

2020-21

ANNUAL REPORT

**SHAKUMBHRI PULP AND PAPER
MILLS LIMITED**

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Notice is hereby given that the 33rd Annual General Meeting of the shareholders of **M/S SHAKUMBHARI PULP AND PAPER MILLS LIMITED** will be held on the 30th day of September, 2021 at 1:30 P.M. through Video Conferencing /Other Audio Visual Means ("VC/OAVM") facility to transact the following businesses:-

ORDINARY BUSINESS(s):

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2021 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 Girish Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

6. APPROVAL FOR THE APPOINTMENT OF MR. GIRISH KUMAR AGARWAL (DIN: 06457199) AS WHOLE TIME DIRECTOR:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V 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 appointment of Mr. Girish Kumar Agarwal (DIN 06457199) as Whole Time Director of the Company, for a period of 5 (Five) years with effect from 30th June, 2021 ,on the terms and conditions including remuneration as set out in the resolution.

RESOLVED FURTHER THAT appointment of Mr. Girish Kumar Agarwal, shall be subject to retirement by rotation during his tenure as Whole Time Director.

RESOLVED FURTHER THAT w.e.f 01/10/2021, Mr. Girish Kumar Agarwal shall be paid salary of Rs. 1,00,000/- (Rupees One Lakh only) per month; maximum upto Rs. 3,00,000/- (Rupees Three Lakh Rupees Only) per month for a period of 3 years, as may be determined by the Board of Directors of the company from time to time with in the overall ceiling prescribed under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the said remuneration be paid/ extended to Mr. Girish Kumar Agarwal, Whole Time Director as minimum remuneration in the event of there being loss or inadequacy of profits; provided that the remuneration shall be within the overall ceiling prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By the order of the Board
FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

Sd/-
AYUSHI GUPTA
(COMPANY SECRETARY)

DATED: 13th August 2021
PLACE: Muzaffarnagar

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 6 of the accompanying Notice dated 13th August, 2021.

Item No. 6

Mr. Girish Kumar Agarwal is the Director of the Company since 2013. He is having extensive experience in area of Marketing, General management, Business Management and operational aspects of the Company. Considering his prospective contribution to the growth of the company, the Board of Directors in their meeting held on 30th June, 2021, appointed Mr. Girish Kumar Agarwal as Whole Time Director of the Company, for a period of 5 (Five) years with effect from 30th June, 2021, on the terms and conditions including remuneration as set out in the resolution within the overall limits laid down under Schedule V of the Companies Act, 2013.

The Board recommends the Special Resolution set out in item 6 of the Notice convening the meeting for the approval of the Shareholders. As required under the Act, further particulars pertaining to the Company and the appointee are set out hereinafter.

I General Information

(a) Nature of Industry

At present the company is engaged in manufacturing of the papers such as Kraft Paper.

(b) Date or expected date of commencement of commercial production

The company commenced business on 06.02.1986.

(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable

(d) Financial performance based on the given indicators.

Past performance of last two years are given below:

(INR in Lacs)

	31.03.2021	31.03.2020
Net Sale/Income from Operations	7414.40	5766.48
Other Income	27.71	7.60
Total Income	7442.11	5774.08
Profit Before Tax	228.33	80.24
Profit After Tax	170.59	32.25
Paid-Up Share Capital	385.50	385.50
Other Equity	718.36	544.99

(f) Foreign Investments or collaborators if any:

Not Applicable

II Information about the appointees

Mr. Girish Kumar Agarwal**(a) Background details**

Mr. Girish Kumar Agarwal has good marketing as well as administrative skill. He is actively engaged in the running of existing business of the company since a long time. He has extensive experience in area of Marketing, General management, Business Management and operational aspects.

(b) Past Remuneration

Nil

(c) Recognition or awards

None

(d) Job profile and his suitability:

Subject to the superintendence, control and direction of the Board, Mr. Girish Kumar Agarwal will manage and superintend the business affairs and properties of the Company and do all such lawful acts and things in relation to such management and superintendence as he shall think fit and reasonable.

(e) Remuneration proposed

As mentioned in Resolution.

(f) Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of Origin.)

The remuneration structure of Mr. Girish Kumar Agarwal is not higher than what is drawn by his peers in comparable Companies.

(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any;

Mr. Girish Kumar Agarwal does not have any pecuniary relationship with the company.

(h) Other Listed Entities in which he holds directorship and membership in Committees of Board

None

III. Other information:

(1) Reasons of loss or inadequate profits

Profit margins are low due to heavy competition in paper market.

(2) Steps taken or proposed to be taken for improvement

Company is trying to expand the market to increase its sales & profitability.

(3) Expected increase in productivity and profits in measurable terms

It depends on quantum of sales and profit figures.

IV. Disclosures:

(a) The remuneration package of Mr. Girish Kumar Agarwal has already been mentioned in the resolution.

(b) The necessary disclosures as required under the Act have already been made in the Report of the Board of Directors.

The Board considers that having regard to the contribution of Mr. Girish Kumar Agarwal towards remarkable growth of operational activities of the Company during his current tenure, the appointment of Mr. Girish Kumar Agarwal as Whole Time Director of the Company for a period of five years is fully justified. As such the Board commends the Special Resolution set out in item 6 of the Notice convening the meeting for the approval of the Shareholders.

Except the appointee, no other Director/Key Managerial personnel or any relative of Director or Key Managerial Personnel have any concern or interest in the said resolution.

IMPORTANT NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with and the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence, Attendance Slip and Proxy Form including Route Map are not annexed to this notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://shakumbhripulp.com>. The Notice can also be accessed from the websites of the Stock Exchange i.e. MSEI Limited at www.msei.in. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. Details under Listing Regulations and Revised Secretarial Standards - 2 on General Meetings, in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
12. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at shakumbhripaper@gmail.com along with the copy of the signed request

letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.

13. The Register of Members and Share Transfer Registers will remain closed from 23.09.2021 to 30.09.2021 (Both days inclusive).
14. Skyline Financial Services Private Limited is the Registrar and Share Transfer Agent of the company for both physical and electronic form of shareholdings. All communications relating to shares should be directly addressed to:

Skyline Financial Services Private Limited
D-153 A, 1st Floor , Okhla Industrial Area, Phase - I
New Delhi-110 020.
15. All documents referred to in the accompanying Notice shall be available for inspection through electronic mode on the request of the shareholder sent on shakumbhripaper@gmail.com.
16. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the Annual General Meeting on login at CDSL e-voting system.
17. The Ministry of Company Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic mode. We propose to send future communication, in electronic mode to the e-mail address provided by you. So, Shareholders whose e-mail address is not registered with us are requested to please get your email address registered with us, so that your Company can contribute to the safety of environment.

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on 27th September, 2021 at 10.00 A.M and ends on 29th September, 2021 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; agarwalduplex1984@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance between **20th September 2021 to 25th September 2021** mentioning their name, demat account number/folio number, email id, mobile number at shakumbhripaper@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **upto 25th September 2021** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, MarathonFuturex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

- (xvii) Mrs. Shailly Goel, Practicing Company secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process and casting vote through the e-voting system during the meeting in a fair and transparent manner.
- (xviii) The Scrutinizer shall, immediately after the conclusion of the voting at the general meeting, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of AGM, who shall then countersign and declare the result of the voting forthwith.
- (xix) The Results shall be declared after receiving the Consolidated Scrutinizer's Report from the Scrutinizer. The result declared shall be placed on the Company's website <https://shakumbhripulp.com/> and on the website of CDSL.

By the order of the Board
FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

Sd/-
AYUSHI GUPTA
(COMPANY SECRETARY)

DATED: 13th August 2021
PLACE: Muzaffarnagar

Annexure- Details of Proposed Directors

Sr. No.	Name of Directors	Arjun Kumar Agarwal	Sanjeev Singhal	Girish Kumar Aggarwal	Amit Agarwal
1	Director Identification Number (DIN)	2614019	954385	6457199	1336763
2	Date of Birth	04.10.1965	24.05.1963	14.02.1960	01.07.1974
3	Permanent Account Number (PAN)	ACJPA7822R	ALUPS5340Q	AHBPA9708M	ACCPA1463F
4	Date of Appointment on the Board	01.06.2009	01.06.2009	01/02/2013	01/02/2013
5	Experience in specific functional area	26 Years	27 Years	31 Years	19 Years
6	Expertise in specific functional area	Shri Arjun Kumar Agarwal has good accounting and financial knowledge.	Shri Sanjeev Singhal is experienced person having good administrative skill.	Shri Girish Kumar Agarwal has good marketing and administrative skill.	Shri Amit Agarwal is an experienced person having good marketing skill.
7	No. of equity shares held in the Company (as on 31st March, 2021)	2,49,100 shares	42,150 shares	62,500 shares	7,05,700 shares
8	Qualification	Graduate	Graduate	Graduate	Graduate
9	List of other Directorships	NIL	NIL	NIL	NEERAJ PAPER MARKETING LIMITED
					BINDAL PULP AND PAPERS PRIVATE LIMITED
					BINDAL INDUSTRIES LIMITED
					BINDAL ROLLING MILLS LIMITED
					BRINA GOPAL TRADERS PVT.LTD.
10	Membership/Chairman of Committees of the other Companies	NIL	NIL	NIL	Member - Audit Committee and Nomination and Remuneration Committee of Neeraj Paper Marketing Limited Chairman - Stakeholder Relationship Committee of Neeraj Paper Marketing Limited
11	Relationships, if any, between Directors inter se	-	-	-	-

DIRECTORS' REPORT
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March, 2021

Dear Members,

Your directors have pleasure in presenting you their 33rd 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 2021.

FINANCIAL RESULTS**(Amount in Lakhs)**

	31.03.2021	31.03.2020
Net Sale/Income from Operations	7414.40	5766.48
Other Income	27.71	7.60
Total Income	7442.11	5774.08
Profit before Finance Charges, Depreciation & Tax	423.35	227.22
Finance Charges	102.17	71.83
Depreciation & Amortization	92.85	75.15
Profit Before Tax	228.33	80.24
Tax : 1. Current tax	39.65	13.97
2. Deffered tax	55.52	47.17
3.MAT Credit Entitlement/Utilization	(37.43)	(13.15)
Profit After Tax	170.59	32.25
Paid-Up Share Capital	385.50	385.50
Reserve & Surplus	718.36	544.99
Transfer to General Reserves	-	-

DIVIDEND

As company required funds for business and growth, your Directors do not recommend any Dividend for the financial year 2020-2021.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

During the Financial year 2020-21, there was lockdown in the entire country due to CoVID-19 from 25th March, 2020 to May, 2020. Unlocking of manufacturing activities gradually started from the month of May, 2020. The plant of the company was shutdown due to the lockdown during the month of April, 2020 and also impacted during the month of May, 2020. Due to the lockdown, the operations of the company were impacted. However, inspite of lockdown, your company shown growth during the period under review.

Turnover for the Financial year ended 31.03.2021 is Rs. 7414.40 Lacs as compared to Rs. 5766.48 Lacs in the last year. The Net profit after Tax is Rs. 170.59 Lacs as compared to Rs. 32.25 Lacs in the last year. Your Directors are optimistic about company's business and hopeful of more better performance with increased revenue in next year.

Your directors are pleased to inform you that our company has been listed on Metropolitan Stock Exchange of India Limited w.e.f 27/08/2020.

The company is engaged in manufacturing of Kraft Paper. There was no change in the nature of business of company

FUTURE PROSPECTS

According to the "Paper Mart (A bio-monthly magazine for Paper Industries in India)", the Indian paper industry has a promising opportunity to become a global supplier of segments such as Kraft paper, and by upgrading technologically, we can seamlessly be on the path to be the leader globally.

The price of paper has been showing an upward trend these days and chiefly speaking, the less availability of the containers has substantially impacted the prices, and in effect, the collections in western countries has been majorly affected since the emergence of the pandemic.

As we look back on the year 2020, it's impossible to overlook the impact of the global pandemic on countless industries and the economies of almost every nation around the globe. In the face of the COVID-19 crisis, the pulp and paper industry had to swiftly make efforts to optimize their company's resilience – while assessing opportunities for growth coming out of the downturn.

Also President of **Indian Papers Manufacturers Association**, told *Business Line*, "The first and second pandemic wave adversely affected the sector with paper consumption coming down. We hope to see demand recovery from the third quarter and pick up in the fourth quarter. However, there has been an all-round increase in input costs, across raw materials and in energy costs, as also of all sizing chemicals leading to pressure on costs."

Due to the Covid pandemic since March 2020, the paper industry's both inward and outward supply chains have been disrupted, and are yet to recover fully. There has also been a severe demand compression due to the lockdown, closing down of educational institutes, commercial establishments and downstream printers, publishers, converters, stationery services.

Impacted by the first and second waves of the Covid pandemic, the country's paper sector expects a revival of demand from the current half of the calendar year.

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.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION 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.

SHARE CAPITAL

The paid up equity share capital as on 31/03/2021 was Rs. 385,50,000/- . Further the company has not bought back any of its securities, has not issued any Sweat Equity Shares, has not provided any Stock Option Scheme to the employees and no Bonus Shares were issued during the year under review.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

No company has become or ceased to be the Subsidiary, Joint Venture And Associate Company of the company during the Financial Year.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there is no change in directors and KMP of the company.

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. The Board is of opinion that all the Independent directors of the company possess requisite qualification, experience and expertise in the paper industry, finance, business management and other operational aspects and they hold the highest standards of integrity.

Mr. Ayush Agrarwal, Whole Time director of the company has resigned from the directorship of the company w.e.f 30/06/2021.

Pursuant to the recommendation of Nomination and Remuneration Committee, Mr. Girish Kumar Agarwal has been appointed as Whole time Director of the company in the Board Meeting held on 30/06/2021 with immediate effect. Approval of shareholders is required for appointment of Mr. Girish Kumar Agarwal as Whole time Director of the company. Accordingly, special resolution for his appointment is included in the Notice of ensuing AGM for approval of members of the Company.

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

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.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Remuneration Policy is available on the website of the Company i.e. www.shakumbhripulp.com. The highlights of this policy are as follows:

1. Criteria of selection of Non Executive Directors

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

- i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

2. Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board / Committee meetings and commission as detailed hereunder:

- i. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

3. Managing Director & Whole Time Director – Criteria for selection / appointment

For the purpose of selection of the Managing Director or Whole Time Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the Managing Director or Whole Time Director

- i. At the time of appointment or re-appointment, the Managing Director or Whole Time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole Time Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Managing Director or Whole Time Director shall comprise only of the fixed component. The fixed component shall comprise salary, allowances, perquisites, amenities and retiral benefits.

Remuneration Policy for the Senior Management Employees

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the board level) the Committee shall ensure / consider the relationship of remuneration and performance benchmark is clear;

The Managing Director or Whole Time Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

MEETINGS OF BOARD OF DIRECTORS:

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

The dates of board meetings are as follows:

30/04/2020, 25/06/2020, 31/07/2020, 04/09/2020, 11/11/2020, 12/02/2021 and 10/03/2021.

The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

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. Whistle Blower policy is available on the website of the Company i.e. www.shakumbhripulp.com.

COMMITTEES OF THE BOARD**a) AUDIT COMMITTEE**

As on 31/03/2021, the Audit committee comprises of the following directors:

Mrs. ALKA RANI (Non- Executive, Independent Director)	-Chairman
Mr. SHIKHAR AGARWAL (Non - Executive, Independent Director)	-Member
Mr. ARJUN KUMAR (Non-Executive Director)	-Member

All the recommendations made by Audit committee were accepted by the Board.

b) NOMINATION AND REMUNERATION COMMITTEE

As on 31/03/2021, the Nomination and Remuneration Committee comprises of the following directors:

Mrs. ALKA RANI (Non- Executive, Independent Director)	-Chairman
Mr. SHIKHAR AGARWAL (Non - Executive, Independent Director)	-Member
Mr. ARJUN KUMAR (Non-Executive Director)	-Member

CORPORATE SOCIAL RESPONSIBILITY

As per Companies Act, 2013, provisions of Corporate Social Responsibility are not applicable to the company.

AUDITORS:

M/S RAJ SANDHYA & CO., Chartered Accountants, Muzaffarnagar were already appointed as Statutory Auditor up to year 2021-22. The Report given by the Auditors on the financial statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their Report on the financial statements for the year ended March 31, 2021.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shailly Goel & Co., Company Secretaries to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed herewith as '**Annexure 1**'. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITOR

Due to non – applicability of section 148 and applicable provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules 2014, the Company is not required to appoint cost auditor for audit of cost records.

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-II to the Board's Report. The company has filed its annual return for the financial year ended 31/03/2020 & the same has been uploaded on the website of the Company i.e. www.shakumbhripulp.com.

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 are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval.

A particular of contracts or arrangements or transactions in Form AOC 2 is attached as Annexure - III.

MANAGERIAL REMUNERATION AND OTHER DISCLOSURES:

Disclosure under Rule 5 of Companies (Appointment and Remuneration) Rules, 2014 is attached as **Annexure IV**.

PARTICULARS OF EMPLOYEES

During the year, there is no employee drawing remuneration in excess of the limits specified under Companies Act, 2013 and rules made there under.

However, the prescribed information of Employees as required under Section 134(3) (g) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as **Annexure V**.

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. However, unsecured loan from Directors has been received during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:

All efforts are made to conserve and optimize use of energy with continuous monitoring and to reduce its electricity consumption during the financial year.

(B) Technology absorption:

Since the company is involved in the manufacturing activities, so always try to use the latest mode of technology. There is no specific expenses were made under this financial year, subject to minor repair of wear & tear of machinery.

(C) Foreign exchange earnings and Outgo:

There is no Foreign exchange earnings of the company during the financial year. However, there was outflow of Rs. 150,80,480.58/- during the year.

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.

RISK MANAGEMENT POLICY

In accordance with Companies Act, 2013 and listing Regulation, the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, these risks are assessed and the company has not identified any element of risk which may threaten the existence of the company.

INTERNAL COMPLAINT COMMITTEE

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Further, your Directors state that during the year under review, company has complied with the provisions relating to constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and there were no cases of sexual harassment reported to the Company pursuant to the sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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.

By the order of the Board
FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

DATED: 13th August 2021
PLACE: Muzaffarnagar

Sd/-
GIRISH KUMAR AGARWAL
WHOLE TIME DIRECTOR
DIN : 06457199

Sd/-
ARJUN KUMAR
DIRECTOR
DIN : 02614019

ANNEXURE TO DIRECTORS REPORT
MANAGEMENT DISCUSSION & ANALYSIS REPORT**INDUSTRY STRUCTURE AND DEVELOPMENT****PAPER INDUSTRY:**

India's share in the demand for paper across the globe were analysed is growing, as the domestic demand is increasing at a steady pace, while the demand in western nations is shrinking. Notably, the demand for domestic paper in India rose from 9.4 million tonnes in FY08 to 15.4 million tonnes in FY16. Despite the continuous growth in the industry, per capita paper consumption in the country stands at a little over 14 kg, which is still well below the global average of 57 kg and considerably below 200 kg in North America.

The Indian paper & paper products market is projected to grow from \$ 8.6 billion in 2018 to \$ 13.4 billion by 2024, exhibiting a CAGR of 7.8% during 2019-2024.

Growing manufacturing sector, requirement of better quality packaging of FMCG products marketed through organized retail and the demand for the upstream market of paper products, such as tissue paper, filter paper, tea bags, light weight online coated paper and medical grade coated paper are expected to drive the paper & paper products market in India in coming years. Ballarpur Industries Limited (BILT) and ITC are among the largest producers of paper in the country.

According to the "**Paper Mart (A bi-monthly magazine for Paper Industries in India)**", the demand for domestic paper in India rose from 9.4 million tonnes in FY08 to 15.4 million tonnes in FY16; and it continues to rise. Besides, the Indian paper and paper products market is projected to grow from USD 8.6 billion in 2018 to USD 13.4 billion by 2024, exhibiting a CAGR of 7.8 percent during 2019 to 2024.

Also, the Indian paper industry has a promising opportunity to become a global supplier of segments such as Kraft paper, and by upgrading technologically, we can seamlessly be on the path to be the leader globally.

The price of paper has been showing an upward trend these days and chiefly speaking, the less availability of the containers has substantially impacted the prices, and in effect, the collections in western countries has been majorly affected since the emergence of the pandemic.

As we look back on the year 2020, it's impossible to overlook the impact of the global pandemic on countless industries and the economies of almost every nation around the globe. In the face of the COVID-19 crisis, the pulp and paper industry had to swiftly make efforts to optimize their company's resilience – while assessing opportunities for growth coming out of the downturn.

Also President of **Indian Papers Manufacturers Association**, told *Business Line*, "The first and second pandemic wave adversely affected the sector with paper consumption coming down. We hope to see demand recovery from the third quarter and pick up in the fourth quarter. However, there has been an all-round increase in input costs, across raw materials and in energy costs, as also of all sizing chemicals leading to pressure on costs."

Due to the Covid pandemic since March 2020, the paper industry's both inward and outward supply chains have been disrupted, and are yet to recover fully. There has also been a severe demand compression due to the lockdown, closing down of educational institutes, commercial establishments and downstream printers, publishers, converters, stationery services. Impacted by the first and second waves of the Covid pandemic, the country's paper sector expects a revival of demand from the current half of the calendar year.

PAPER & PAPER PRODUCTS DEMAND

- Food banks around the world are experiencing dramatic increases in demand for food assistance driven by the economic impact of the COVID-19 pandemic. Now, more than ever, food banks need support. Paper Industry is responding with its essential products —like corrugated boxes.
- Impacted by the first and second waves of the Covid pandemic, the country's paper sector expects a revival of demand from the current half of the calendar year.

Due to the Covid pandemic since March 2020, the paper industry's both inward and outward supply chains have been disrupted, and are yet to recover fully. There has also been a severe demand compression due to the lockdown, closing down of educational institutes, commercial establishments and downstream printers, publishers, converters, stationery services, according to Indian Paper Manufacturers Association.

"The consumption has gone down drastically, not only due to closure of educational institutes but also offices, IT companies and service industries. This has adversely impacted writing and printing grades and also grades like tissue. All segments of paper were adversely impacted, and it is only a matter of degree amongst different grades, with writing and printing and newsprint segments the worst impacted," the Association states.

However, the writing and printing paper is facing a bleak scenario and demand would improve only when schools and colleges reopen. As the

other sectors of the economy have started recovering, the need for packaging and paperboard is improving. Exports are providing some relief, even though realisations have gone down, as other countries have not been so severely impacted compared to India. The sector can grow as the per capita paper consumption in India is at 15 kg against the global average of 57 kg. While the demand for paper is growing at 6-7 per cent per annum, India's share in world production of paper is at about five per cent, with an estimated output of 19 million tonnes per annum (TPA) and an annual turnover of about Rs.70,000 crore wherein the domestic market size of ₹80,000 crore.

According to CPPRI data (2019-20), India has 861 paper mills with 526 operational and with total installed capacity of 27.15 million tonnes. The emphasis on education and literacy coupled with growth in organised retail and demand for better quality paper are the major drivers for writing and printing paper. There has been continued demand for quality packaging of FMCG products, organised retail, booming e-commerce, and other segments.

According to Rohit Pandit, IPMA, Secretary-General, "The paper Industry has made substantial investments in the last 5-7 years and it is becoming very difficult to meet its financial obligation in view of significant drop in margins. In recent years, several paper mills have closed down due to commercial unavailability."

The Indian paper & paper products market has been segmented into raw material, application and region. Based on raw material, the market has been categorized into waste & recycled paper, wood and agro residue. The waste & recycled paper segment is expected to dominate the market during forecast period, owing to growing concerns about the cutting down of trees for producing pulp. Further, based on application, the market has been bifurcated into writing & printing paper, paperboard & packaging, newsprint and specialty paper.

Among the application segments, the demand for paperboard & packaging is growing at the fastest pace, as paperboard & packaging caters to industries including FMCG, food & beverages, textiles and pharmaceutical. The segment is also expected to dominate the market, owing to factors such as rising urbanization, increasing preference for ready-to-eat foods and requirement of better-quality packaging of FMCG products marketed through organized retail.

The paper & paper products market in India has been segmented into North, South, East and West. Western region is the lead consumer of paper & paper products across the country, on account of increasing paper consumption, especially FMCG products.

The paper mills use a variety of raw materials such as wood, bamboo, bagasse, recycled fiber, wheat straw, rice and husk. The geographical location of the mill often determines the type of raw material used. Most mills in the northern and western regions of India depend heavily on agricultural residues and wastepaper as their raw material. While pulp & paper production in southern and eastern regions use wood and bamboo as raw materials.

OPPORTUNITIES AND THREATS

OPPORTUNITIES:

The competitive strengths and the opportunities that are available to the Indian Paper Industry are:

- It is large and growing domestic paper market and potential for export.
- fast growing contemporary printing sector.
- Government's thrust for improving education and literacy in the Country.
- availability of qualified technical manpower with capability to design, build and manage world scale pulp and paper mills.
- well established Research and Development (R & D) facilities / activities encouraging innovation.
- potential for creation of sustainable raw material base through farm plantations.

THREAT:

- There are no threats anticipated towards our business except competition and covid situations in the globe and in India which can affect the activities of the business..

SEGMENT -WISE /PRODUCT WISE PERFORMANCE

Company is engaged in Manufacturing of Kraft paper. During the year 2020-21, turnover of Kraft Paper contributed 100% in the gross turnover of the Company.

OUTLOOK

The company utilized the total capital arranged. In addition to the core paper Manufacturing, the company always trying to explore the opportunities in those sector where the company can increase the value of stakeholders. Paper, Paper Board and Other Paper items contributed 100% in the gross turnover of the Company.

RISKS AND CONCERN

An integrated risk management process is being adopted by the company that works towards the evaluation of the associated business risk and enables the company to survive in the competitive environment. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and the company has not identified any element of risk which may threaten the existence of the company.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

The Audit Committee of the company also reviews the internal control system prevalent at each level of the organization and passes on its recommendation to the management in respect of the areas, which requires the correction.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial and operative performance is already elaborated in Directors Report.

HUMAN RESOURCES

The company continuously works on the development of the employees at various levels. The management makes sure that the employee morale and dedication remains high and that they contribute their fullest and best to the organization. The recreational activities like seminars/vacations are planned for the employees at regular intervals. As on 31/03/2021, the Company has 72 employees. Industrial relations are cordial and satisfactory.

KEY FINANCIAL RATIOS

The details of changes in Key Financial Ratios as compared to the immediately previous financial year along with explanations are as follows:

Nature of Ratios	For year ended 31.03.2020	For year ended 31.03.2021	Changes %	Explanation for Changes more than 25%
Debtors Turnover	5.56	6.09	9.48	Not Applicable
Inventory Turnover	9.18	11.43	24.53	Not Applicable
Interest Coverage Ratio	2.12	3.23	52.57	Due to increase in Net profit
Current Ratio	0.80	0.89	11.25	Not Applicable
Debt Equity Ratio	0.35	0.37	6.58	Not Applicable
Operating Profit Margin%	2.64	4.46	69.12	Due to increase in profit
Net Profit Margin%	0.56	2.30	311.25	Due to increase in Net profit

CHANGES IN RETURN ON NET WORTH

The return on net worth for the financial year 2019-20 and for the financial year 2020-21, it is 0.04 and 0.16 respectively. The change in return on net worth as compared to the immediately previous financial year is 351.65% and reason for change in the above is due to increased profits during the FY 2020-21.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis and in the Directors' Report, describing the company's objectives, projections and estimates, results may vary materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

By the order of the Board
FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

DATED: 13th August 2021

PLACE: Muzaffarnagar

Sd/-
GIRISH KUMAR AGARWAL
WHOLE TIME DIRECTOR
DIN : 06457199

Sd/-
ARJUN KUMAR
DIRECTOR
DIN : 02614019

**Annexure I to Board Report
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
Shakumbhri Pulp and Paper Mills Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shakumbhri Pulp and Paper Mills Limited**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Shakumbhri Pulp and Paper Mills Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Shakumbhri Pulp and Paper Mills Limited** for the financial year ended on **31st March, 2021** according to the provisions of:

- (i). Companies Act, 2013 and the rules made thereunder.
- (ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (ECB). – Not applicable during the Audit period
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (i). The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (ii). The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - (iii). The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable during the Audit period
 - (iv). The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable during the Audit period
 - (v). The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable during the Audit period
 - (vi). The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable during the Audit period
 - (vii). The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable during the Audit period
 - (viii). The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable during the Audit period

In respect of other laws specifically applicable to the Company, we have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company and the reporting is limited to that extent. As per the information, the following other laws are specifically applicable to the company:

- (i) Factories Act, 1948;
- (ii) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
- (iii) Acts prescribed for prevention and control of pollution and Environmental protection;
- (iv) Acts as prescribed under Direct Tax and Indirect Tax ;
- (v) Indian Boilers Act, 1923;
- (vi) Petroleum Act, 1934 and rules made thereunder;

We have also examined compliance with the applicable clauses of the following:

- (i). Secretarial Standards on Meetings of Board of directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India
- (ii). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- (i). The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii). Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes

We further report that based on the information received and records maintained by the Company, there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, company had following event having a major bearing on the Company's affairs in pursuance of the above referred laws rules, regulations, guidelines etc.:

- (i) The company has got listing approval from Metropolitan Stock Exchange of India Limited for listing of equity shares of company w.e.f. 27/08/2020.

**For Shailly Goel & Co.
Practicing Company Secretaries**

**Sd/-
Shailly Goel
Company Secretary
FCS No: 8769
C.P. No.: 9196**

**Date: 9th August, 2021
Place: New Delhi
UDIN: F008769C000755900**

Note: This report to be read with our letter of even date which is annexed as 'Annexure A' and forms integral part of this report.

'ANNEXURE A'

To,
The Members,
Shakumbhri Pulp and Paper Mills Limited
4.5 K.M. Bhopa Road, Muzaffarnagar,
Uttar Pradesh-251001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Shailly Goel & Co.
Practicing Company Secretaries

Sd/-
Shailly Goel
Company Secretary
FCS No: 8769
C.P. No.: 9196

Date: 9th August, 2021
Place: New Delhi

**Annexure II to Board Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2021**
[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	L21012UP1986PLC007671
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 KM, Bhopa Road, Muzaffarnagar, Uttar Pradesh - 251001
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Private Limited D-153 A, 1st Floor , Okhla Industrial Area, Phase - I New Delhi-110 020 Ph: 011-26812682

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:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturer of Kraft Papers	1701	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, 2021

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	637500	NIL	637500	16.54	637500	NIL	637500	16.54	NIL
b) Others	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-	637500	NIL	637500	16.54	637500	NIL	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)	637500	NIL	637500	16.54	637500	NIL	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)	637500	3217500	3855000	100	637500	3217500	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, 2020 and March 31, 2021.

(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	Director	42150	42150
2.	01336763	Amit Bindal	Director	701000	701000
3	02614019	Arjun Kumar Agarwal	Director	249100	249100
4	04416646	Ayush Agarwal	Whole time 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) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Date wise Increase / Decrease in Promoters Shareholding during the year	Cumulative Shareholding after change during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		Changes on shareholding	No. of shares
1.	VATSAL SINGLA	170500	4.4228	170500	4.4228	No Change	170500	4.4228
2.	RAKHI GARG	120000	3.1128	120000	3.1128	No Change	120000	3.1128
3.	NISHKAM JAIN	116400	3.0195	116400	3.0195	No Change	116400	3.0195
4.	VANDIT SINGHAL	111700	2.8975	111700	2.8975	No Change	111700	2.8975
5.	MEERA RANI	111700	2.8975	111700	2.8975	No Change	111700	2.8975
6.	SUNIL KUMAR GARG	90000	2.3346	90000	2.3346	No Change	90000	2.3346
7.	ASHISH RANJAN	85000	2.2049	85000	2.2049	No Change	85000	2.2049
8.	AKHILESH KUMAR	81600	2.1167	81600	2.1167	No Change	81600	2.1167
9.	GIRISH KUMAR & SONS	77500	2.0104	77500	2.0104	No Change	77500	2.0104
10.	SMT. SAROJ RANI	73200	1.8988	73200	1.8988	No Change	73200	1.8988

V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding / accrued but not due for payment
(Amount in Lacs)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as at April 1, 2020				
i) Principal Amount	726.69	78.96	NIL	805.65
ii) Interest due but not paid	2.44	NIL	NIL	2.44
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	729.13	78.96	NIL	808.09
Change in Indebtedness during the financial year				
Addition	53.25	4.35	NIL	57.60
Reduction	-	-	NIL	-
Net Change	53.25	4.35	NIL	57.60
Indebtedness as at March 31, 2021				
i) Principal Amount	781.87	83.31	NIL	865.18
ii) Interest due but not paid	0.51	-	NIL	0.51
iii) Interest accrued but not due	-	-	NIL	-
Total (i+ii+iii)	782.38	83.31	NIL	865.69

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	24,00,000	24,00,000
	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)		24,00,000	24,00,000
Ceiling as per the Act under Schedule V is Rs. 84,00,000/- for one managerial personnel			

*Mr. Ayush Agarwal has resigned from the post of Directorship of the company w.e.f 30/06/2021.

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)		24,00,000		24,00,000
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
		CEO	CFO	CS	
1.	Gross Salary	CEO	CFO	CS	
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961-	NIL	5,53,871*	2,42,994*	7,96,865
	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	-	5,53,871	2,42,994	7,96,865

* During the F.Y. 2020 21, there was some reduction of salary of employees in the month of April and May, 2020 due to lockdown.

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

By the order of the Board
FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

DATED: 13th August 2021
PLACE: Muzaffarnagar

Sd/-
GIRISH KUMAR AGARWAL
WHOLE TIME DIRECTOR
DIN : 06457199

Sd/-
ARJUN KUMAR
DIRECTOR
DIN : 02614019

Annexure III to Board Report
FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered during the year ended March 31, 2021, which were not an arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

Name of Related Party	Nature of Relationship	Nature of Transaction	Duration of Transaction	Amount (in Lacs)
Shri Ayush Agarwal	Whole time Director	Director Remuneration	01.04.2020 to 31.03.2021	24.00
		Interest Paid		4.09
Shri Anil Kumar	Relative of Director	Unsecured Loans Repaid	01.04.2020 to 31.03.2021	5.03
		Interest Paid		1.05
		Remuneration paid		11.05
Shri Arjun Kumar Agarwal	Director	Unsecured Loans Received	01.04.2020 to 31.03.2021	8.00
		Interest Paid		1.69
Disha Agarwal	Relative of Director	Interest Paid	01.04.2020 to 31.03.2021	0.02
		Unsecured Loans Repaid		0.70
Girish Kumar Agarwal	Director	Interest Paid	01.04.2020 to 31.03.2021	4.14
Saraswati Devi	Relative of Director	Interest Paid	01.04.2020 to 31.03.2021	2.67
Surbhi	Relative of Director	Interest Paid	01.04.2020 to 31.03.2021	0.80
		Unsecured Loans Repaid		11.30
ACS Papers India Pvt. Ltd.	Director's relative is director	Purchases	01.04.2020 to 31.03.2021	1060.44
		Sales		857.98
Aviana Enterprises	Director's relative is Proprietor	Purchases	01.04.2020 to 31.03.2021	1981.55
Ginny Enterprises	Director's relative is Proprietor	Purchases	01.04.2020 to 31.03.2021	21.60
Vas Enterprises	Director's relative is Proprietor	Purchases	01.04.2020 to 31.03.2021	48.43
Abhinav agarwal	Relative of Director	Remuneration paid	01.04.2020 to 31.03.2021	10.49
Avin Agarwal	Relative of Director	Remuneration paid	01.04.2020 to 31.03.2021	8.77
Ayushi Gupta	Company Secretary	Remuneration paid	01.04.2020 to 31.03.2021	2.43
Vikhyat Agarwal	Relative of Director	Remuneration paid	01.04.2020 to 31.03.2021	4.43
Archana Agarwal	Relative of Director	Remuneration paid	01.04.2020 to 31.03.2021	8.78
Puja Agarwal	Relative of Director	Remuneration paid	01.04.2020 to 31.03.2021	5.26
Chirag Garg	CFO	Remuneration paid	01.04.2020 to 31.03.2021	5.54
Somya Garg	Relative of Director	Remuneration paid	01.04.2020 to 31.03.2021	4.41

By the order of the Board
FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

DATED: 13th August 2021
 PLACE: Muzaffarnagar

Sd/-
GIRISH KUMAR AGARWAL
WHOLE TIME DIRECTOR
DIN : 06457199

Sd/-
ARJUN KUMAR
DIRECTOR
DIN : 02614019

Annexure IV to Board report

Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2020-21	Director's Name	Ratio to median remuneration (As on 31/03/2021)
		Ayush Agarwal	18.52:1
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21 compared to 2019-20.	Director's/CFO/CS name	Percentage increase in remuneration
		Ayush Agarwal, Whole Time Director	No change
		Chirag Garg, CFO	No Change
		Ayushi Gupta, CS	No Change
(iii)	Percentage increase in the median remuneration of employees in the financial year 2020-21 compared to 2019-20.*	4.85%	
(iv)	Number of permanent employees on the rolls of the company**	As on 31.03.2021	As on 31.03.2020
		72	65
(v)	Average percentile increase in salaries of Employees other than managerial personnel in financial year 2020-21 compared to 2019-20***	5.66%	
	Average percentile increase in managerial remuneration financial year 2020-21 compared to 2019-20	Nil	
	Justification for increase	Increase was made as per normal industry standards	

The Board of Directors of the company affirms that the remuneration is as per the remuneration policy of the company.

* Remuneration of employees as on 31/03/2021 and 31/03/2020.

**Total employees excludes directors of the company.

***Average percentile increase in salaries has been considered on annual basis.

By the order of the Board
FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

DATED: 13th August 2021

PLACE: Muzaffarnagar

Sd/-
GIRISH KUMAR AGARWAL
WHOLE TIME DIRECTOR
DIN : 06457199

Sd/-
ARJUN KUMAR
DIRECTOR
DIN : 02614019

Annexure V- TOP TEN EMPLOYEES DETAILS

S.NO.	NAME	DESIGNATION	TOTAL REMUNERATION DRAWN IN 2020-21	NATURE OF EMPLOYMENT	QUALIFICATIONS & EXPERIENCE	LAST EMPLOYMENT	AGE (in Years)	COMMENCEMENT OF EMPLOYMENT	PERCENTAGE OF EQUITY SHARES(%)	RELATION WITH DIRECTOR
1	Ayush Agarwal	Whole Time Director	240000	PERMANENT	B.tech	N.A	33	02-01-2013	1.3	Director
2	ANIL KUMAR	STORE MANAGER	1104516	PERMANENT	GRADUATE	N.A	59	12-01-2016	0	Father
3	ABHINAV AGARWAL	ADMINISTRATIVE MANAGER	1049290	PERMANENT	GRADUATE	N.A	31	04-01-2014	2.9	Son
4	SMT ARCHANA AGARWAL	H.R.MANAGER	878452	PERMANENT	GRADUATE	N.A	54	12-01-2016	5.1	Wife
5	AVIN AGARWAL	PURCHASE MANAGER	877032	PERMANENT	GRADUATE	N.A	34	12-01-2016	1.03	Son
6	CHIRAG GARG	C.F.O	553871	PERMANENT	GRADUATE & ANAND TISSUE LID.	N.A	34	05-01-2014	0	N.A
7	SURESH PAL SINGH	GENERAL MANAGER	522581	PERMANENT	DIPLOMA PAPER TECH MEERUT	N.A	71	16/2/2015	0	N.A
8	PUJA AGARWAL	MANAGER	525806	PERMANENT	GRADUATE	N.A	33	02-05-2020	0	Son's wife
9	SOMYA GARG	ADMINISTRATIVE MANAGER	440516	PERMANENT	GRADUATE	N.A	37	04-01-2016	0	N.A
10	VIKHYAT AGARWAL	MANAGER	443097	PERMANENT	POST GRADUATE	N.A	35	18-06-2018	0.01	N.A

By the order of the Board

FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

Sd/-

GIRISH KUMAR AGARWAL
WHOLE TIME DIRECTOR
DIN : 06457199

Sd/-

ARJUN KUMAR
DIRECTOR
DIN : 02614019

DATED: 13th August 2021

PLACE: Muzaffarnagar

Independent Auditor's Report**To the Members of SHAKUMBHRI PULP & PAPER MILLS LIMITED****Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **SHAKUMBHRI PULP & PAPER MILLS LIMITED, MUZAFFARNAGAR** ("the Company") which comprise the Balance sheet as at **31 March 2021**, 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 2021**, 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 of 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.

Emphasis of Matters

We draw attention to Note No.39 of the financial statements which describes the effect of change in valuation of raw material, fuel, finished goods and work in process. As a result of changes in method of valuation of stock, the profit for the year and inventory are higher by 113.56 lakhs. Our opinion is not modified in respect of this matter.

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 2021**. 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 addressed the matter below, provide the a basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue Recognition (as described in note 1 of the standalone Ind AS financial statements)</p> <p>For the year ended 31 March 2021, the Company has recognized revenue from contracts with customers amounting to Rs. 7414.40 lakhs.</p> <p>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.</p> <p>The company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customers.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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 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.

<p>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 not correctly reported as it also requires in a certain degree of estimation, resulting in understatement of the associated expenses and accrual.</p> <p>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 be recognized before the risk and rewards have been transferred.</p> <p>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.</p>	<ul style="list-style-type: none"> 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 in the financial statements: to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.
<p>Assessment of carrying value of investments</p>	
<p>The company has invested in listed equity instruments. We consider this a key audit matter given the relative significance of the value of investments.</p>	<p>Our procedures in relation to assessing the carrying value of investments include the following observations.</p> <ul style="list-style-type: none"> The equity investments are carried at fair value as on 31st March 2021. 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 2020-21, 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 basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 we 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, 2021 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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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, 2021**, 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 34 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

UDIN:21077650AAAACN1231

DATED: 30.06.2021

PLACE: Muzaffarnagar

ANNEXURE A TO THE AUDITORS' REPORT

The annexure referred to in our report to the members of **SHAKUMBHRI PULP & PAPER MILLS LIMITED, MUZAFFARNAGAR** ('the Company') for the year ended 31 March 2021. We report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.
- (b) According to the information and explanations given to us, physical verification of property, plant & equipment have been carried out by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the company and nature of its assets.
- (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- (ii) In our opinion and according to the information and explanations given to us, the inventory has been physically 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. In view of the lockdown restriction imposed by Government, our attendance at the physical inventory verification done by the management was impracticable. Related alternate audit procedures were therefore relied up on to obtain assurance over the existence and condition of inventory at the year end.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans or guarantees/made any investments within the meaning of Section 185 & 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public.
- (vi) The Central Government has not prescribed maintenance of cost records under sub section (i) of section 148 of the Act, 2013 in respect of activities carried on by the company.
- (vii) (a) According to the records of company and information and explanation given to us, the company is regular in depositing undisputed statutory dues including, provident fund employees' state insurance, income-tax, 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 31.03.2021 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	2016-2017	384867.00	Additional Commissioner, Grade-2 (Appeal), II, Commercial 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 explanations 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 explanations 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
UDIN:21077650AAAACN1231

DATED: 30.06.2021

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 **SHAKUMBHRI PULP & PAPER MILLS LIMITED, MUZAFFARNAGAR** ('the company') as of 31 March 2021 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 2021, 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

DATED: 30.06.2021
PLACE: Muzaffarnagar

Sd/-
Raj Kumar Sharma
Partner
Membership No.077650
UDIN:21077650AAAACN1231

Shakumbhri Pulp And Paper Mills Limited
Balance Sheet as at 31 March 2021

(Amounts in INR Lakhs, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
(I) Non-current assets			
(a) Property, plant and equipment	3	1,693.74	1,737.87
(b) Financial assets			
Investment in financial assets	4	0.70	0.69
Loan	4	37.54	37.67
(c) Other non-current assets	5	35.24	22.97
Total non-current assets		1,767.22	1,799.20
Current assets			
Inventories	6	522.69	774.77
Financial assets			
Trade receivables	7	1,373.51	1,060.20
Cash and cash equivalents	8	19.94	17.66
Bank balances other than cash and cash equivalents	9	0.80	0.80
Other current assets	10	11.29	65.37
Total current assets		1,928.23	1,918.80
Total assets		3,695.45	3,718.00
Equity and liabilities			
Equity			
Equity share capital	11	385.50	385.50
Other equity	12	718.36	544.99
Total equity		1,103.86	930.49
Non-current liabilities			
Financial liabilities			
Borrowings	13	279.07	276.94
Provisions	14	34.97	32.93
Deferred tax liabilities (net)	15	99.63	79.21
Total non-current liabilities		413.67	389.08
Current liabilities			
Financial liabilities			
Borrowings	16	464.47	492.07
Trade payables	17		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,391.17	1,545.94
Other current financial liabilities	18	210.91	254.87
Other current liabilities	19	88.34	99.26
Provisions	20	7.90	3.83
Current tax liability (net)	21	15.13	2.46
Total current liabilities		2,177.92	2,398.43
Total liabilities		2,591.59	2,787.51
Total equity and liabilities		3,695.45	3,718.00

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: 30.06.2021

UDIN:21077650AAAACN1231

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

Sd/-

Director

(Girish Kumar Aggarwal)

DIN- 06457199

Sd/-

Director

(Arjun Kumar)

DIN- 02614019

Sd/-

CFO

(Chirag Garg)

PAN : AJYPG1223A

Sd/-

Company Secretary

(Ayushi Gupta)

PAN : ASQPG9580K

Shakumbhri Pulp And Paper Mills Limited
Statement of Profit and Loss for the year ended 31 March 2021
(Amounts in INR Lakhs, unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income:			
Revenue from operations	22	7,414.40	5,766.48
Other income	23	27.71	7.60
Total income		7,442.11	5,774.08
Expenses:			
Cost of material consumed	24	6,561.68	5,054.71
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(1.88)	48.98
Employee benefits expense	26	203.47	190.49
Depreciation and amortization expense	3	92.85	75.15
Finance costs	27	102.17	71.83
Other expenses	28	255.49	252.68
Total expenses		7,213.78	5,693.84
Profit before tax		228.33	80.24
Tax expense			
Current tax		39.65	13.97
Less: MAT credit entitlement		(37.43)	(13.15)
Deferred tax		55.52	47.17
Profit for the year		170.59	32.25
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plan		3.74	(5.89)
Income tax effect		(0.97)	1.53
Other comprehensive income		2.77	(4.36)
Total comprehensive income		173.36	27.89
Earnings per equity share of face value of ₹ 10 each :			
Basic (in ₹)	29	4.43	0.84
Diluted (in ₹)		4.43	0.84
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.	Sd/-	Sd/-	
ICAI Firm Registration No.: 002011C	Director	Director	
Chartered Accountants	(Girish Kumar Aggarwal)	(Arjun Kumar)	
	DIN- 06457199	DIN- 02614019	
Sd/-			
Raj Kumar Sharma			
Partner			
Membership No.: 077650	Sd/-	Sd/-	
	CFO	Company Secretary	
Place: Muzaffarnagar	(Chirag Garg)	(Ayushi Gupta)	
Date: 30.06.2021	PAN : AJYPG1223A	PAN : ASQPG9580K	
UDIN:21077650AAAACN1231			

Shakumbhri Pulp And Paper Mills Limited
Statement of Changes in Equity for the year ended 31 March 2021

(Amounts in INR Lakhs, unless otherwise stated)

A Equity share capital (Refer Note 11)

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the reporting period	385.50	385.50
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 12)

Particulars	Security premium		General reserve		Equity component of financial instruments		Retained earning		Total other equity	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	(refer note 12.1)		(refer note 12.2)		(refer note 12.3)		(refer note 12.4)		(refer note 12)	
Opening balance	112.00	112.00	39.01	39.01	20.14	20.14	373.84	345.95	544.99	517.10
Addition/reduction during the year	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	170.59	32.25	170.59	32.25
Other comprehensive income	-	-	-	-	-	-	2.77	(4.36)	2.77	(4.36)
Total Comprehensive Income	-	-	-	-	-	-	173.36	27.89	173.36	27.89
Closing balance	112.00	112.00	39.01	39.01	20.14	20.14	547.20	373.84	718.35	544.99

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

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

Sd/-
Director
(Arjun Kumar)
DIN- 02614019

Place: Muzaffarnagar
Date: 30.06.2021
UDIN:21077650AAAACN1231

Sd/-
CFO
(Chirag Garg)
PAN : AJYPG1223A

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

Shakumbhri Pulp And Paper Mills Limited

Statement of Cash Flows for the year ended 31 March 2021

(Amounts in INR, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	228.33	80.24
Adjustments for:		
Depreciation and amortization	92.85	75.15
Gain/(loss) on fair valuation of investments	(0.01)	0.14
Profit on sale of vehicle	(0.56)	-
Interest income	(2.44)	(3.77)
Dividend income	-	(0.08)
Unclaimed balance written back	(24.70)	(3.42)
Interest expenses	102.17	94.19
Operating profit before working capital changes	395.64	242.45
Movement in working capital		
(Increase)/decrease in trade receivables	(313.31)	(47.20)
(Increase)/decrease in inventories	252.08	(293.04)
(Increase)/decrease in other non current financial assets	(0.01)	0.13
(Increase)/decrease in loan asset	0.13	-
(Increase)/decrease in other current assets	54.08	(43.16)
(Increase)/decrease in other non-current assets	(12.27)	24.63
Increase/(decrease) in trade payables	(154.77)	422.72
Increase/(decrease) in other current financial liabilities	(43.96)	22.77
Increase/(decrease) in other current liabilities	(10.92)	(5.23)
Increase/(decrease) in current tax liability (net)	12.67	2.16
Increase/(decrease) in long term provisions	(3.60)	9.22
Increase/(decrease) in short term provisions	4.07	1.05
Cash generated from/(used in) operations	179.83	336.50
Direct taxes paid (net of refunds)	(2.26)	(0.82)
Net cash generated from/(used in) operating activities	177.57	335.68
Cash flow from investing activities		
Purchase of property, plant & equipment including CWIP and capital advances	(55.72)	(285.27)
Proceeds from disposal of property, plant & equipment	7.56	-
Dividend received	-	0.08
Interest received	2.44	3.77
Net cash (used in)/generated from investing activities	(45.72)	(281.42)
Cash flow from financing activities		
Proceeds of long-term borrowings	2.13	28.17
Repayment/Proceeds from short-term borrowings	(27.60)	27.54
Interest paid	(104.10)	(94.19)
Net cash (used in)/generated from financing activities	(129.57)	(38.48)
Net (decrease) / increase in cash and cash equivalents	2.28	15.78
Cash and cash equivalents at the beginning of the year	17.66	1.88
Cash and cash equivalents at the end of the year	19.94	17.66
Components of cash and cash equivalents		
Cash and cheques on hand	18.60	1.62
Balances with banks:		
- On current accounts	1.34	16.04
(refer note 8)	19.94	17.66
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, 2020	237.05	78.96	492.07	2.44
Add:- Proceeds from borrowings/ Interest accrued during the year	167.54	35.38	7,851.97	102.17
Less:- Repayment of borrowings / Interest payment during the year	86.68	17.03	7,879.57	104.10
Non Cash items :-				
- Amortization	-	-	-	-
Closing Balance as at March 31, 2021	317.91	97.31	464.47	0.51

Particulars	Term Loans including current maturities	Unsecured Loans	Short Term Loan- CC	Interest
Opening Balance as at April 01, 2019	202.12	82.77	464.53	0.06
Add:- Proceeds from borrowings/ Interest accrued during the year	144.75	22.52	6,303.41	94.19
Less:- Repayment of borrowings / Interest payment during the year	109.82	19.19	6,275.87	91.81
Non Cash items :-				
- Amortization	-	7.14	-	-
Closing Balance as at March 31, 2020	237.05	78.96	492.07	2.44

As per our report of even date

For Raj Sandhya & Co.ICAI Firm Registration No.: 002011C
Chartered AccountantsSd/-
Director
(Girish Kumar Aggarwal)
DIN- 06457199Sd/-
Director
(Arjun Kumar)
DIN- 02614019Sd/-
Raj Kumar Sharma
Partner
Membership No.: 077650Sd/-
CFO
(Chirag Garg)
PAN : AJYPG1223ASd/-
Company Secretary
(Ayushi Gupta)
PAN : ASQPG9580K

Place: Muzaffarnagar

Date: 30.06.2021

UDIN:21077650AAAACN1231

Shakumbhri Pulp And Paper Mills Limited

(Amounts in INR Lakhs, unless otherwise stated)

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 listed on the Metropolitan Stock Exchange of India." The financial statements are approved for issuance by the company's Board of Directors on 30.06.2021"

Note 1: Significant Accounting 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 as amended from time to time 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 liabilities 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 are 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 are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are 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 and loss are also recognised in OCI or profit and 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 and loss depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are 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 and loss is expensed in profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit and 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 and 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 and 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 are 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 and 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 security premium reserve.

(j) Revenue recognition**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 liabilities 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 are 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. Deferred 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 finished 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 later 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 method/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"

Useful life of assets are as follows:

Building	30 years
Plant & Machinery	25 years
Office Equipment	5 years
Vehicle	8-10 years
Computer	3 years

(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-recognized 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) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised Rs. 22.36 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

(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) Impact of Covid-19

During the year under review, the operations of company were fully suspended from 1st April, 2020 to 4th May, 2020. The operations of the company partially started from 5th May, 2020. After that the company gradually ramped up the production activities as per the directions / regulations / guidelines issued by Government and local bodies to ensure safety of employees in its office. Due to the shutdown of plant and manufacturing activities of the company during the lockdown period, the liquidity and profitability of the Company has been affected. As the CoVID19 pandemic is still evolving and the virus is still spreading in various parts of India, the future impact of the pandemic on the overall operations and financials of the Company cannot be assessed with certainty.

(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.

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 21**

Estimation of defined benefit obligation – **Note 30**

Recognition of deferred tax liabilities – **Note 15**

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.

Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

MCA issued notifications dated 24th March 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures to be made by the Group in its financial statement. These amendments are applicable to the group for the financial year starting 1st April, 2021.

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, 2020	12.29	38.84	96.75	2,416.95	10.78	10.26	138.04	2,723.91	-			
	Additions during the year	-	-	-	45.55	2.04	0.24	7.89	55.72	-			
	Deletions during the year	-	-	-	-	-	-	34.01	34.01	-			
	Gross carrying value as of March 31, 2021	12.29	38.84	96.75	2,462.50	12.82	10.50	111.92	2,745.62	-			
	Accumulated Depreciation as of March 31, 2020	-	30.71	44.12	799.03	8.83	6.70	96.65	986.04	-			
	Depreciation	-	0.49	2.87	79.06	0.61	1.82	8.00	92.85	-			
	Accumulated Depreciation on deletions	-	-	-	-	-	-	27.01	27.01	-			
	Accumulated Depreciation as of March 31, 2021	-	31.20	46.99	878.09	9.44	8.52	77.64	1,051.88	-			
	Carrying value as of March 31, 2021	12.29	7.64	49.76	1,584.41	3.38	1.98	34.28	1,693.74	-			
	Carrying value as of March 31, 2020	12.29	8.13	52.63	1,617.92	1.95	3.56	41.39	1,737.87	-			

Note:

- 1 Plant & Machinery includes a part of Finance Cost added amounting to Rs.22.36 Lakhs for year ended 31 March 2020.
- 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-13

Shakumbhri Pulp And Paper Mills Limited

(Amounts in INR Lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
4 Non current financial assets		
Investment carried at fair value through profit or loss		
Quoted		
Equity shares of Union Bank of India *	0.07	0.06
Unquoted		
Equity shares of Gulshan Mercantile Urban Co-Operative Bank Ltd.	0.63	0.63
Others		
Unsecured good		
Loan	37.54	37.67
Total	38.24	38.36
*Note: Disclosure of investment		
	As at 31 March 2021	As at 31 March 2020
Aggregate amount of quoted investments	0.22	0.22
Aggregate market value of quoted investments	0.07	0.06
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
5 Other non current assets (Unsecured, considered good unless otherwise stated)		
Capital advance	28.47	15.00
Balances with Government authorities	6.77	7.97
Total	35.24	22.97
6 Inventories	As at 31 March 2021	As at 31 March 2020
Raw materials	297.83	346.43
Work-in-process	7.76	7.39
Finished goods	67.45	66.45
Stores and spare parts	111.50	104.00
Others*	38.15	250.50
	522.69	774.77
*Others include Chemicals, Packing Material & Fuel		
7 Trade receivables	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good	1,370.05	1,056.74
Considered doubtful	3.46	3.46
	1,373.51	1,060.20
Less: Provision for doubtful debts	-	-
Total	1,373.51	1,060.20
* Please refer Note 36 Related Party disclosure		
8 Cash and cash equivalents	As at 31 March 2021	As at 31 March 2020
Cash on hand	8.60	1.62
Cheque on hand	10.00	-
Balance with bank	1.34	16.04
	19.94	17.66
9 Bank balances other than cash and cash equivalents	As at 31 March 2021	As at 31 March 2020
Margin money deposited*	0.80	0.80
	0.80	0.80
* Margin money held with banks for F.Y. 2020-21 Rs. 0.80 lakhs against pollution and for F.Y. 2019-20 Rs. 0.80 lakhs against pollution.		
10 Other current assets (Unsecured, considered good unless otherwise stated)	As at 31 March 2021	As at 31 March 2020
Advances to suppliers	2.34	58.82
Others	8.95	6.55
Total	11.29	65.37

11 Share capital

Authorised share capital

Equity shares of INR 10 each

As at 31 March 2020

Increase during the year

As at 31 March 2021

	Number of shares (lakhs)	Amount
	40.00	400.00
	-	-
	40.00	400.00

Issued share capital

Equity shares of INR 10 each issued, subscribed and fully paid up

As at 31 March 2020

Shares issued during the year

As at 31 March 2021

	Number of shares (lakhs)	Amount
	38.55	385.50
	-	-
	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.

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

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	Number (lakhs)	% Holding	Number (lakhs)	% 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	5.11%	1.97	5.11%

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

12 Other equity

12.1 Security premium

Opening balance

Addition/Reduction during the year

Closing balance

	As at 31 March 2021	As at 31 March 2020
	112.00	112.00
	-	-
	112.00	112.00

12.2 General reserve

Opening balance

Addition/Reduction during the year

Closing balance

	39.01	39.01
	-	-
	39.01	39.01

12.3 Equity component of financial instruments

Opening balance

Addition/Reduction during the year

Closing balance

	20.14	20.14
	-	-
	20.14	20.14

12.4 Retained earning

Statement of Profit & Loss

Opening balance

Profit for the year

Closing balance

Grand Total

	373.84	345.95
	173.37	27.89
	547.21	373.84
	718.36	544.99

13 Long term borrowings	As at 31 March 2021	As at 31 March 2020
(Secured)		
Term loans from banks	179.72	174.24
Vehicle loans from banks	16.04	23.74
(a)	195.76	197.98
(Unsecured)		
From directors and their relatives	83.31	78.96
(b)	83.31	78.96
Total long-term borrowings	279.07	276.94

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 49.00 lacs)**

At the rate of 8.00 % p.a. Repayable in 18 Monthly installments of 2.72 lacs each starting from November 2020.

From Union Bank of India (Original loan Amount 249.60 lacs)

At the rate of 11.85 % p.a. (Previous year 12.75 % p.a.) Repayable in 60 Monthly installments of 4.16 lacs each starting from April 2019.

From Union Bank of India (Original loan Amount 68.00 lacs)

At the rate of 7.50 % p.a. Repayable in 16 Monthly installments of 4.23 lacs each starting from August 2021.

Vehicle Loan**From Union Bank of India (Original loan Amount 20.00 lacs)**

At the rate of 9.75% p.a. (Previous year 9.75% p.a.) Repayable in 60 Monthly installments of 0.32 lacs each starting from March 2017.

From Union Bank of India (Original loan Amount 6.00 lacs)

At the rate of 9.00% p.a. (Previous year 9.00% p.a.) Repayable in 60 Monthly installments of 0.125 lacs each starting from January 2019.

From Gulshan Mercantile Urban Co-Operative Bank Ltd. (Original loan Amount 11.50 lacs)

At the rate of 9.50% p.a. Repayable in 46 Monthly installments of 0.25 lacs each starting from March 2021.

Security:

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

14 Provisions

	As at 31 March 2021	As at 31 March 2020
Provision for gratuity (Refer note 30)	34.97	32.93
Total	34.97	32.93

15 Deferred tax liabilities (net)

	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities		
Property, plant & equipment: Impact of differences between tax depreciation charged as per Financial Reporting	(a) 227.45	189.03
Compound financial instruments	11.69	11.69
	<u>239.14</u>	<u>200.72</u>
Deferred tax assets		
Unabsorbed losses	-	18.07
Impact of gratuity expenditure charged to the statement of profit & loss in current year but allowed for tax purposes on payment basis	(b) 11.09	11.09
	<u>11.09</u>	<u>29.16</u>
MAT Credit Entitlement		
MAT credit entitlement	(c) 128.42	92.35
	<u>128.42</u>	<u>92.35</u>
Total	(a-b-c) <u><u>99.63</u></u>	<u><u>79.21</u></u>

Income Tax

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Statement of profit and loss:**Profit or loss section**

	As at 31 March 2021	As at 31 March 2020
Current income tax:		
Current income tax charge	39.65	13.97
Less: MAT credit entitlement	-37.43	-13.15
Deferred tax:		
Relating to origination and reversal of temporary differences	55.52	47.17
Income tax expense reported in the statement of profit or loss	<u><u>57.74</u></u>	<u><u>47.99</u></u>

OCI section

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

	As at 31 March 2021	As at 31 March 2020
Net loss/(gain) on remeasurements of defined benefit plans	-0.97	1.53
Income tax charged to OCI	<u><u>-0.97</u></u>	<u><u>1.53</u></u>

	As at 31 March 2021	As at 31 March 2020
Accounting profit before tax	228.33	80.24
Non deductible income for tax purposes:		
Taxable Profit	228.33	80.24
Add: 1/5 of Equity component of compound financial instruments	4.03	4.03
At India's statutory income tax rate of 16.692% (31 March 2020: 15.60%)	38.79	13.15
Adjustments in respect of current income tax of earlier years	0.86	0.82
MAT credit entitlement	(37.43)	(13.15)
Deferred tax expenses reported in the statement of profit and loss*	55.52	47.17
At the effective income tax rate	<u><u>57.74</u></u>	<u><u>47.99</u></u>
Income tax expense reported in the statement of profit and loss	38.79	13.15
Deferred tax expenses reported in the statement of profit and loss	55.52	47.17
Current income tax of earlier years	0.86	0.82
Less: MAT credit entitlement	(37.43)	(13.15)
	<u><u>57.74</u></u>	<u><u>47.99</u></u>

16 Short term borrowings

	As at 31 March 2021	As at 31 March 2020
Secured		
Working capital loan from bank*	464.47	492.07
Total	464.47	492.07

*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.

17 Trade payables

	As at 31 March 2021	As at 31 March 2020
Trade Payable		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,391.17	1,545.94
Total	1,391.17	1,545.94

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90-day terms

18 Other current financial liabilities

	As at 31 March 2021	As at 31 March 2020
Current maturities of long term debt	121.64	36.64
Interest accrued and due on borrowings	0.51	2.44
Salaries & wages payable	34.25	31.13
Cheque payable	29.65	172.73
Other payable	24.86	11.93
Total	210.91	254.87

19 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advance from customers	16.24	27.53
Statutory dues (including provident fund, esi, gst, tax deducted at source and tax collected at source)	72.10	71.73
Total	88.34	99.26

20 Provisions

	As at 31 March 2021	As at 31 March 2020
Provision for gratuity (Refer note 30)	7.90	3.83
Total	7.90	3.83

21 Current tax liability (net)

	As at 31 March 2021	As at 31 March 2020
Income tax	15.13	2.46
Total	15.13	2.46

22 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products	7,414.40	5,766.48
Total	7,414.40	5,766.48

A. Contract balances

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

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables *	1,373.51	1,060.20
Contract liabilities		
Advances from customers (Refer Note no 19)	16.24	27.53

* 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 31 March 2021	For the year ended 31 March 2020
Revenue as per contracted price	7,414.40	5,766.48
Total	7,414.40	5,766.48

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, 2021	As at March 31, 2020
Advances from customers (Refer Note no 19)	16.24	27.53

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.

23 Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
- on fixed deposit with banks	2.44	3.77
Unclaimed balance written back	24.70	3.42
Profit on sale of property, plant & equipment	0.56	-
Other income	0.01	0.41
Total	27.71	7.60

24 Cost of raw material and components consumed

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cost of raw materials (Waste paper)	4,514.88	3,242.41
Other components consumed		
Chemicals	311.84	253.56
Packing material	108.28	84.84
Stores & spares	200.93	184.45
Power & fuel	1,390.49	1,255.28
Repairs - plant & machinery	35.26	34.17
Total	6,561.68	5,054.71

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening stock		
Finished goods	66.44	115.80
Stock in process	7.39	8.01
Scrap	16.00	15.00
Total (a)	89.83	138.81
Closing stock		
Finished goods	67.45	66.44
Stock in process	7.76	7.39
Scrap	16.50	16.00
Total (b)	91.71	89.83
Total (a) - (b)	(1.88)	48.98

26 Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	183.00	173.48
Contribution to provident and other funds	10.61	9.44
Gratuity expense	9.86	7.57
Total	203.47	190.49

27 Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on:		
- term loans	35.54	33.65
- bank borrowings & others	66.63	60.54
Total	102.17	94.19
Less: Amount included in plant & machinery	-	22.36
	102.17	71.83

28 Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Printing & stationery	0.38	0.47
Communication expenses	3.09	6.34
Travelling & conveyance	-	7.18
Insurance charges	2.08	3.57
Legal expenses	0.98	0.35
Professional charges	2.82	3.00
Bank charges	4.42	4.23
Rates & taxes	10.60	4.69
Security service charges	7.27	7.10
Loss on fair valuation of investment	-	0.14
Freight outward & loading charges	103.29	112.74
Commission on sales	82.41	74.24
Payment to auditors	1.50	1.00
Vehicle running & maintenance	11.76	12.18
ETP running expenses	21.35	12.16
General expenses	3.54	3.29
Total	255.49	252.68

Detail of Payment to Auditors

	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor:		
Audit fee	0.75	0.75
Tax audit fee	0.25	0.25
Total	1.00	1.00

29 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 2021	For the year ended 31 March 2020
Net profit/(loss) for calculation of basic EPS	170.59	32.25
Weighted average number of equity shares for calculating basic EPS	38.55	38.55
Basic earnings/(loss) per share	4.43	0.84
Net profit/(loss) for calculation of diluted EPS	170.59	32.25
Weighted average number of equity shares for calculating diluted EPS	38.55	38.55
Diluted earnings/(loss) per share	4.43	0.84
	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

30 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- 26)

Particulars	2020-21	2019-20
Contribution to provident & other fund	10.61	9.44
Total	10.61	9.44

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.

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Net employees benefit expense recognised in employee cost		
Current service cost	7.56	5.80
Interest cost on benefit obligation	2.30	1.77
Net benefit expense recognised in profit & loss	9.86	7.57

Balance sheet

	As at 31 March 2021	As at 31 March 2020
Benefit asset/(liability)		
Present value of unfunded obligation	(42.87)	(36.75)
Fair value of plan assets	-	-
Net liability	(42.87)	(36.75)

Changes in the present value of the defined benefit obligation

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening defined benefit obligation	36.75	24.74
Current service cost	7.56	5.80
Interest cost	2.30	1.77
Past service cost	-	(1.44)
Benefit paid	-	-
Actuarial (gains)/ losses on obligation	(3.74)	5.89
Closing defined benefit obligation	42.87	36.75

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 is not given.

The principal assumptions used in determining gratuity obligation

	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	6.90%	6.60%
Salary escalation	8.00%	8.00%
Rate of employee turnover	2.00%	2.00%
Retirement age	60 Years	
Mortality table	100% of IALM (2012-2014)	
Average withdrawal rate	Withdrawal Rate	Withdrawal 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 benefit obligation is given in the table below.

Particulars	Change in assumptions	For the year ended 31 March 2021	For the year ended 31 March 2020
Defined benefit obligation based on current assumptions		42.87	36.75
Discount rate	+0.50%	1.86	1.67
	-0.50%	(2.03)	(1.82)
Salary escalation	+0.50%	(1.32)	(1.33)
	-0.50%	1.45	1.24
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 reasonable 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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Maturity Profile		
Within next 12 months	7.91	3.83
Between 2 and 5 years	8.55	10.38
Between 5 and 10 years	18.95	16.99

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 :

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 liability on account of inflation.

Longevity risk/life expectancy

The present value of the defined benefit plan liability is calculated 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.

31 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;

Financial assets	As at 31 March 2021		As at 31 March 2020	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Investment	0.70	-	0.69	-
Security deposits	37.54	-	37.67	-
Trade receivables	1,373.51	-	1,060.20	-
Cash and cash equivalents	19.94	-	17.66	-
Bank Balance other than cash & cash equivalent	0.80	-	0.80	-
Total	1,432.49	-	1,117.02	-
Financial liabilities				
Term loans (Secured)	179.72	-	174.24	-
Vehicle loans (Secured)	16.04	-	23.74	-
Loans from directors & relative (Unsecured)	83.31	-	78.96	-
Short-term borrowings	464.47	-	492.07	-
Trade payables	1,391.17	-	1,545.94	-
Current maturities of long term debt	121.64	-	36.64	-
Interest accrued and due on borrowings	0.51	-	2.44	-
Salaries & wages payable	34.25	-	31.13	-
Cheque payable	29.65	-	172.73	-
Other payable	24.86	-	11.93	-
Total	2,345.62	-	2,569.82	-

Financial Instruments-Fair value hierarchy

The company 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 2021		As at 31 March 2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets not measured at fair value					
Measured at amortised cost					
Financial assets (current)					
Investment	Level 3	0.70	0.70	0.69	0.69
Security deposits	Level 3	37.54	37.54	37.67	37.67
Trade receivable	Level 3	1,373.51	1,373.51	1,060.20	1,060.20
Cash and cash equivalents					
Cash and cash equivalents	Level 3	19.94	19.94	17.66	17.66
Bank balance other than cash and cash equivalent	Level 3	0.80	0.80	0.80	0.80
Total		1,432.49	1,432.49	1,117.02	1,117.02
Financial liabilities not measured at fair value					
Measured at amortised cost					
Term loans (Secured)	Level 3	179.72	179.72	174.24	174.24
Vehicle loans (Secured)	Level 3	16.04	16.04	23.74	23.74
Loans from directors & relatives (Unsecured)	Level 3	83.31	83.31	78.96	78.96
Total		279.07	279.07	276.94	276.94
Short term borrowings					
	Level 3	464.47	464.47	492.07	492.07
Trade payables					
	Level 3	1,391.17	1,391.17	1,545.94	1,545.94
Financial liabilities (Current) Others					
Current maturities of long term debt	Level 3	121.64	121.64	36.64	36.64
Interest accrued and due on borrowings	Level 3	0.51	0.51	2.44	2.44
Salaries & wages payable	Level 3	34.25	34.25	31.13	31.13
Cheque payable	Level 3	29.65	29.65	172.73	172.73
Other payable	Level 3	24.86	24.86	11.93	11.93
Total		210.91	210.91	254.87	254.87

Notes:

- Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short term maturities of their instrument.
- 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.
- There are no transfer between Level 1, Level 2, and Level 3 during the year ended 31 March 2021 and 31 March 2020.

32 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 receivables: Lifetime expected credit
Other assets: 12 months expected credit

For the year ended 31 March 2021

Particulars	Estimated gross carrying	Expected credit loss	expected credit losses	Carrying amount net of impairment provision
Trade Receivables	1,373.51	-	-	1,373.51
Cash and cash equivalents	19.94	-	-	19.94

For the year ended 31 March 2020

Particulars	Estimated gross carrying	Expected credit loss	expected credit losses	Carrying amount net of impairment provision
Trade receivables	1,060.20	-	-	1,060.20
Cash and cash equivalents	17.66	-	-	17.66

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 2021	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings					
Term loans (Secured)	-	-	179.72	-	179.72
Vehicle loans (Secured)	-	-	16.04	-	16.04
Loans from director & relatives (Unsecured)	-	-	-	83.31	83.31
Short term borrowings					
Working capital loan from bank	-	464.47	-	-	464.47
Other financial liabilities					
Current maturities of long term borrowings'	-	121.64	-	-	121.64
Interest accrued and due on borrowings	-	0.51	-	-	0.51
Trade payables					
Trade payables	-	1,391.17	-	-	1,391.17

For the year ended 31 March 2020	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings					
Term loans (Secured)	-	-	174.24	-	174.24
Vehicle loans (Secured)	-	-	23.74	-	23.74
Loans from directors & relatives (Unsecured)	-	-	-	78.96	78.96
Short term borrowings					
Working capital loan from bank	-	492.07	-	-	492.07
Other financial liabilities					
Current maturities of long term borrowings'	-	36.64	-	-	36.64
Interest accrued and due on borrowings	-	2.44	-	-	2.44
Trade payables					
Trade payables	-	1,545.94	-	-	1,545.94

33 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 2021	As at 31 March 2020
	USD	USD
Financial assets		
Trade receivables	-	-
Net exposure to foreign currency risk (assets)	-	-
Financial liabilities		
Trade payables	-	-
Net exposure to foreign currency risk (liability)	-	-

(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 2021	For the year ended 31 March 2020
USD Sensitivity		
INR/USD -Increase by 5% (31 March 2019-5%)	-	-
INR/USD -Decrease by 5% (31 March 2018-5%)	-	-

(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 2021	As at 31 March 2020
Variable rate borrowings		
Term loan from banks	179.72	174.24
Vehicle loan from banks	16.04	23.74
Total	195.76	197.98

(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 2021	For the year ended 31 March 2020
Interest rates – increase by 50 basis points*	1.67	0.39
Interest rates – decrease by 50 basis points*	(1.67)	(0.39)
Total		

* Holding all other variable constant

34 Contingent liabilities and commitments (to the extent not provided for)**Contingent liabilities**

Commercial tax

As at 31 March 2021	As at 31 March 2020
3.85	13.52

Commitment

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for

45.62	25.96
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35 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, 2021 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.

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, 2021 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. - -

36 Related Party Disclosure

Related Parties names and relationship

Name of Party	Principal Place of Operation	Principal Activities	Relation
Shri Ayush Agarwal	India	Investing	Key Management Personnel
Shri Chirag Garg	India	Investing	Key Management Personnel
Smt. Ayushi Gupta	India	Company Secretary	Key Management Personnel
Smt. Archana Agarwal	India	Salary	Relative of Key Management Personnel
Shri Avin Agarwal	India	Salary	Relative of Key Management Personnel
Shri Arjun Kumar	India	Investing	Relative of Key Management Personnel
Shri Girish Kumar Aggarwal	India	Investing	Relative of Key Management Personnel
Smt. Pooja Agarwal	India	Salary	Relative of Key Management Personnel
Shri Somya Agarwal	India	Salary	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
Shri Anil Kumar	India	Investing	Relative of Key Management Personnel
Smt. Surbhi	India	Investing	Relative of Key Management Personnel
Shri Vikhyat Agarwal	India	Salary	Relative of Key Management Personnel
Shri Abhinav Agarwal	India	Salary	Relative of Key Management Personnel

Companies/firms controlled by directors/relatives

ACS Papers Pvt. Ltd., Delhi
 ACS Papers Pvt. Ltd., Muzaffarnagar
 Aviana Enterprises
 Ginny Enterprises
 Vas Enterprises Pvt. Ltd.

Related parties transaction and balance

Name of the Related Parties and Relationship	Key Management personnel		Companies controlled by Directors / Relatives	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Salary	31.97	25.64	53.19	46.70
Unsecured Loans repayment	-	4.85	17.03	12.94
Unsecured Loans received	8.00	-	-	8.50
Interest paid	9.92	4.20	4.55	9.82
Sale	-	-	857.98	491.11
Purchase	-	-	3,112.02	1,579.57
Outstanding Payable as on 31.03.2021				
Unsecured Loan	52.99	34.12	30.33	44.84
Trade receivable	-	-	-	55.15
Trade payable	-	-	470.50	364.57
Salary	0.45	3.02	12.36	10.80

37 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 than 10%

There is no revenue from single customer which exceeds the 10% of the total revenue of the company for the FY 2020-21

Non Current Assets	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
(Other than financial instruments; post employment benefits; deferred tax assets; and right arising under insurance contracts)		
Within India	35.24	22.97
Outside India	-	-

38 Capital management

(a) Risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going 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 2021	As at 31 March 2020
Net debt	845.75	790.43
Total equity	1,103.86	930.49
Net debt to equity ratio	77%	85%

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 financial covenants would permit the bank to immediately call loans and borrowings.

39 Notes to accounts

(a) Effect of change in valuation method of stock

During the year valuation of stock of raw material, fuel, work in process & finished goods has been changed from weighted average method (WAM) to first in first out method (FIFO) to reflect the fairest possible approximation to the cost incurred in bringing the items of inventory to their present location and condition. As a result of aforesaid changes in method of valuation of stock of raw material, fuel, work in process & finished goods, the profit for the year and inventories are higher by Rs.113.56 lakh.

(b) Impact of Covid-19

During the year under review, the operations of company were fully suspended from 1st April, 2020 to 4th May, 2020. The operations of the company partially started from 5th May, 2020. After that the company gradually ramped up the production activities as per the directions / regulations / guidelines issued by Government and local bodies to ensure safety of employees in its office. Due to the shutdown of plant and manufacturing activities of the company during the lockdown period, the liquidity and profitability of the Company has been affected. As the CoVID19 pandemic is still evolving and the virus is still spreading in various parts of India, the future impact of the pandemic on the overall operations and financials of the Company cannot be assessed with certainty.

(c) Balances of trade receivables, trade payable and advances as at 31st March, 2021 are subject to confirmation.

(d) 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 Aggarwal)

DIN- 06457199

Sd/-

Director

(Arjun Kumar)

DIN- 02614019

Place: Muzaffarnagar

Date: 30.06.2021

UDIN:21077650AAAACN1231

Sd/-

CFO

(Chirag Garg)

PAN : AJYPG1223A

Sd/-

Company Secretary

(Ayushi Gupta)

PAN : ASQPG9580K

SHAKUMBHRI PULP AND PAPER MILLS LIMITED

4.5 KM BHOPA ROAD MUZAFFARNAGAR

UTTAR PRADESH UP 251001 IN