INDEX

Notice is hereby given that the 31st Annual General Meeting of the shareholders of **M/S SHAKUMBHARI PULP AND PAPER MILLS LIMITED** will be held on the 30th day of September, 2019 at its Registered Office, at 11:00 A.M. to transact the following business:-

<u>ORDINARY BUSINESS(s)</u>:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 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 Shri Sanjeev Kumar Sangal, who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Shri Amit Agarwal, who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a Director in place of Shri Arjun Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint a Director in place of Shri Ayush Agarwal, who retires by rotation and being eligible offers himself for re-appointment.

6. To appoint a Director in place of Shri Girish Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.

<u>SPECIAL BUSINESS(s)</u>:

7. APPROVAL FOR THE RE-APPOINTMENT OF MR. SHIKHAR AGARWAL (DIN: 07145613) AS INDEPENDENT DIRECTOR AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149(6) and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, approval of the Members be and is hereby granted for the re-appointment of **MR. SHIKHAR AGARWAL (DIN: 07145613)** as Independent Director of the Company, for a period of 5 (Five) years with effect from 31stMarch, 2020 and his appointment shall not be liable for retire by rotation.

8.APPROVAL FOR THE RE-APPOINTMENT OF MRS. ALKA RANI (DIN: 07145595) AS INDEPENDENT DIRECTOR AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149(6) and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, approval of the Members be and is hereby granted for the re-appointment of **MRS. ALKA RANI (DIN: 07145595)** as Independent Director of the Company, for a period of 5 (Five) years with effect from 31st March, 2020 and her appointment shall not be liable for retire by rotation.

"RESOLVED FURTHER THAT, Mr. Girish Kumar Aggarwal or any other directors of the Company be & is hereby severally authorized to file the resolution with the Registrar of Companies, along with requisite e-Form."

By Order of the Board of Directors
FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

Sd/-
AYUSH AGARWAL
DIRECTOR
DIN : 06441664

Dated: 02/09/2019
Place: Muzaffarnagar

NOTE:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself. A proxy need not be a member of the company to be valid. Proxy forms should be deposited at the registered office of the company not less than 48 hours before the time fixed for the meeting.**

   A proxy can act as a proxy on behalf of a members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten Percent) of the total share capital of the company carrying voting right. a member holding more than 10% (Ten Percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. **Members desirous of seeking any information about the accounts etc. of the company are requested to address their queries to the company at least seven days in advance of the meeting so that information can be readily made available at the meeting.**
3. **Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote at the Annual General Meeting.**
4. **An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the special business to be transacted at the Annual General Meeting is annexed.**
5. **All the documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all the working days between 11.00AM to 1.00 PM upto the date of the Annual General Meeting.**
6. **The Register of Members and Transfer Books in respect of Equity Shares of the Company will remain closed from 20rd September, 2019 to 25th September, 2019 (both days inclusive).**
7. **Members are requested to notify change in address, if any immediately to the company's Registrars M/s. ABC Services Pvt. Ltd.**

Certified True copy of Explanatory Statement in respect of the Special Business Pursuant to Section 102 of Companies Act, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item Nos. 7 of the accompanying Notice dated 2nd September, 2019.

Item No. 7

Mr. Shikhar Agarwal is the Independent Director of the Company since 31st March, 2015. His terms of directorship shall expire on 31st March, 2020. His appointment is to be confirmed for further five years w.e.f. 31st March, 2020. Being Special Resolution of Special Business. The Board commends the Special Resolution set out in item 7 of the Notice convening the meeting for the approval of the Shareholders.

NOTE: None of the director is interested in the said resolution

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item Nos. 8 of the accompanying Notice dated 2nd September, 2019.

Item No. 8

Mrs. Alka Rani is the Independent Director of the Company since 31st March, 2015. Her terms of directorship shall expire on 31st March, 2020. Her appointment is to be confirmed for further five years w.e.f. 31st March, 2020. Being Special Resolution of Special Business. The Board commends the Special Resolution set out in item 8 of the Notice convening the meeting for the approval of the Shareholders.

NOTE: None of the director is interested in the said resolution

DIRECTORS' REPORT
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March, 2019,

Dear Members,

Your directors have pleasure in presenting you their 31st Annual Report on the business and operations of the company together with the Audited Financial Statement of the Company for the year ended 31st March 2019.

FINANCIAL RESULTS

	31.03.2019	**31.03.2018**
Net Sale/Income from Operations	585,961,417	395936381
Other Income	3,112,813	266898
Total Income	**589,074,230**	**396203279**
Profit before Finance Charges, Depreciation & Tax	23388168	21249252
Finance Charges	6,474,963	9325558
Depreciation & Amortization	6,526,134	5924175
Profit Before Tax	10,387,071	5999519
Tax : 1. Current tax 2.Deffered tax 3.MAT Credit Entitlement/Utilization	2,268,630 1,998,821 (2,221,316)	1219987 (1435056) (1219987)
Profit After Tax	**8,437,831**	**7344048**
Earlier Year Tax Paid (excess provision)		90527
Paid-Up Share Capital	38550000	38550000
Reserve & Surplus	51,709,737	43271907

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013. For the Company, Ind AS is applicable from April 1, 2017. Accordingly these accounts have been prepared as per Ind AS. The areas which had an impact on account of transition to Ind AS have been reported in the notes to the financial statements.

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 2018-2019.

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, 2019, and of the profit of the Company for the year ended 31st March, 2019,

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:

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

DIRECTORS

The company has received the declarations from all the Independent directors confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Listing Regulations.

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

Shri Shikhar Agarwal and **Smt. Alka Rani** had been appointed Independent Director's during year 2014-15. Their terms of appointment will expire on 31 March, 2020. Their appointment to be confirmed for further five years in the ensuing AGM.

Shri Arjun Kumar Agarwal was a whole time director in the company who has resigned from whole time directorship during the year. However he shall remain director of the company.

DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS

There has been no Appointment and Resignation of Directors during the financial Year 2018-2019.

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.

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 however Foreign outgo is Rs. 33,125,568 during the year.

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 has been placed in the website of the company.

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.

BOARD EVALUATION

During the financial year, formal annual evaluation of the Board, its committees and individual Directors was carried out pursuant to the Board Performance Evaluation Policy of the Company. The performance of the Board and committees was evaluated after seeking inputs from all the Directors based on the criteria such as Board/committee constitutions, frequency of meetings, effectiveness of processes etc. The Board and Nomination & Remuneration committee (excluding the Director being evaluated) evaluated the performance of individual Directors (including Independent Directors) after seeking inputs from all Directors based on the criteria such as thought contribution, business insights and applied knowledge. A separate meeting of Independent Directors was also held to review the performance of Managing Director, performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors

Prevention of Sexual Harassment at Workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made there under, your Company has constituted Internal Committee (IC). The Company has appointed a senior person who worked in this area and have the requisite experience in handling such matters, as Chairpersons of each of the Committees. During the year no such complaints has been received by the Committee.

WHISTLE BLOWER POLICY

Your Company has a Whistle Blower Policy which provides adequate safeguards against victimization of persons who may blow whistle. Protected disclosures can be made by a whistle blower through an email or dedicated telephone line or letter to the Director – HR of the Company.

AUDITORS:

M/S RAJ SANDHYA & CO., Chartered Accountants, Muzaffarnagar were already appointed for the year up to 2021-22.

COST AUDIT

The central Government has not prescribed maintenance of cost records under sub section (i) of section 148 of the Act, 2013 in respect of activities carried on by the company.

WEB LINK OF ANNUAL RETURN:

The Company has website- **www.shakumbhripulp.com**

Extract of Annual Return has been sent on the same website.

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 the prescribed form is annexed as Annexure-I to the Board's Report and shall be made
available on website of the Company i.e. **www.shakumbhripulp.com**

COMPLIANCE WITH SECRETARIAL STANDARD:

The Directors have devised proper system to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

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.

ACKNOWLEDGMENTS

The Directors thank the Company's customers, suppliers, bankers, financial institutions, Central and State Government and shareholders for their consistent support to the Company. The Directors also sincerely acknowledge the significant contribution made by all the employees of the Company and its subsidiaries during the year under review.

FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

	Sd/-	**Sd/-**
	AYUSH AGARWAL	**GIRISH KUMAR AGARWAL**
Dated: 30/05/2019	**DIRECTOR**	**DIRECTOR**
Place: Muzaffarnagar	**DIN : 06441664**	**DIN : 06457199**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2019
[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 Sub category of the Company	Company Limited by Shares Indian Non-Government Company
v)	Address of the Registered office and contact details	4.5 Kmbhopa Road Muzaffarnagar Uttar Pradesh UP 251001 IN
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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.	C	Manufacturing	C3	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA

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

i) Category-wise Share Holding as of March 31, 2019

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	NIL	637500	637500	16.54	NIL	637500	637500	16.54	NIL
b) Others	NIL	NIL	NIL	NIL	NIL	637500	637500	16.54	NIL
Sub-total (A) (1):-	NIL	637500	637500	16.54	NIL	637500	637500	16.54	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	637500	637500	16.54	NIL	637500	637500	16.54	NIL
B.Public Shareholding									
1. Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions	NIL	3217500	3217500	83.46	NIL	3217500	3217500	83.46	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	NIL	3217500	3217500	83.46	NIL	3217500	3217500	83.46	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	3855000	3855000	100	NIL	3855000	3855000	100	NIL

(ii) Shareholding of Promoters :

Sn	Shareholder's Name	Shareholding At The Beginning Of The Year			Shareholding At The End Of The Year			% Change In Shareholding During The Year
		No. Of Shares	% Of Total Shares Of The Company	% Of Shares Pledged/ Encumbered To Total Shares	No. Of Shares	% Of Total Shares Of The Company	% Of Shares Pledged / Encumbered To Total Shares	
1	Abhinav Agarwal	111700	2.90	Nil	111700	2.90	Nil	0.00%
2	Archana Agarwal	196700	5.10	Nil	196700	5.10	Nil	0.00%
3	Arjun Kumar Agarwal	249100	6.46	Nil	249100	6.46	Nil	0.00%
4	Arjun Kumar Agarwal & Sons	80000	2.08	Nil	80000	2.08	Nil	0.00%

(iii) Change in Promoters' Shareholding:

There is no change in the total shareholding of the Promoters between April 1, 2018 and March 31, 2019.

(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 Bindal	Director	705700	705700
3	02614019	Arjun Kumar Agarwal	Director	249100	249100
4	04416646	Ayush Agarwal	Wholetime 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 excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as at April 1, 2018				
i) Principal Amount	54,951,042	11,119,212	NIL	66,070,254
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	54,951,042	11,119,212	NIL	66,070,254
Change in Indebtedness during the financial year				
Addition	11,713,835	NIL	NIL	11,713,835
Reduction	NIL	(2,842,009)	NIL	(2,842,009)
Net Change	11,713,835	(2,842,009)	NIL	8,871,826
Indebtedness as at March 31, 2019				
i) Principal Amount	66,658,697	8,277,203	NIL	74,935,900
ii) Interest due but not paid	6,180.00	NIL	NIL	6,180.00
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	66,664,877	8,277,203	NIL	74,942,080

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rupees)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		AYUSH AGARWAL	
1.	Gross Salary		
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6,00,000	6,00,000
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	c. Profits in lieu of salary 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
Total (A)		6,00,000	**6,00,000**
Ceiling as per the Act		-	-

A. Remuneration to other Director

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
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 Non-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(A+B)		**6,00,000**	**6,00,000**
Overall Ceiling as per the Act			**-**

B. Remuneration to Key Managerial Personnel other than the MD/Manager/WTD
(Amount in Rupees)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
1.	Gross Salary	CEO	CFO	CS	
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961- **Ayushi Gupta**	NIL	NIL	1,98,000	1,98,000
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
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 specify	NIL	NIL	NIL	NIL
Total		-	-	**1,98,000**	**1,98,000**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	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. Directors					
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

FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

Sd/-
AYUSH AGARWAL
DIRECTOR
DIN : 06441664

Sd/-
GIRISH KUMAR AGARWAL
DIRECTOR
DIN : 06457199

Dated: 30/05/2019
Place: Muzaffarnagar

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

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **SHAKUMBARI PULP & PAPER MILLS LIMITED, MUZAFFARNAGAR** ("the Company") which comprise the Balance sheet as at **31 March 2019**, the Statement of Profit and Loss including the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone IND AS financial statements give the information required by the Companies Act, 2013, as amended ("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 2019,** its profit including other comprehensive income its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143 (10) of the act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' 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 statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code Ethics. We believe that the audit evidence we have obtained a sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended **31 March 2019.** These matters were addressed in the context of our audit of the Standalone IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to the key audit matters to be communicated in our report. We have fulfilled the responsibilities the described in the Auditor's responsibilities for the audit Standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit the included the performance of procedures designed to respond to our assessment to the risk of material misstatements of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedure performed to address the matter below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition **(as described in note 1.j of the standalone Ind AS financial statements)**	
For the year ended 31 March 2019, the Company has recognized revenue from contracts with customers amounting to Rs. 5859.61 lakhs. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflect that the consideration to which the Company expects to the entitled in exchange for those goods or services. The Company has generally concluded that as principal, it	Our audit procedures included the following: Assessed the Company's revenue recognition policy prepared as per Ind AS 115 ' Revenue from contracts with customers' . Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates. Performed sample tests of individual sales

typically controls the goods or services before transferring them to the customers. The variety of terms that defined when control are transfer to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period. Revenue is measured net of net return and allowances, cash discounts, trade discount and volume rebates (collectively ‘ discount and rebates’). There is a risk that these discount and rebates are in correctly reported as it also requires in a certain degree of estimation, resulting in understatement of the associated expenses and accrual. Revenue is also an important element of how the Company measure its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to the recognized before the risk and rewards have been transferred. Accordingly, due the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 ‘Revenue from contracts with customers’, it was determined to be a key audit matter in our audit of the standalone IND AS financial statements.	transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms. To test cut off selected sample of sales transactions made pre-and post year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods. Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents. Performed monthly analytical procedures of revenue by streams to identify any unusual trends. Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made i the financial statements: to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.
Assessment of carrying value of investments	
The company has invested in listed equity instruments. We consider this a key audit matter given the relative significance of the value of investments.	Our procedures in relation to assessing the carrying value of investments include the following observations. The equity investments are carried at fair value as on 31st March 2019. Due to market fluctuation, there has been significant value reduction in the equity investments.

We have determined that there are no other key audit matters to communicate in our report.

Information other than the Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2018-19, but does not include the Standalone Ind AS financial statements and our auditor’s report thereon.

Our opinion on the Standalone Ind AS Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the Financial Position, Financial Performance including Cash Flows and the Statement of Changes in Equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statement, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements 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 Standalone Ind AS financial statements.

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 misstatements of the Standalone Ind AS financial statements, 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 bass 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. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of sub controls.

Evaluate the appropriateness of accounting policies used and the reasonableness 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 statements or, if such disclosures are inadequate, to modify or 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 Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements 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 the communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, In extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, 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 it appears from our examination of those books;

   c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

   g. In our opinion, the managerial remuneration for the year ended **31 March, 2019**, has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act;

   h. 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 Standalone Ind AS financial statements – Refer Note 35 to the Standalone Ind As 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **Raj Sandhya & CO.,**
Chartered Accountants,
Firm Regn. No. 002011C

Sd/-
Raj Kumar Sharma
Partner
Membership No.077650

Dated: 30.05.2019
Place: MUZAFFARNAGAR

ANNEXURE A TO THE AUDITORS' REPORT

The annexure referred to in our report to the members of **SHAKUMBARI PULP & PAPER MILLS LIMITED, MUZAFFARNAGAR** (‘the Company’) for the year ended 31 March 2019. We report that:

(i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(ii) (a) 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.

(b) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.

(iii) 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.

(iv) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.

(v) 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.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public.

(vii) The central Government has not prescribed maintenance of cost records under sub section (i) of section 148 of the Act, 2013 in respect of activities carried on by the company.

(viii)

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, duty of customs, goods and service tax and any other statutory dues with the appropriate authorities during the year. There is no undisputed amounts payable, as at 31.03.2019 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, duty of customs, goods and service tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of trade tax have not been deposited by the Company on account of disputes:

Name of the statute	Period to which the amount relates	Amount (In Rs.)	Forum where dispute is pending
Trade Tax	2010-2011	131200.00	Additional Commissioner, Grade-2 (Appreal), II, Commerical Tax, Muzaffarnagar
Trade Tax	2012-2013	302425.00	Additional Commissioner, Grade-2 (Appreal), II, Commerical Tax, Muzaffarnagar
Trade Tax	2013-2014	195400.00	Additional Commissioner, Grade-2 (Appreal), II, Commerical Tax, Muzaffarnagar
Trade Tax	2014-15	301168.00	Additional Commissioner, Grade-2 (Appreal), II, Commerical Tax, Muzaffarnagar

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to financial institution, banks during the year.

(ix) In our opinion and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instrument). The Company has taken term loan from bank and have been applied to the purpose for which they were raised.

x) According to information and explanation given to us, no material 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, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the 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 the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **Raj Sandhya & CO.,**
Chartered Accountants,
Firm Regn. No. 002011C

Sd/-
Raj Kumar Sharma
Partner
Membership No.077650

Dated: 30.05.2019
Place: MUZAFFARNAGAR

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 2019 in conjunction with our audit of the standalone Ind As financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2019, 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 **Raj Sandhya & CO.,**
Chartered Accountants,
Firm Regn. No. 002011C

Sd/-
Raj Kumar Sharma
Partner
Membership No.077650

Dated: 30.05.2019
Place: MUZAFFARNAGAR

Shakumbhri Pulp And Paper Mills Limited
Balance Sheet as at 31 March 2019
(Amounts in INR Lakhs, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
(I) Non-current assets			
(a) Property, plant and equipment	3	1,077.86	1,065.65
(b) Capital work in progress	3	449.89	-
(c) Financial Assets			
Loans	4	38.49	38.49
(d) Other non-current assets	5	47.60	2.97
Total non-current assets		**1,613.84**	**1,107.11**
Current assets			
Inventories	6	481.73	533.58
Financial assets			
Trade receivables	7	1,013.00	1,198.78
Cash and cash equivalents	8	1.88	4.42
Bank balances other than cash and cash equivalents	9	7.96	0.87
Current Tax Assets (net)	10	-	5.70
Other current assets	11	29.05	31.21
Total current assets		**1,533.62**	**1,774.56**
Total assets		**3,147.46**	**2,881.67**
Equity and liabilities			
Equity			
Equity share capital	12	385.50	385.50
Other equity	13	517.10	432.72
Total equity		**902.60**	**818.22**
Non-current liabilities			
Financial liabilities			
Borrowings	14	248.77	154.99
Provisions	15	21.95	19.04
Deferred tax liabilities (net)	16	46.72	48.95
Total non-current liabilities		**317.44**	**222.98**
Current liabilities			
Financial liabilities			
Borrowings	17	464.53	469.34
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	1,123.22	1,047.32
Other current financial liabilities	19	232.10	77.55
Other current liabilities	20	104.49	245.18
Provisions	21	2.78	1.08
Current tax liability (Net)	22	0.30	-
Total current liabilities		**1,927.42**	**1,840.47**
Total liabilities		**2,244.86**	**2,063.45**
Total equity and liabilities		**3,147.46**	**2,881.67**

Summary of significant accounting policies 1-2

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Raj Sandhya & Co.
ICAI Firm Registration No.: 002011C
Chartered Accountants

Sd/-
Raj Kumar Sharma
Partner
Membership No.: 077650

Place: Muzaffarnagar
Date: 30.05.2019

For and on behalf of the Shakumbhri Pulp And Paper Mills Limited

Sd/-
Director
(Girish Kumar Agarwal)
DIN- 06457199

Sd/-
Director
(Ayush Agarwal)
DIN- 06441664

Sd/-
Company Secretary
(Ayushi Gupta)

Shakumbhri Pulp And Paper Mills Limited

Statement of Profit and Loss for the year ended 31 March 2019

(Amounts in INR Lakhs, unless otherwise stated)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Income:			
Revenue from operations	23	5,859.61	3,996.93
Other income	24	31.13	2.67
Total Income		**5,890.74**	**3,999.60**
Expenses:			
Cost of material consumed	25	5,291.35	3,485.35
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(56.28)	(49.23)
Excise Duty		-	36.58
Employee benefits expense	27	150.75	109.26
Depreciation and amortization expense	3	65.26	59.24
Finance costs	28	64.76	92.89
Other expenses	29	271.03	205.51
Total expenses		**5,786.87**	**3,939.60**
Profit before exceptional items		**103.87**	**60.00**
Exceptional items		**-**	**-**
Profit before tax		**103.87**	**60.00**
Tax expense			
Current tax		22.68	13.11
Less: MAT credit entitlement		(22.21)	(12.20)
Deferred tax		19.99	(14.35)
Profit for the year		**83.41**	**73.44**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plan		1.34	-
Income tax effect		(0.37)	-
Other Comprehensive income		**0.97**	**-**
Total Comprehensive income		**84.38**	**73.44**
Earnings per equity share of face value of ₹ 10 each :			
Basic (in ₹)		2.16	1.91
Diluted (in ₹)		2.16	1.91

Summary of significant accounting policies 1-2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Raj Sandhya & Co.
ICAI Firm Registration No.: 002011C
Chartered Accountants

Sd/-
Director
(Girish Kumar Agarwal)
DIN- 06457199

Sd/-
Director
(Ayush Agarwal)
DIN- 06441664

Sd/-
Raj Kumar Sharma
Partner
Membership No.: 077650

Sd/-
Company Secretary
(Ayushi Gupta)
PAN : ASQPG9580K

Place: Muzaffarnagar
Date: 30.05.2019

Shakumbhri Pulp And Paper Mills Limited
Statement of Changes in Equity for the year ended 31 March 2019
(Amounts in INR Lakhs, unless otherwise stated)

A Equity Share Capital (Refer Note 12)

Balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Balance at the end of the reporting period
385.50	-	385.50

B Other Equity (Refer Note 13)

Particulars	Reserve & Surplus				Total Equity
	Security Premium Reserve	General Reserve	Equity Component of Financial Instruments	Retained Earnings	
	(refer note 13.1)	(refer note 13.2)	(refer note 13.3)	(refer note 13.4)	
At 31 March 2018	**112.00**	**39.01**	**20.14**	**261.57**	**432.72**
Profit/(loss) for the year	-	-	-	84.38	84.38
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income	**-**	**-**	**-**	**84.38**	**84.38**
At 31 March 2019	**112.00**	**39.01**	**20.14**	**345.95**	**517.10**

Summary of significant accounting policies 1-2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Raj Sandhya & Co.
ICAI Firm Registration No.: 002011C
Chartered Accountants

Sd/-
Raj Kumar Sharma
Partner
Membership No.: 077650
Place: Muzaffarnagar
Date: 30.05.2019

Sd/-
Director
(Girish Kumar Agarwal)
DIN- 06457199

Sd/-
Director
(Ayush Agarwal)
DIN- 06441664

Sd/-
Company Secretary
(Ayushi Gupta)
PAN : ASQPG9580K

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	103.87	60.00
Adjustments for:		
Depreciation and amortisation	65.26	59.24
loss on disposal of assets	1.77	-
Gain/(loss) on fair valuation of investments	-	0.12
Interest income	(0.09)	(2.59)
Dividend income	(0.08)	(0.08)
Interest expenses	67.50	92.89
Operating profit before working capital changes	**238.23**	**209.58**
Movement in working capital		
(Increase)/decrease in trade receivables	185.78	(434.41)
(Increase)/decrease in inventories	51.85	(260.85)
(Increase)/decrease in other current financial assets	-	70.84
(Increase)/decrease in current tax assets (net)	(5.70)	-
(Increase)/decrease in other current assets	4.93	(0.89)
(Increase)/decrease in other non-current assets	(44.63)	(6.52)
Increase/(decrease) in trade payables	75.90	898.96
Increase/(decrease) in other current financial liabilities	154.55	(132.25)
Increase/(decrease) in other non current financial liabilities	-	-
Increase/(decrease) in other current liabilities	(140.69)	(183.61)
Increase/(decrease) in long term provisions	(19.30)	7.37
Increase/(decrease) in short term provisions	2.49	(9.50)
Cash generated from/(used in) operations	**503.41**	**158.72**
Direct taxes paid (net of refunds)	(0.47)	(0.91)
Net cash generated from/(used in) operating activities	**502.94**	**157.81**
Cash flow from investing activities		
Purchase of Property, plant & equipment including CWIP and capital advances	(533.53)	(119.18)
Proceeds from disposal of assets	4.40	-
Dividend received	0.08	0.08
Interest received	0.09	2.59
Net cash (used in)/generated from investing activities	**(528.96)**	**(116.51)**
Cash flow from financing activities		
Repayment of long-term borrowings	95.79	12.35
Proceeds from short-term borrowings	(4.81)	35.26
Interest paid	(67.50)	(92.89)
Net cash (used in)/generated from financing activities	**23.48**	**(45.28)**
Net (decrease) / increase in cash and cash equivalents	**(2.54)**	**(3.98)**
Cash and cash equivalents at the beginning of the year	**4.42**	**8.40**
Cash and cash equivalents at the end of the year	**1.88**	**4.42**
Components of cash and cash equivalents		
Cash and cheques on hand	1.51	3.40
Balances with banks:		
- On current accounts	0.37	1.02
(refer note 8)	**1.88**	**4.42**

Notes:

The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

Disclosure of changes in liabilities arising from financing activities

Particulars	Term Loans including current maturities	Unsecured Loans	Short Term Loan- CC	Interest
Opening Balance as at April 01, 2018	80.17	111.19	469.34	-
Add:- Proceeds from borrowings/ Interest accrued during the year	169.75	24.84	6,725.70	58.37
Less:- Repayment of borrowings / Interest payment during the year	47.80	45.92	6,730.51	58.31
Non Cash items :-				
- Amortization	-	7.34	-	-
Closing Balance as at March 31, 2019	**202.12**	**82.77**	**464.53**	**0.06**

Particulars	Term Loans including current maturities	Unsecured Loans	Short Term Loan- CC	Interest
Opening Balance as at April 01, 2017	117.90	82.77	434.07	-
Add:- Proceeds from borrowings/ Interest accrued during the year	10.59	42.48	3,925.47	92.89
Less:- Repayment of borrowings / Interest payment during the year	48.32	13.73	3,890.20	92.89
Non Cash items :-				
- Amortization	-	0.33	-	-
Closing Balance as at March 31, 2018	**80.17**	**111.19**	**469.34**	**-**

As per our report of even date

For Raj Sandhya & Co.
ICAI Firm Registration No.: 002011C
Chartered Accountants

Sd/-
Director
(Girish Kumar Agarwal)
DIN- 06457199

Sd/-
Director
(Ayush Agarwal)
DIN- 06441664

Sd/-
Raj Kumar Sharma
Partner
Membership No.: 077650

Place: Muzaffarnagar
Date: 30.05.2019

Sd/-
Company Secretary
(Ayushi Gupta)
PAN : ASQPG9580K

Background

Shakumbhri Pulp & Paper Mills Limited is a Company domiciled in India, incorporated on 06 February 1986 with its registered office situated at 4.5 K.M., Bhopa Road, Muzaffarnagar U.P, the Company has been incorporated under Indian Companies Act and its equity shares are to be listed on the Metropolital Stock Exchange of India.

Note 1: Significant Accounnting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

The financial statement have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value; and
- defined benefit plans and their liabilites are measured at fair value.

(b) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting year. The difference between the actual results and estimates are recognised in the year in which the results are known/materialize.

All Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities

(c) Segment Reporting

The Company is engaged in the business of Paper Manufacturing (refer note-1) considering the nature of company's business and operations, there are no other reportable segments in accordance with Ind AS 108 ' Operating segments' and hence, there are no additional disclosures required.

(d) Foreign Currency Transactions and Translations

Transactions in foreign currencies arc initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies arc translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that arc measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss arc also recognised in OCI or profit or loss, respectively).

(e) Financial instruments - initial recognition, subsequent measurement and impairment

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

Financial Assets

Financial assets are measured at amortised cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets arc dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively that share similar credit risk characteristics.

Derecognition of financial assets

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ('EIR') except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

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

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

De-recognition of financial liability

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Subsequent recoveries of amounts previously written off arc credited to other Income.

(f) Trade and other payables

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

(g) Cash Flow statements

Cash flows are reported using the Indirect Method, where by profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregate based on the available information.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

(j) Revenue recognition

The Company derives revenues primarily from sale of paper products.

Effective April 1, 2018, the Company adopted Ind AS 115, Revenue from Contracts with Customers, using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition. Refer Note xx “Significant Accounting Policies,” in the Company’s 2018 Annual Financials for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Ind AS 115 “Revenue from Contracts with Customers” provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

• Identify the contract(s) with a customer;
• Identify the performance obligations;
• Determine the transaction price;
• Allocate the transaction price to the performance obligations;
• Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for

Sale of goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been dispatched to the location of customer. Following dispatch, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are dispatched to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 30-90 days. The Company considers the effects of variable consideration, non-cash consideration, and consideration payable to the customer (if any).

Interest income

Interest income from financial instrument is recognised using the effective interest rate (EIR) method. EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably.

Variable consideration

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which the change occurs. Some contracts for the sale of goods provide customers with volume rebates and pricing incentives, which give rise to variable consideration.

Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances

Trade receivables

A receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy (n).

Contract liabilities (which the Company refer to as advance from customer)

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Cost to obtain a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in 'commission on sales' under other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Also, refer Note 22 for other disclosures.

(k) Provisions, contingent liabilites and assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are disclosed where an inflow of an economic benefit is probable.

(l) Earning Per Share

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

(m) Taxation

Provision for tax consists of current tax and deferred tax. Current tax provision is computed for current income based on the tax liability after considering allowances and exemptions. Deferred tax assets and liabilities arc computed on the basis of timing differences at the Balance Sheet date between the carrying amount of assets and liabilities and their respective tax basis. Deffered tax assets are recognized based on Management estimates of available future taxable income and assessing its certainty.

(i) Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

(ii) Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period.

Ind AS 12, "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12, has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP, if applicable.

In addition, the various transitional adjustments lead to additional temporary differences. According to the accounting policies, the Company has to account for such differences. Tax impact on Deferred tax adjustments are recognized in reserves for opening balance sheet and statement of profit and loss in subsequent years.

(n) Trade Receivables

Trade Receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(o) Inventories (Raw material and stores, work in progress, traded and finshed goods)

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in- progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average / first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(p) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The above cost of the assets includes the revaluation of assets carried out in the previous years' and the accumulated amount of revaluation forms part of the Other Equity in Shareholders' Funds with name of "Revaluation Reserve"

(i) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(ii) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term

The useful lives have been determined as per those specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are de-recogized in the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(r) Borrowingscosts

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised Rs. 5.50 lacs during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.Other borrowing costs are expensed in the period in which they are incurred.

(s) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The group operates the following post-employment schemes:

(a) defined benefit plan viz. gratuity;and

(b) defined contribution plans such as provident fund.

(a) Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) Defined contribution plans

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(v) New standards and interpretations

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from annual periods beginning on or after April 1, 2019:

Ind AS - 116

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind As 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company is evaluating the requirements of Ind AS 116 and has not yet determined its impact on the financial statements.

Ind AS – 12 Appendix C, Uncertainty over Income Tax treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatment which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, when determining tax profit (tax loss), tax bases, unused tax losses, unused tax credit and tax rates.

The standard permits two possible methods of transition- i) Full retrospective approach- Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Change in Accounting Estimates and Errors, without using hindsight and ii) retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application without adjusting comparatives.

The Company will adopt the standard from April 1, 2019 and has decided to adjust the cumulative effects in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect of adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12- Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, "Income Taxes", in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividend in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, "Employee benefits", in connection with accounting for plan amendments, curtailments and settlements.

The amendment requires an entity :

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognize in profit or loss as a part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

The Company does not have any impact on account of this amendment.

Amendment in Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Note 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The company makes estimates and judgments that affect the reporting amounts of assets and liabilities within the next year. Estimates and judgments are continually evaluated and are based on historical experience and other factor, including expectations of future events that are believed to be reasonable under the circumstance.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimation of current tax expense and payable – **Note 22**
Estimation of defined benefit obligation – **Note 31**
Recognition of deferred tax liabilities – **Note 16**

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

Shakumbhri Pulp And Paper Mills Limited

(Amounts in INR Lakhs, unless otherwise stated)

3 Property, plant & equipment

	Land	Buildings	Effluent Treatment Plant	Plant & Machinery	Office Furniture & Equipment	Computer	Vehicles	Total	Capital Work in Progress
Gross carrying value as of March 31, 2018	**12.29**	**38.84**	**92.25**	**1,635.31**	**8.25**	**5.76**	**120.20**	**1,912.90**	**-**
Additions during the year	-	-	2.30	51.35	2.53	1.83	25.63	83.64	449.89
Deletions during the year	-	-	-	-	-	-	7.79	7.79	-
Gross carrying value as of March 31, 2019	**12.29**	**38.84**	**94.55**	**1,686.66**	**10.78**	**7.59**	**138.04**	**1,988.75**	**449.89**
Accumulated Depreciation as of March 31, 2018	-	**28.62**	**38.52**	**687.77**	**8.00**	**4.40**	**79.94**	**847.25**	-
Depreciation	-	1.05	2.76	49.55	0.35	0.69	10.86	65.26	-
Accumulated Depreciation on deletions	-	-	-	-	-	-	1.62	1.62	-
Accumulated Depreciation as of March 31, 2019	-	**29.67**	**41.28**	**737.32**	**8.35**	**5.09**	**89.18**	**910.89**	-
Carrying value as of March 31, 2019	**12.29**	**9.17**	**53.27**	**949.34**	**2.43**	**2.50**	**48.86**	**1,077.86**	**449.89**
Carrying value as of March 31, 2018	**12.29**	**10.22**	**53.73**	**947.54**	**0.25**	**1.36**	**40.26**	**1,065.65**	**-**

Note:

2 Term loans from UBI are secured by way of equitable mortgage of land & building and hypothecation of Plant & Machinery and personal guarantee by Directors of the Company.- Refer Note-14

4	**Non Current Finanical assets-loans**	**As at 31 March 2019**	**As at 31 March 2018**
	Investment carried at fair value through profit or loss		
	Quoted		
	Equity shares of Union Bank of India	0.19	0.19
	Unquoted		
	Equity shares of Gulshan Mercantile Urban Co-Operative Bank Ltd.	0.63	0.63
	Others		
	Loans	37.67	37.67
	Total	**38.49**	**38.49**

5	**Other non current assets (Unsecured, considered good unless otherwise stated)**		
	Capital advance	38.90	-
	Balances with Government authorities	8.70	2.97
	Total	**47.60**	**2.97**

6	**Inventories**	**As at 31 March 2019**	**As at 31 March 2018**
	Raw Materials	242.81	305.07
	Work-in-process	8.01	7.58
	Finished Goods	115.80	60.95
	Stores and Spare parts	80.00	98.00
	Others*	35.11	61.98
		481.73	**533.58**

*Others include Chemicals, Packing Material & Fuel

7	**Trade receivables**	**As at 31 March 2019**	**As at 31 March 2018**
	Current		
	Unsecured		
	Considered good	1,013.00	1,198.78
	Less: Provision for doubtful debts	-	-
	Total	**1,013.00**	**1,198.78**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30-90 days.

8	**Cash and cash equivalents**	**As at 31 March 2019**	**As at 31 March 2018**
	Cash on hand	1.51	3.40
	Balance with bank	0.37	1.02
		1.88	**4.42**

9	**Bank balances other than cash and cash equivalents**	**As at 31 March 2019**	**As at 31 March 2018**
	Margin money deposited*	7.96	0.87
		7.96	**0.87**

* Margin money held with banks against opening of letter of credit (LC) Rs.7.00 lakhs and Rs.0.80 lakhs for Pollution

	As at 31 March 2019	As at 31 March 2018
10 Current tax assets (net)		
Income Tax Refund Receivable	-	5.70
	-	**5.70**

	As at 31 March 2019	As at 31 March 2018
11 Other current assets		
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers	3.80	26.55
Balances with Government authorities	19.82	0.47
Others	5.43	4.19
Total	**29.05**	**31.21**

12 Share capital

Authorised share capital	Number of shares (lakhs)	Amount
Equity shares of INR 10 each		
As at 31 March 2018	40.00	400.00
Increase during the year	-	-
As at 31 March 2019	**40.00**	**400.00**

Issued share capital Equity shares of INR 10 each issued, subscribed and fully paid up	Number of shares (lakhs)	Amount
As at 31 March 2018	38.55	385.50
Shares issued during the year	-	-
As at 31 March 2019	**38.55**	**385.50**

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company will declare and pay dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

No shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

12 B Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018	
Name of the shareholder	Number (lakhs)	% Holding	Number	% Holding
Equity shares of INR 10 each				
Shri Arjun Kumar Agarwal	2.49	6.46%	2.49	6.46%
Shri Amit Bindal	7.06	18.31%	7.06	18.31%
Smt. Archana Agarwal	1.97	5.10%	1.97	5.10%

As per records of the Company, including its register of shareholders/members the above shareholding represents both legal and beneficial ownerships of shares.

13 Other equity

13.1 Security Premium Reserve		
As at 31 March 2018	112.00	112.00
Addition/Reduction during the year	-	-
As at 31 March 2019	**112.00**	**112.00**
13.2 General Reserve		
As at 31 March 2018	39.01	39.01
Addition/Reduction during the year	-	-
As at 31 March 2019	**39.01**	**39.01**
13.3 Equity Component of Financial Instruments		
As at 31 March 2018	20.14	20.14
Addition/Reduction during the year	-	-
As at 31 March 2019	**20.14**	**20.14**
13.4 Retained Earnings		
Statement of Profit & Loss		
As at 31 March 2018	261.57	188.13
Profit for the year	84.38	73.44
As at 31 March 2019	**345.95**	**261.57**

14 Long term Borrowings		**As at 31 March 2019**	**As at 31 March 2018**
(Secured)			
Term loans from banks		138.01	30.00
Vehicle Loan from banks		27.99	13.80
	(a)	**166.00**	**43.80**
(Unsecured)			
From directors and their relatives		82.77	111.19
	(b)	**82.77**	**111.19**
Total long-term borrowings	**(a+b)**	**248.77**	**154.99**

Notes:

Details of terms of repayment and security provided in respect of the secured long-term borrowings:

Term Loan from Banks

Security:

Term loans from UBI are secured by way of equitable mortgage of land & building and hypothecation of Plant & Machinery and personal guarantee by Directors of the Company. Following are the details of loans.

Other information;

From Union Bank of India (Original loan Amount 120.00 lacs)
At the rate of 10.85 % p.a. (Previous year 12.05% p.a.). Repayable in 48 Monthly installments of 2.50 lacs each starting from April 2016.

From Union Bank of India (Original loan Amount 249.60 lacs)
At the rate of 13.35 % p.a. Repayable in 60 Monthly installments of 4.16 lacs each starting from April 2019.

Vehicle Loan

From Union Bank of India (Original loan Amount 15.00 lacs)
At the rate of 10.95% p.a. (Previous year 10.95.% p.a.) Repayable in 60 Monthly installments of 0.26 lacs each from December 2012.

From Union Bank of India (Original loan Amount 13.00 lacs)
At the rate of 9.00% p.a. Repayable in 60 Monthly installments of 0.27 lacs each from January 2019.

From Union Bank of India (Original loan Amount 6.00 lacs)
At the rate of 9.00% p.a. Repayable in 60 Monthly installments of 0.125 lacs each from April 2019.

Security:
Vehicle Loan is secured by hypothecation of respective vehicles and guaranteed by Directors of the Company.

15 Provisions

	As at 31 March 2019	As at 31 March 2018
Provision for gratuity (Refer note 31)	21.95	19.04
Total	**21.95**	**19.04**

16 Deferred Tax Liabilities (net)

		As at 31 March 2019	As at 31 March 2018
Deferred Tax Liabilities			
Property, plant & equipment: Impact of differences between tax depreciation charged as per Financial Reporting	(a)	156.60	145.15
Compound financial instruments		9.83	7.93
		166.43	153.08
Deferred Tax Assets			
Unabsorbed losses		33.85	41.04
Impact of Gratuity expenditure charged to the statement of profit & loss in current year but allowed for tax purposes on payment basis	(b)	6.43	5.18
Disalowances under the Income Tax Act, 1961		0.23	0.92
		40.51	47.14

Mat Credit Entitlement

Mat credit entitlement	(c)	79.20	56.99
		79.20	56.99
Total	**(a-b-c)**	**46.72**	**48.95**

Income Tax

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Statement of profit and loss:

Profit or loss section

	As at 31 March 2019	As at 31 March 2018
Current income tax:		
Current income tax charge	22.68	13.11
Less: Mat credit entitlement	-22.21	-12.20
Deferred tax:		
Relating to origination and reversal of temporary differences	19.99	-14.35
Income tax expense reported in the statement of profit or loss	**20.46**	**-13.44**

OCI section

Deferred tax related to items recognised in OCI during in the year:

	As at 31 March 2019	As at 31 March 2018
Net loss/(gain) on remeasurements of defined benefit plans	-0.37	0.00
Income tax charged to OCI	**-0.37**	**0.00**

	As at 31 March 2019	As at 31 March 2018
Accounting profit before tax	103.87	60.00
Non deductible income for tax purposes:		
Taxable Profit	103.87	60.00
Add: 1/5 of Equity component of compound financial instruments	4.03	4.03
At India's statutory income tax rate of 20.5868% (31 March 2018: 19.055%)	22.22	12.20
Adjustments in respect of current income tax of earlier years	0.47	0.91
MAT credit entitlement	(22.21)	(12.20)
Deferred tax expenses reported in the statement of profit and loss*	19.99	(14.35)
At the effective income tax rate	**20.47**	**(13.44)**
Income tax expense reported in the statement of profit and loss	22.22	12.20
Deferred tax expenses reported in the statement of profit and loss	19.99	(14.35)
Current income tax of earlier years	0.47	0.91
Less: MAT credit entitlement	(22.21)	(12.20)
	20.47	**(13.44)**

17 Short term Borrowings

	As at 31 March 2019	As at 31 March 2018
Secured		
Working capital loan from bank*	464.53	469.34
Total	**464.53**	**469.34**

*Working capital loan from union bank of india is secured by way stock of raw material, store & spares, work in process, finished goods, bills and book debts of the company and personal guarantee by directors of the company.

18 Trade payables

	As at 31 March 2019	As at 31 March 2018
Trade Payable		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,123.22	1,047.32
Total	**1,123.22**	**1,047.32**

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 90-day terms

19 Other current financial liabilities

	As at 31 March 2019	As at 31 March 2018
Current maturities of long term debt	36.06	36.37
Interest accrued and due	0.06	-
Salaries & wages payable	20.02	14.61
Audit fee payable	0.90	0.68
Book overdraft	168.89	20.89
Power & Electricity	6.17	5.00
Total	**232.10**	**77.55**

20 Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Advance from customers	85.19	199.77
Other payables		
Withholding taxes and others	6.13	3.95
GST Payable	11.61	40.18
ESI Payable	0.28	0.24
Provident fund payable (Employer's Contributions)	1.28	1.04
Total	**104.49**	**245.18**

21 Provisions

	As at 31 March 2019	As at 31 March 2018
Provision for gratuity (Refer note 31)	2.78	1.08
Total	**2.78**	**1.08**

22 Current tax liability (net)

	As at 31 March 2019	As at 31 March 2018
Income tax	0.30	-
Total	**0.30**	**-**

23 Revenue from operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products [including excise duty Nil (31 March 2018: Rs. 37.56 lakhs)]	5,859.61	3,996.93
Revenue from Operations	**5,859.61**	**3,996.93**

A. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables *	1,013.00	1,198.78
Contract liabilities		
Advances from customers (Refer Note no 20)	85.19	199.77

* Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

B. Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue as per contracted price	5,862.76	4,000.58
Adjustments		
Sales return	3.13	3.65
Discount	0.02	-
Revenue from Operations	5,859.61	3,996.93

C. The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at year end are, as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers (Refer Note no 20)	85.19	199.77

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

24 Other income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income		
- on fixed deposit with banks	0.09	2.59
Dividend Income	0.08	0.08
Gain on fair valuation of investment	-	-
Foreign exhange fluctuation	0.04	-
Uncliamed balance writeen back	30.92	-
Total	**31.13**	**2.67**

25 Cost of raw material and components consumed

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cost of raw materials (Waste Paper)	3,448.40	2,338.35
Other components consumed		
Chemicals	184.28	110.59
Packing material	92.39	44.32
Stores & spares	185.90	96.78
Power & fuel	1,347.78	856.35
Repairs - plant & machinery	32.60	38.96
Total	**5,291.35**	**3,485.35**

26 (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock		
Finished goods	60.95	16.99
Stock in process	7.58	6.31
Scrap	14.00	10.00
Total (a)	**82.53**	**33.30**
Closing stock		
Finished goods	115.80	60.95
Stock in process	8.01	7.58
Scrap	15.00	14.00
Total (b)	**138.81**	**82.53**
Total (a) - (b)	**(56.28)**	**(49.23)**

27 Employee benefits expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	137.15	94.98
Contribution to provident and other funds	8.02	7.87
Gratuity expense	5.58	6.41
Total	**150.75**	**109.26**

28 Finance costs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on:		
- term loans	9.70	11.57
- bank borrowings & others	57.80	81.32
Total	**67.50**	**92.89**
Less: Amount included in capital work in progress	2.74	-
	64.76	**92.89**

29 Other expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
Printing & stationery	0.83	0.91
Communication expenses	1.31	0.95
Travelling & conveyance	8.05	-
Insurance charges	1.96	2.03
Legal & professional charges	1.97	3.04
Bank charges	4.57	0.37
Rates & taxes	2.41	88.91
Loss on sale of fixed assets	1.77	-
Investment written off	-	2.54
Loss on fair valuation of investment	-	0.12
Business promotion expenses	6.38	-
Rebate & discount	0.10	0.02
Freight outward & loading charges	115.63	60.38
Commission on sales	96.32	20.19
Payment to auditors	1.00	0.75
Vehicle running & maintenance	15.18	13.12
ETP running expenses	10.48	9.65
General expenses	3.07	2.53
Total	**271.03**	**205.51**

Detail of Payment to Auditors

	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor:		
Audit fee	0.75	0.60
Tax audit fee	0.25	0.15
Total	**1.00**	**0.75**

30 Earnings per share (EPS)

The following reflects the profit and loss share data used for the basic and diluted EPS computations:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net profit/(loss) for calculation of basic EPS	83.41	73.44
Weighted average number of equity shares for calculating basic EPS	38.55	38.55
Basic earnings/(loss) per share	2.16	1.91
Net profit/(loss) for calculation of diluted EPS	83.41	73.44
Weighted average number of equity shares for calculating diluted EPS	38.55	38.55
Diluted earnings/(loss) per share	2.16	1.91

	No. of shares	No. of shares
Weighted average number of equity shares in calculating basic EPS	38.55	38.55
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS	**38.55**	**38.55**

31 Employee benefit obligations

a) Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year: (Refer Note- 27)

Particulars	**2018-19**	**2017-18**
Contribution to provident & other fund	8.02	7.87
Total	**8.02**	**7.87**

b) Defined benefit plan

Gratuity is payable to eligible employees as per the Company's policy and The Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

Provision for leave benefits is made by the Company on the basis of actuarial valuation using the Projected Unit Credit (PUC) method.

Liability with respect to the gratuity is determined based on an actuarial valuation done by an independent actuary at the year end and is charged to Statement of Profit and Loss.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Other Comprehensive income as income or expense.

Other disclosures required under Indian Accounting Standards 19 "Employee benefits" are given below:

Statement of profit and Loss

Net employees benefit expense recognised in employee cost	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Current service cost	4.48	3.81
Interest cost on benefit obligation	1.47	-
Net benefit expense recognised in profit & loss	**5.95**	**3.81**

Balance sheet

Benefit asset/(liability)	**As at 31 March2019**	**As at 31 March2018**
Present value of unfunded obligation	(24.74)	(20.12)
Fair value of plan assets	-	-
Net liability	**(24.74)**	**(20.12)**

Changes in the present value of the defined benefit obligation

	For the year ended 31 March 2019	**For the year ended 31 March 2018**
Opening defined benefit obligaion	20.12	-
Current service cost	4.48	3.81
Interest cost	1.47	-
Past service cost	-	16.31
Benefit paid	-	-
Actuarial (gains)/ losses on obligation	(1.34)	-
Closing defined benefit obligation	**24.74**	**20.12**

Closing defined benefit obligation

Since the entire amount of plan obligation is unfunded therefore changes in fair value of plan assets, categories of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets for the next year as not given

The principal assumptions used in determining gratuity obligation

	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	7.60%	7.50%
Salary Escalation	8.00%	8.00%
Rate of Employee turnover	2.00%	2.00%
Retirement age	58 Years	
Mortality Table	100% of IALM (2006-08)	
Average withdrawal rate	Withdrawl Rate	Withdrawl Rate
a) Upto 25 Years	5.00%	5.00%
b) From 26 to 35 Years	3.00%	3.00%
b) From 36 to 45 Years	2.00%	2.00%
c) Above 45 Years	1.00%	1.00%

The estimates of future salary considered in actuarial valuation take account of inflation, total amount of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards. The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benfit obligation is given in the table below.

Particulars	Change in assumptions	For the year ended 31 March 2019	For the year ended 31 March 2018
Defined benefit obligation based on current assumptions		24.74	20.12
Discount rate	+0.50%	2.57	(5.40)
	-0.50%	0.21	6.35
Salary escalation	+0.50%	0.56	6.34
	-0.50%	2.34	(5.48)
Employee Turnover	+1%	-	-
	-1%	-	-

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of resonable changes in key assumptions occurring at the end of the reporting period

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Projected plan cash flows:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date

Maturity Profile	For the year ended 31 March 2019	For the year ended 31 March 2018
Within next 12 months	1.34	-
Between 2 and 5 years	8.42	-
Between 5 and 10 years	9.66	-

Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management estimation of the impact of these risks are as follows

Inflation risk

Currently the Company has not funded the defined benefit plans. Therefore, the Company, will have to bear the entire increases in liabilty on account of inflation

Longevity risk/life expectancy

The present value of the defined benefit plan liability is calclulated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increases in the salary of the plan participant will increase the plan liability

32 Financial instruments-fair values and accounting classification

Set out below, are the fair values of the financial instruments of the Company, including their accounting classification;

	As at 31 March 2019		As at 31 March 2018	
Financial Assets	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**
Trade receivables	1,013.00	-	1,198.78	-
Cash and cash equivalents	1.88	-	4.42	-
Bank Balance other than cash & cash equivalent	7.96	-	0.87	-
Total	**1,022.84**	**-**	**1,204.07**	**-**
Financial Liabilities				
Term Loans (Secured)	138.01	-	30.00	-
Vehicle Loans (Secured)	27.99	-	13.80	-
Loans from directors & relative (Unsecured)	82.77	-	111.19	-
Short-term borrowings	464.53	-	469.34	-
Trade payables	1,123.22	-	1,047.32	-
Current maturities of long term debt	36.06	-	36.37	-
Interest accured but not paid	0.06	-	-	-
Salaries & wages payable	20.02	-	14.61	-
Audit fee payable	0.90	-	0.68	-
Book overdraft	168.89	-	20.89	-
Power & electricity	6.17	-	5.00	-
Total	**2,068.62**		**1,749.20**	

Financial Instruments-Fair value hierarchy

The comapany categorizes financial assets and financial liabilities measured at fair value into one of three level depending on the ability to observe inputs employed in their measurement which are described as follows:

i) Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

ii) Level 2 Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the financial asset or financial liabilities.

iii) Level 3 Inputs are unobservable input for the assets or liability reflecting the significant modifications to observable related market data or Company's assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy to the financial assets and financial liabilities of the Company :-

Quantitative disclosure fair value measurement hierarchy for assets/liabilites as at period end

Particulars	Level of the Fair Value	As at 31 March 2019		As at 31 March 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets not measured at fair value					
Measured at amortised cost					
Financial assets (current)					
Trade Receivable	Level 3	1,013.00	1,013.00	1,198.78	1,198.78
Cash and cash equivalents	Level 3	1.88	1.88	4.42	4.42
Bank balance other than cash and cash equivalent	Level 3	7.96	7.96	0.87	0.87
Total		**1,022.84**	**1,022.84**	**1,204.07**	**1,204.07**
Financial liabilities not measured at fair value					
Measured at amortised cost					
Term Loans (Secured)	Level 3	138.01	138.01	30.00	30.00
Vehicle Loan (Secured)	Level 3	27.99	27.99	13.80	13.80
Loans from directors & relatives (Unsecured)	Level 3	82.77	82.77	111.19	111.19
Total		**248.77**	**248.77**	**154.99**	**154.99**
Short term borrowings	Level 3	**464.53**	**464.53**	**469.34**	**469.34**
Trade payables	Level 3	**1,123.22**	**1,123.22**	**1,047.32**	**1,047.32**
Financial liabilites (Current) Others					
Current maturities of long term debt	Level 3	36.06	36.06	36.37	36.37
Interest accrued but not paid	Level 3	0.06	0.06	-	-
Salaries & wages payable	Level 3	20.02	20.02	14.61	14.61
Audit fee payable	Level 3	0.90	0.90	0.68	0.68
Book overdraft	Level 3	168.89	168.89	20.89	20.89
Power & Electricty	Level 3	6.17	6.17	5.00	5.00
Total		**232.10**	**232.10**	**77.55**	**77.55**

Notes:

i) Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short term maturities of their instrument

ii) Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities have fair value that approximate to their carrying amounts due to their short-term nature.

iii) There are no transfer between Level 1, Level 2, and Level 3 during the year ended 31 March 2019 and 31 March 2018.

33 Financial Risk Management objectives and policies

Financial risk factors

The company's activities expose it to a variety of financial risks; market risk (including currency risks, interest rate risks and price risk), credit risk and liquidity risk. This note presents information about the company's exposure to each of the said risks, the company's objectives, policies and processes for measuring risks and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of director has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company to set appropriate measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the company's activities.

The company's exposure to the various types of risks associated to its activity and financial instruments is detailed below:

Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of a customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instrument that are subject to concentration of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instrument of the Company result in material concentration of credit risk.

Provision for expected credit losses

Recognition of provision of expected credit losses provision is done on the basis of:

Trade receivales:	Lifetime expected credit losses
Other assets:	12 months expected credit

For the year ended 31 March 2019

Particulars	Estimated gross carrying	Expected credit loss	expected credit losses	Carrying amount net of impairment provision
Trade Receivables	1,013.00	-	-	1,013.00
Cash and cash equivalents	1.88	-	-	1.88

For the year ended 31 March 2018

Particulars	Estimated gross carrying	Expected credit loss	expected credit losses	Carrying amount net of impairment provision
Trade Receivables	1,198.78	-	-	1,198.78
Cash and cash equivalents	4.42	-	-	4.42

Liquidity risk

Liquidity risk is the risk that the company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the company to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The table below summarises the maturity profile of financial liabilities of company based on contractual undiscounted payments:

For the year ended 31 March 2019	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings					
Term Loans (Secured)		30.00	138.01	-	168.01
Vehicle Loans (Secured)		6.06	27.99		34.05
Loans from director & relatives (Unsecured)		-	-	82.77	82.77
Short term borrowings					
Working capital loan from bank		464.53	-	-	464.53
Other financial liabilities					
Current maturities of long term borrowings'		36.06	166.00		202.06
Interest accrued and due on borrowings		0.06	-		0.06
Trade payables					
Trade payables		1,123.22	-		1,123.22

For the year ended 31 March 2018	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings					
Term Loans (Secured)		30.00	30.00	-	60.00
Vehicle Loans (Secured)		6.37	13.80		
Loans from directors & relatives (Unsecured)		-	-	111.19	111.19
Short term borrowings					
Working capital loan from bank		469.34	-	-	469.34
Other financial liabilities					
Current maturities of long term borrowings'		36.37	43.80		80.17
Interest accrued and due on borrowings		-	-		-
Trade payables					
Trade payables		1047.32	-		1,047.32

34 Market Risk

Market risk is the risk that the Company's assets and liabilities will be exposed to due to a change in market prices such as foreign exchange rates and interest rates that determine the valuation of these financial instruments. Financial instruments affected by market risk include receivables, payables, and loans and borrowings.

(a) Foreign currency risk exposure:

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company’s functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

Particulars	As at 31 March 2019	As at 31 March 2018
	USD	USD
Financial Assets		
Trade Receivables	-	-
Net Exposure to foreign currecy risk (assets)	-	-
Financial Liabilities		
Trade Payables	0.17	-
Net Exposure to foreign currency risk (liability)	(0.17)	-

(b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

	Impact on Profit after Tax	
	For the year ended 31 March 2019	For the year ended 31 March 2018
USD Sensitivity		
INR/USD -Increase by 5% (31 March 2019-5%)	0.01	-
INR/USD -Decrease by 5% (31 March 2018-5%)	(0.01)	-

(c) Interest rate risk exposure:

The exposure of the group’s borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Variable Rate Borrowings		
Term loan from Banks	138.01	30.00
Vehicle loan from Banks	27.99	13.80
Total	**166.00**	**43.80**

(d) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Particular	Impact on profit after tax	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest rates – increase by 50 basis points*	0.45	0.53
Interest rates – decrease by 50 basis points*	(0.45)	(0.53)
Total		

* Holding all other variable constant

35 Contingent Liabilities and Commitments (to the extent not provided for)

Contingent Liabilities	**As at 31 March 2019**	**As at 31 March 2018**
Bank guarantee	7.80	0.80
Commercial tax	9.30	9.57
Commitment		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	74.14	Nil

36 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

a	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
b	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

37 Related Party Disclosure

Related Parties names and relationship

Name of Party	Principal Place of Operation	Principal Activitites	Relation
Shri Sanjeev Singhal	India	Investing	Key Management Personnel
Shri Ayush Agarwal	India	Investing	Key Management Personnel
Smt. Ayushi Gupta	India	Company Secretary	Key Management Personnel
Shri Arjun Agarwal	India	Investing	Relative of Key Management Personnel
Shri Girish Kumar Agarwal	India	Investing	Relative of Key Management Personnel
Shri Anil Kumar	India	Investing	Relative of Key Management Personnel
Smt. Disha Agarwal	India	Investing	Relative of Key Management Personnel
Smt. Saraswati Devi	India	Investing	Relative of Key Management Personnel
Smt. Surbhi	India	Investing	Relative of Key Management Personnel

Companies/firms controlled by directors/relatives

ACS Papers Pvt. Ltd., Delhi
ACS Papers Pvt. Ltd., Muzaffarnagar
Aviana Enterprises
Bindal Merchandise
Ginny Enterprises

Related parties transaction and balance

Name of the Related Parties and Relationship	Key Management personnel		Companies controlled by Directors / Relatives	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Unsecured Loans repayment	19.00	17.00	26.92	67.97
Unsecured Loans taken	-	4.00	12.50	7.50
Interest paid	4.33	6.47	9.39	15.80
Outstanding Payable as on 31.03.2019	46.21	57.68	36.56	53.51
Sale	-	-	437.56	322.56
Purchase	-	-	1,138.10	1,138.10

38 Segment Reporting

In line with IND AS 108 - Operating Segments and on the basis of review of operations being done by the senior management, the operations of the Company fall under Manufacturing of Paper products, which is considered to be the only reportable segment by the management.

Details of Revenue from Single Customer more then 10%

There is no revenue from single customer which exceeeds the 10% of the total revenue of the company for the FY 2018-19

Non Current Assets	**As at March 31, 2019**	**As at March 31, 2018**
(Other than financial instruments; Post Employment benefits; Deffered Tax Assets; and right arising under insurance contracts)		
Within India	47.60	2.97
Outside India	-	-

39 Capital management

(a) Risk management

The Company's objectives when managing capital are to Safeguard their ability to continue as a goning concern, so that they can continue to provide return for shareholders and benefits for other stakeholders, and Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the followings gearing ratio:
Net debt (total borrowings net of cash and cash equivalents)
divided by

Total 'equity' (as shown in the balance sheet, including non-controlling interests)

The company's gearing ratio were as follows:

Particular	As at 31 March 2019	As at 31 March 2018
Net debt	747.54	656.28
Total equity	902.60	818.22
Net debt to equity ratio	**83%**	**80%**

In order to achieve this overall objective, the Company's capital management amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowing that define capital structure requirement. Breaches in meeting the fianancial covenants would permit the bank to immediately call loans and borrowings.

Previous year figures have been re-arranged and re-grouped wherever necessary.

Summary of significant accounting policies 1-2
The accompanying notes are an integral part of the financial statements

As per our report of even date

For Raj Sandhya & Co.
ICAI Firm Registration No.: 002011C
Chartered Accountants

For and on behalf of the Shakumbhri Pulp & Papers Mills Limited

Sd/-
Raj Kumar Sharma
Partner
Membership No.: 077650

Sd/-
Director
(Girish Kumar Agarwal)
DIN- 06457199

Sd/-
Director
(Ayush Agarwal)
DIN- 06441664

Place: Muzaffarnagar
Date: 30.05.2019

Sd/-
Company Secretary
(Ayushi Gupta)
PAN : ASQPG9580K