,015,218	884,317
Total (a)	89,931,734	91,303,091
Administrative Overhead		
Printing & Stationary	8,478	16,653
Postage & Telegram	32,272	32,227
Telephone expenses	40,185	38,642
Legal & Professional charges	282,654	310,135
Rates & Taxes	678,633	333,366
Auditors' remuneration	75,000	50,000
Insurance charges	205,001	170,057
Vehicle running & Maintenance	572,401	186,483
E.T.P.Running expenses	1,030,894	718,419
Miscellaneous expenses	194,166	119,375
Total (b)	3,119,684	1,975,357
Selling & Forwarding:		
Rebate and discount	12,114	33,844
Freight outward	1,316,160	-
Commission on sales	1,027,164	799,625
Total (c)	2,355,438	833,469
Total (a+b+c)	95,406,856	94,111,917

26	Value of Imports (C.I.F.) Value in respect of		(Amount in `	
		As at 31.03.2017	As at	
	Particulars		31.03.2016	
	(a) Raw Materials	-	4,655,240	
	(b) Capital Goods	NIL	NIL	
	(c) Chemical	NIL	NIL	
	(d) 'Stores & Spare Parts	417,577	164,381	
27	Expenditure in Foreign Currency	NIL	NIL	
28	Remittance in Foreign Currency	417,577	4,819,621	
29	Earning in Foreign Currency	NIL	NIL	

		onsumption of Imported and Indigenous Raw Materials, Stores & Spare Parts etc: As at 31.03.2017 As at 31.03.2016				
			PERCENTAGE	(Amount in `)		
	1. Raw Material	(rinount iii)	TERCENTINGE	(rinount in)	LICENTHO	
	Indigenous	95,664,957	100.00%	74,953,536	88.21%	
	Imported	-	0.00%	10,014,540	11.79%	
	Total Rs.	95,664,957		84,968,077		
	2. Stores & Spares Indigenous					
	Indigenous	6,574,510	93.50%	5,343,084	100%	
	Imported	457,276	6.50%	191,856	-	
	Total Rs.	7,031,786		5,534,939		
	3. Chemicals Indigenous	2,964,969	100%	7,566,985	100%	
	4. Packing Material Indigenous	1,101,290	100%	866,877	100%	
31	Earning per Shares (EPS):-				(Amount in	
	Particulars			As at 31.03.2017	As at	
					31.03.2016	
	Profit attributable to the Shareholders			2,356,918	1,558,30	
	Basic/Weighted average number of Equity Shares out	standing during the	vear	3,855,000	3,855,00	
	Nominal value of Equity Shares (Rs.)	8	<i>y</i> •	10	2,022,0	
	Basic/Diluted Earning per Shares (Rs.)			0.61	0.4	
	Busto Bracea Earning per shares (18.)			0.01	· ·	
2	Payment to Auditors':-			As at 31.03.2017	As at	
					31.03.2016	
	Audit Fee			60,000	40,00	
	Tax Audit Fee			15,000	10,00	
	Service Tax				7,50	
	Total			75,000	57,50	
33	Contingent liabilities and commitments (to the extent not provided for)					
	Contingent Liabilities					
	Bank Guarantees			80,000	200,00	
	Commercial tax			400,554	236,65	
	Commitments			,	Ź	
	Estimated amount of contracts remaining to be					
	executed on capital account and not provided for			-	-	
	executed on capital account and not provided for					
34	Related Party Disclosures:-					
a	Key Management Personnel	 Shri Arjun Agr Shri Girish Kun 				
		2. Jiii Onion Kuli	.m. 1151awal			
b	Related Party Transactions:-				(Amount in	
r.	Name of the Related Parties and Relationship			ment personnel		
1 1	Solomi	As at 31.	03.2017	As at 31.0	3.2016	
1	Salary	200000		30000		
2	Unsecured Loans repayment	390000		3350000		
4	Unsecured Loans Received	3400000		2290000		
4	Outstanding Payable as on 31.03.2017	9467693		2817921		

35 The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as under:-

Particulars	SBNs	Other	Total
Closing cash in hand as on 08.11.2016	-	504,066.50	504,066.50
(+) Permitted receipts	-	241,000.00	241,000.00
(-) Permitted payments	-	683,253.00	683,253.00
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	61,813.50	61,813.50

- 36 Since the Company operates in a single segment i.e. "Paper & Paper Board", Accounting Standard (AS) 17- "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.
- Balances of Trade receivables, Trade payable and Advances as at 31st March, 2017 are subject to confirmation.
- 38 The bifurcation of the total outstanding dues of Micro & Small enterprises under MSMED Act, 2006 and other than Micro & Small enterprises undertakings as well as the name Micro & Small enterprises, undertaking to whom the company owes a sum of exceeding rupees one lacs and which is outstanding for more than thirty days, are not disclosed in the Balance Sheet as suppliers have not indicated their status on their documents/papers whether they are Micro & Small scale undertaking or not hence it is not possible for the company to disclose the said information in respect of trade creditors.
- 39 In the opinion of Board of Directors, the Current Assets, Loans & Advances have the value on realization in the ordinary course of business at least equal to the amount at which they have been stated in the Balance Sheet as at 31.03.2017.
- 40 Keeping in view of the provisions of section 115JB of Income Tax Act, 1961, provision for Income Tax (MAT) has been made
- 41 Previous year figures have been re-arranged and re-grouped wherever necessary. Figures have been rounded off to nearest rupee.

The accompanying notes form an integral part of the Financial Statements.

s/d

Girish Kumar Aggarwal

DIN: 06457199

Director

s/d

Arjun Kumar Agarwal

Whole-time Director

DIN: 02614019

In terms of our separate report of even date

For SHIAM & CO.,

Chartered Accountants,

Firm Regn. No. 000030C

s/d Rajesh Kumar Jain

Partner

Membership No. 073352

Dated: 04.09.2017

Place: MUZAFFARNAGAR

Annual Report 2017

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SHAKUMBHRI PULP AND PAPER MILLS LIMITED 4.5 KM BHOPA ROAD MUZAFFARNAGAR **UTTAR PRADESH UP 251001 IN**