



# 2022-23

## 35th ANNUAL REPORT

**SHAKUMBHRI PULP AND PAPER  
MILLS LIMITED**

**MANAGEMENT**

**BOARD OF DIRECTORS**

|                           |                        |
|---------------------------|------------------------|
| Mr. GIRISH KUMAR AGGARWAL | : Whole Time Director  |
| Mr. SANJEEV SINGHAL       | : Director             |
| Mr. AMIT AGARWAL          | : Director             |
| Mr. ARJUN KUMAR           | : Director             |
| Ms. ALKA RANI             | : Independent Director |
| Mr. SHIKHAR AGARWAL       | : Independent Director |
| Mr. SUNIL KUMAR GARG      | : Director             |

**COMPANY SECRETARY**

Ms. AYUSHI GUPTA

**CHIEF FINANCIAL OFFICER**

Mr. CHIRAG GARG

**STATUTORY AUDITOR**

M/S RAJ VIYOM & CO., Chartered Accountants, Muzaffarnagar

**BANKERS**

**UNION BANK OF INDIA**

441, CIVIL LINES (SOUTH), MEERUT ROAD, MUZAFFARNAGAR UP 251001 IN  
SSI BRANCH MEERUT ROAD MUZAFFARNAGAR UP 251002 IN

**REGISTRAR AND SHARE TRANSFER AGENT**

Skyline Financial Services Private Limited  
D-153 A, 1st Floor, Okhla Industrial Area, Phase - I  
New Delhi-110 020

**CORPORATE IDENTIFICATION NUMBER**

L21012UP1986PLC007671

**REGISTERED OFFICE ADDRESS**

4.5 KM BHOPA ROAD MUZAFFARNAGAR UTTAR PRADESH UP 251001 IN

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**SHAKUMBHRI PULP AND PAPER MILLS LIMITED**

**REGD. OFFICE: 4.5 KM, BHOPA ROAD, MUZAFFARNAGAR, UTTAR PRADESH 251001**

**CIN: L21012UP1986PLC007671**

**Ph. No.-7895512368 website: shakumbhripulp.com**

**GSTIN: 09AABCS9947E1ZZ**

**E-mail: shakumbhri@yahoo.com, shakumbhripaper@gmail.com**

**NOTICE**

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the shareholders of **M/S SHAKUMBHRI PULP AND PAPER MILLS LIMITED** will be held on Thursday, the 28<sup>th</sup> day of September, 2023 at 11:00 A.M. at registered office of the company at 4.5 KM, Bhopa Road, Muzaffarnagar, Uttar Pradesh-251001 to transact the following businesses:-

**ORDINARY BUSINESS(s):**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March 2023 along with 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.
6. To appoint a Director in place of Shri Sunil Kumar Garg, who retires by rotation and being eligible offers himself for re- appointment.

**SPECIAL BUSINESS (s):**

**7. Appointment of Ms. Mukesh Jain as Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Article of Association of the company, approval and recommendation of Nomination and Remuneration Committee and that of the Board of Directors of the company, Ms Mukesh Jain (DIN: 10276699), who meets the criteria for independence as specified in Section 149 (6) of the Act and Regulation 16 (1) (b) of Listing Regulations and has submitted a declaration to that effect and eligible for the appointment of the Company and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years w.e.f. 28<sup>th</sup> September, 2023 to 27<sup>th</sup> September, 2028.

**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.”

**8. Appointment of Ms. Mona as Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Article of Association of the company, approval and recommendation of Nomination and Remuneration Committee and that of the Board of Directors of the company, Ms Mona (DIN: 10276671), who meets the criteria for independence as specified in Section 149 (6) of the Act and Regulation 16 (1) (b) of Listing Regulations and has submitted a declaration to that effect and eligible for the appointment of the Company and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years w.e.f. 28<sup>th</sup> September, 2023 to 27<sup>th</sup> September, 2028 .

**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.”

**9. To approve the increase in borrowing limits under Section 180(1)(c) of the Companies Act, 2013**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the earlier resolution passed by the Members of the Company and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, SEBI Regulations and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate etc, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company, its free reserves and Securities Premium amount, subject to such aggregate borrowings shall not at any time exceed Rs. 100 crores (Rupees One hundred crores only) or the aggregate of the paid-up share capital of the Company, its free reserves and Securities Premium amount, whichever is higher and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit and sign and execute all such deeds, agreements and any other documents as may be required and take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

**10. To approve creation of charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the earlier resolution passed by the Members of the Company and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, SEBI Regulations and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and at such time and on such terms and with such ranking as to priority as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency), from time to time, in terms of the Loan Agreement(s), or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) etc. in respect of the said loans or borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s), together with interest all other costs, charges and expenses, and all other monies payable by the Company in respect of said loan for which the charge is to be created subject to the limits approved under Section 180(1)(c) of the Act shall not, at any time exceed Rs. 100 Crore (Rupees One hundred crores only) or the aggregate of the paid-up share capital of the Company, its free reserves and Securities Premium amount, whichever is higher.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

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

Sd/-  
**AYUSHI GUPTA**  
**(COMPANY SECRETARY)**

**DATED: 28/08/2023**  
**PLACE: Muzaffarnagar**

**IMPORTANT NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY(50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT(10%)OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.
3. Details under Listing Regulations and Revised Secretarial Standards - 2 on General Meetings, in respect of the Directors seeking appointment/re-appointment at the General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by September 30, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrar. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Skyline Financial Services Private Limited at <https://www.skylinerta.com/>. Members may follow the process detailed below for registration of email id and KYC details.

| Type of holder | Process to be followed   |            |
|----------------|--|------------|
| Physical       | For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, at<br>Skyline Financial Services Private Limited<br>D-153 A, 1st Floor, Okhla Industrial Area, Phase - I<br>New Delhi-110 020. |            |
|                | Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode  | Form ISR-1 |
|                | Update of signature of securities holder   | Form ISR-2 |
|                | For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014  | Form SH-13 |
|                | Declaration to opt out   | Form ISR-3 |
|                | Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee   | Form SH-14 |
|                | Form for requesting issue of Duplicate Certificate and other service requests for shares /debentures/ bonds, etc., held in physical form   | ISR 4      |
|                | The forms for updating the above details are available at<br><a href="https://shakumbhripulp.com">https://shakumbhripulp.com</a> and<br><a href="https://www.skylinerta.com/">https://www.skylinerta.com/</a>  |            |
| Demat          | Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.  |            |

5. The Register of Members and Share Transfer Registers will remain closed from 22.09.2023 to 28.09.2023 (Both days inclusive).

6. 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-110020.

7. All documents referred to in the accompanying Notice and Explanatory Statement shall remain open for inspection at the registered office of the Company during business hours on all the working days between 02:00 P.M to 4:00 P.M up to the date of the Meeting.
8. 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.
9. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of the Annual General Meeting will also be available on the Company's website <https://www.shakumbhripulp.com/notices> for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
11. 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 during the Annual General Meeting.

## 12. Voting through electronic means

- a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd.
- b. The instructions for e-voting are as under:
- (i) The voting period begins on 25<sup>th</sup> September 2023 at 10:00 A.M. and ends on 27<sup>th</sup> September 2023 at 05:00 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 21<sup>st</sup> September 2023 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 can attend the meeting; however, they 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 abovesaid SEBI Circular, Login method for e-Voting 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"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>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. 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 If the providers' website directly.</li> <li>3) user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>   |
| Individual Shareholders holding securities in demat mode with NSDL                                     | <ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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.</li> </ol> |
| 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.</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 <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30          |

(v) Login method for e-Voting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://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:

(vi) After entering these details appropriately, click on “SUBMIT” tab.

| <b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b> |   |
|--|---|
| PAN  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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.</li> </ul>                 |
| Dividend Bank Details<br><b>OR</b> 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"> <li>• 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 as mentioned in instruction (3).</li> </ul> |

(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) **Facility for Non – Individual Shareholders and Custodians – Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto: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; [cs@shakumbhripulp.com](mailto:cs@shakumbhripulp.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **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.

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](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-toll free no. 1800 22 55 33.

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, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

- (xvii) Facility for voting by way of polling shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
- (xviii) Mrs. Shailly Goel, Practicing Company secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process and casting vote through the Poll during the meeting in a fair and transparent manner.
- (xix) The Scrutinizer shall, immediately after the conclusion of the voting at the general meeting, first count the votes cast at the AGM and there after unblock the votes cast through remote e-Voting as well as ballot forms in the presence of at least two (2) witnesses not in the employment of the Company 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.

- (xx) 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 [www.https://shakumbhripulp.com](http://www.https://shakumbhripulp.com) and on the website of CDSL and communicated to the Stock Exchanges.
- (xxi) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

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

Sd/-  
**AYUSHI GUPTA**  
**(COMPANY SECRETARY)**

**DATED: 28/08/2023**  
**PLACE: Muzaffarnagar**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 7**

In order to broad base the Board, Pursuant to the provisions of Section 149 of the Companies Act, 2013 (“the Act”) read with the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 11<sup>th</sup> August 2023 approve and recommend the appointment of Ms. Mukesh Jain (DIN: 10276699) as a Non-Executive Independent Director of the Company for a term of five consecutive years w.e.f 28<sup>th</sup> September, 2023 to 27<sup>th</sup> September, 2028 for the approval of the Shareholders in the forthcoming annual General Meeting.

The Company has received consent in Form DIR-2 and declaration of independence from the proposed director confirming that she met the criteria of independence as specified in Section 149 (6) of the Act and Regulation 16 (1) (b) the Listing Regulations and that she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge duties with an objective independent judgment and without any external influence. The Board after assessing veracity of the same is of the opinion that she fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and Rules made there under and the Listing Regulations and she is independent of the management.

Further, Ms. Mukesh Jain (DIN: 10276699) is not disqualified to act as Director of the Company. She has also given a declaration that she is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. Further, she has given a declaration that she is in compliance with the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to her registration with data bank of Independent directors maintained by Indian Institute of Corporate Affairs.

The Board noted Ms. Mukesh Jain skills and experience are aligned with the role and capabilities identified by Nomination and Remuneration Committee. The Board is satisfied that appointment of Ms. Mukesh is justified since she is a well experienced person and having knowledge of accounts and finance. She will provide strategic guidance to the Company with a view to ensuring long-term viability and strength.

The brief profile and other details of Ms. Mukesh Jain (DIN: 10276699) required as per Regulation 36(2) of the Listing Regulations and Secretarial Standard - 2 are provided in Annexure to this Notice.

The letter of appointment setting out the terms and conditions of the said appointment is available for inspection at the Registered Office of the Company on all days except Sundays or Public holidays between 2.00 p.m. to 4.00 p.m. up to the date of the AGM and also at the AGM.

Pursuant to the provisions of Section 149 of the Act read with Schedule IV of the Act and Regulation 25 of LODR Regulations, appointment of Independent Directors shall be approved by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except the appointees and their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out in Item No. 7 of the Notice, for approval of the members of the Company.

**ITEM NO. 8**

In order to broad base the Board, Pursuant to the provisions of Section 149 of the Companies Act, 2013 (“the Act”) read with the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 11<sup>th</sup> August 2023 approve and recommend the appointment of Ms. Mona (DIN: 10276671) as a Non-Executive Independent Director of the Company for a term of five consecutive years w.e.f 28<sup>th</sup> September, 2023 to 27<sup>th</sup> September, 2028 for the approval of the Shareholders in the forthcoming annual General Meeting.

The Company has received consent in Form DIR-2 and declaration of independence from the proposed director confirming that she met the criteria of independence as specified in Section 149 (6) of the Act and Regulation 16 (1) (b) the Listing Regulations and that she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge duties with an objective independent judgment and without any external influence. The Board after assessing veracity of the same is of the opinion that she fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and Rules made there under and the Listing Regulations and she is independent of the management.

Further, Ms. Mona (DIN: 10276671) is not disqualified to act as Director of the Company. She has also given a declaration that she is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. Further, she has given a declaration that she is in compliance with the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to her registration with data bank of Independent directors maintained by Indian Institute of Corporate Affairs.

The Board noted Ms. Mona skills and experience are aligned with the role and capabilities identified by Nomination and Remuneration Committee. The Board is satisfied that appointment of Ms. Mona is justified since she is having experience in the area of General Management and Operational Aspects..

The brief profile and other details of Ms. Mona (DIN: 10276671) required as per Regulation 36(2) of the Listing Regulations and Secretarial Standard - 2 are provided in Annexure to this Notice.

The letter of appointment setting out the terms and conditions of the said appointment is available for inspection at the Registered Office of the Company on all days except Sundays or Public holidays between 2.00 p.m. to 4.00 p.m. up to the date of the AGM and also at the AGM.

Pursuant to the provisions of Section 149 of the Act read with Schedule IV of the Act and Regulation 25 of LODR Regulations, appointment of Independent Directors shall be approved by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except the appointees and their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out in Item No. 8 of the Notice, for approval of the members of the Company.

#### **ITEM NO. 9**

Pursuant to provisions of Section 180(1) (c) of the Companies Act, 2013 if any, the Company can borrow money exceeding its paid-up capital, free reserves and Securities Premium amount, that is to say, reserves not set apart for any specific purpose, only with the approval of the shareholders accorded by way of a special resolution.

Shareholders of the company earlier approved and authorized the Board of Directors to borrow upto Rs. 50 Crore. Now, the Board propose to pass a resolution to borrow from time to time any sum or sums of money which along with sums already borrowed by the company (apart from temporary loans obtained from the company's banker in the ordinary course of business) may exceed the aforesaid limit but not exceeding Rs. 100 Crores and seeks your approval for the same. The amount of borrowing from time to time shall be used for the business purpose of the company. The Board has unanimously approved the above proposal at its meeting held on 28<sup>th</sup> August, 2023.

None of the Directors and Key Managerial Personnel of the Company is concerned or interested in the said resolution, financially or otherwise, except to the extent of their shareholding, if any.

The proposed resolution outlined above is in the interest of the Company and the Board Recommends the Special resolution set out in Item No. 9 of the Notice, for approval of the members of the Company.

#### **ITEM NO. 10**

Pursuant to provisions of Section 180(1) (a) of the Companies Act, 2013, in order to facilitate securing the borrowing availed / to be availed by the Company, by way of loans, debentures or any other securities or otherwise, in foreign currency or in Indian rupees, it is proposed to obtain the approval of the shareholders by way of a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, to create charge/ mortgage/ hypothecation /pledge on the Company's assets including tangible and intangible, both present and future, or provide other securities in favour of the Banks, Financial Institutions, any other Lender(s), Agent(s) and Trustee(s), from time to time up to the limits approved or as may be approved by the shareholders from time to time under Section 180(1)(c) of the Companies Act, 2013. The amount of borrowing from time to time shall be used for the business purpose of the company. The Board has unanimously approved the above proposal at its meeting held on 28<sup>th</sup> August, 2023

None of the Directors and Key Managerial Personnel of the Company is concerned or interested in the said resolution, financially or otherwise, except to the extent of their shareholding, if any.

The proposed resolution outlined above is in the interest of the Company and the Board Recommends the Special resolution set out in Item No. 10 of the Notice, for approval of the members of the Company.

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

Sd/-  
**AYUSHI GUPTA**  
**(COMPANY SECRETARY)**

**DATED: 28/08/2023**  
**PLACE: Muzaffarnagar**

**Annexure- Details of Proposed Directors**

| Sr. No. | Name of Directors                        | Arjun Kumar Agarwal   | Sanjeev Singhal  | Girish Kumar Aggarwal   | Amit Agarwal   | Sunil Kumar Garg  | Ms. Mukesh Jain   | Ms. Mona  |
|---------|--|---|--|---|--|---|---|---|
| 1       | Director Identification Number (DIN)     | 2614019   | 954385   | 6457199   | 1336763  | 9534044   | 10276699  | 10276671  |
| 2       | Date of Birth (Age)                      | 04.10.1965 (57 years)   | 24.05.1963 (60 years)  | 14.02.1960 (63 years)   | 01.07.1974 (49 years)  | 01.05.1967 (56 years)   | 05.07.1959 (64 years)   | 11.09.1973 (49 years)   |
| 3       | Permanent Account Number (PAN)           | ACJPA7822R  | ALUPSS340Q   | AHBPAA9708M   | ACCPA1463F   | AASPG9890J  | BPGPJ5969D  | BGCPM4673A  |
| 4       | Date of Initial Appointment on the Board | 01.06.2009  | 01.06.2009   | 01.02.2013  | 01.02.2013   | 11.03.2022  | Appointment is proposed for the first time w.e.f.date of AGM i.e. 28/09/2023. therefore, details not applicable | Appointment is proposed for the first time w.e.f.date of AGM i.e. 28/09/2023. therefore, details not applicable |
| 5       | Experience in specific functional area   | 28 Years  | 29 Years   | 33 Years  | 21 Years   | 31 years  | 15 years  | 5 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 Aggarwal has good marketing and administrative skill. | Shri Amit Agarwal is an experienced person having good marketing skill.  | Mr. Sunil Kumar Garg is an experienced person. He is a practicing advocate. | Ms. Mukesh Jain is well experienced and having knowledge in accounts and finance                                | Ms. Mona is having experience in the area of (General Management and Operational Aspects.                       |
| 7       | No. of equity shares held in the Company | 2,49,100 shares   | 42,150 shares  | 62,500 shares   | 701,000 shares   | 90,000 shares   | Nil   | Nil   |
| 8       | Qualification                            | Graduate  | Graduate   | Graduate  | Graduate   | LL.B, Graduate  | M.A (Economics)   | Graduate  |
| 9       | List of other Directorships*             | NIL   | NIL  | NIL   | 1) BINDAL PULP AND PAPERS PRIVATE LIMITED<br>2) NEERAJ PAPER MARKETING LIMITED<br>3) BINDAL INDUSTRIES LIMITED<br>4) BINDAL ROLLING MILLS LIMITED<br>5) BRINA GOPAL TRADERS PVT.LTD. | NIL   | NIL   | NIL   |

Annexure- Details of Proposed Directors

| Sr. No. | Name of Directors   | Arjun Kumar Agarwal  | Sanjeev Singhal  | Girish Kumar Aggarwal   | Amit Agarwal  | Sunil Kumar Garg   | Ms. Mukesh Jain   | Ms. Mona   |
|---------|---|--|--|---|---|--|---|--|
| 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<br>Chairman - Stakeholder Relationship Committee of Neeraj Paper Marketing Limited | NIL  | NIL   | NIL  |
| 12      | Term and condition for Appointment / Re-appointment   | He is Non-Executive Director whose term is liable to retire by rotation. | He is Non-Executive Director whose term is liable to retire by rotation. | He is Whole Time Director whose term is liable to retire by rotation. However, rotation as director shall not effect his tenure as Whole Time Director, if reappointed. | He is Non-Executive Director whose term is liable to retire by rotation.  | He is Non-Executive Director whose term is liable to retire by rotation. | As per Resolution No. 7 of this Notice read with Explanatory Statement  | As per Resolution No. 8 of this Notice read with Explanatory Statement   |
| 13      | Proposed Remuneration   | No Remuneration is proposed  | No Remuneration is proposed  | No Remuneration is proposed. Already drawing remuneration as Whole Time Director  | No Remuneration is proposed   | No Remuneration is proposed  | No Remuneration is proposed   | No Remuneration is proposed  |
| 14      | Last drawn Remuneration   | NIL  | NIL  | Rs. One Lac per month   | NIL   | NIL  | Not applicable since appointment is proposed for the first time   | Not applicable since appointment is proposed for the first time  |
| 15      | No. of Board meeting attended during the year   | SEVEN  | SEVEN  | SEVEN   | FIVE  | SEVEN  | Not applicable since appointment is proposed for the first time   | Not applicable since appointment is proposed for the first time  |
| 16      | Listed Entity from which the director has resigned in past 3 years  | NIL  | NIL  | NIL   | NIL   | NIL  | NIL   | NIL  |
| 17      | Relationships with other Directors, Manager and other Key Managerial Personnel of the company if any, inter se        | NIL  | NIL  | NIL   | NIL   | NIL  | NIL   | NIL  |
| 18      | The skills and capabilities required for the role and the manner in which the proposed person meets such requirements | N.A  | N.A  | N.A   | N.A   | N.A  | The role requires the expertise of Finance and Accounting skill and the proposed director is having experience in finance and accounts. Therefore, fulfill the criteria and meet requirement for appointment. | The role requires the expertise of General Management and Operational Aspects and the proposed director is having experience in the respective area. Therefore, fulfill the criteria and meet requirement for appointment. |

\* List of other directorship and Membership/Chairman of Committees of other companies does not include Committee membership / Chairmanship of Shakumbhri Pulp and Paper Mills Limited

**Form No. MGT-11**

**Proxy form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

|                      |  |
|----------------------|--|
| Name of the member/s |  |
| Registered address   |  |
| E-mail Id            |  |
| Folio No/ Client Id  |  |
| DP ID                |  |

I / We, being the member/s of \_\_\_\_\_ No. of Equity Shares of the above named Company, hereby

|           |  |
|-----------|--|
| Name      |  |
| Address   |  |
| E-mail Id |  |
| Signature |  |

Or failing him

|           |  |
|-----------|--|
| Name      |  |
| Address   |  |
| E-mail Id |  |
| Signature |  |

Or failing him

|           |  |
|-----------|--|
| Name      |  |
| Address   |  |
| E-mail Id |  |
| Signature |  |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company, to be held on the Thursday, 28<sup>th</sup> September, 2023 at 4.5 KM, Bhopa Road, Muzaffarnagar, Uttar Pradesh- 251001 at 11:00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:



| Res No. | Resolution   | FOR* | AGAINST* |
|---------|--|------|----------|
| 1.      | Adoption of the Audited Financial Statement of the Company for the financial year ended 31st March 2023 along with the report of the Directors and Auditors thereon. |      |          |
| 2.      | Re-appointment of Shri Sanjeev Kumar Sangal, who retires by rotation and being eligible offers himself for re-appointment.   |      |          |
| 3.      | Re-appointment of Shri Amit Agarwal, who retires by rotation and being eligible offers himself for re-appointment.   |      |          |
| 4.      | Re-appointment of Shri Arjun Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.  |      |          |
| 5.      | Re-appointment of Shri Girish Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.   |      |          |
| 6.      | Re-appointment of Sunil Kumar Garg, who retires by Rotation and being eligible offers himself for re-appointment.  |      |          |
| 7.      | Appointment of Ms. Mukesh Jain as Independent Director   |      |          |
| 8.      | Appointment of Ms. Mona as Independent Director  |      |          |
| 9.      | To approve the increase in borrowing limits under Section 180(1)(c) of the Companies Act, 2013   |      |          |
| 10.     | To approve creation of charges on the assets of the Company under Section 80(1)(a) of the Companies Act, 2013  |      |          |

Signed this .....day of..... 2023

Signature of Shareholder:

Signature of Proxyholder(s):

Affix  
Revenue  
Stamp

**\*Notes:**

1. Please put a 'X' in the Box in the appropriate column against the respective Resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. Members holding more than ten percent of the total Share Capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at 4.5 KM, Bhopa Road, Muzaffarnagar, Uttar Pradesh- 251001 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

**ATTENDANCE SLIP**

**Please fill Attendance Slip and hand it over at the entrance of the meeting hall**

|    |  |  |
|----|--|--|
| 1. | Name(s) of Member(s) including joint holders, if any (in Block Letter(s))  |  |
| 2. | Registered Address of the Sole/First named Member  |  |
| 3. | Registered Folio No./*DP ID No. and Client ID No.<br>(* Applicable to Members holding shares in dematerialized form) |  |
| 4. | Number of Shares held  |  |

I/We hereby record my/our presence at the 35<sup>th</sup> Annual General Meeting of the Company, to be held on the Thursday, 28<sup>th</sup> September, 2023 at 11:00 A.M. at 4.5 KM, Bhopa Road, Muzaffarnagar, Uttar Pradesh- 251001.

\_\_\_\_\_  
Signature of Member / Proxy

**Form No. MGT-12**

**Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: **SHAKUMBHRI PULP AND PAPER MILLS LIMITED**  
 Registered Office: 4.5 KM BHOPA ROAD MUZAFFARNAGAR UTTAR PRADESH- 251001, INDIA  
 CIN: L21012UP1986PLC007671

**BALLOT PAPER**

| S. No | Particulars  | Details       |
|-------|--|---------------|
| 1.    | Name of the first named Shareholder (In Block Letters)   |               |
| 2.    | Postal address   |               |
| 3.    | Registered Folio No. / *Client ID No. (*applicable to investors holding shares in dematerialized form) |               |
| 4.    | Class of Share   | Equity Shares |

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

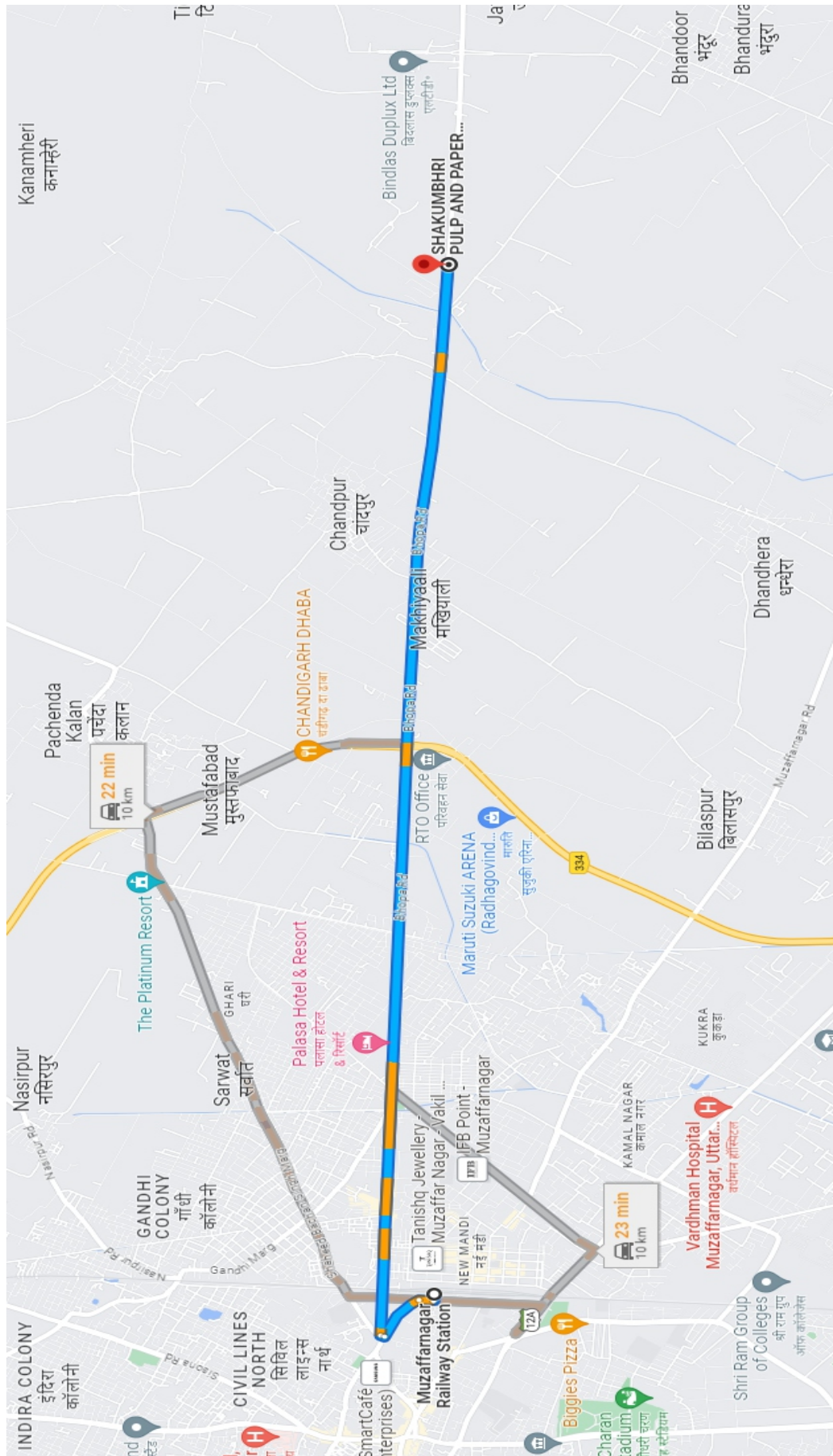
| S. No. | Item No.   | No. of Shares held by me | I assent to the resolution | I dissent from the resolution |
|--------|--|--------------------------|----------------------------|-------------------------------|
| 1.     | To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31stMarch 2023 along with 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.  |                          |                            |                               |
| 6.     | To appoint a Director in place of Shri Sunil Kumar Garg, who retires by rotation and being eligible offers himself for re- appointment   |                          |                            |                               |
| 7.     | Appointment of Ms. Mukesh Jain as Independent Director   |                          |                            |                               |
| 8.     | Appointment of Ms. Mona as Independent Director  |                          |                            |                               |
| 9.     | To approve the increase in borrowing limits under Section 180(1)(c) of the Companies Act, 2013   |                          |                            |                               |
| 10.    | To approve creation of charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013.  |                          |                            |                               |

Place:

Date: 28/09/2023

(Signature of Shareholder)

**Route Map for Venue of AGM**



**DIRECTORS' REPORT****REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March, 2023**

Dear Members,

Your directors have pleasure in presenting you their 35<sup>th</sup> Annual Report on the business and operations of the company together with the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March 2023.

**FINANCIAL RESULTS****(Amount in Lakhs)**

|   | <b>31.03.2023</b> | <b>31.03.2022</b> |
|---|-------------------|-------------------|
| Net Sale/Income from Operations                         | 9,354.43          | 10816.31          |
| Other Income  | 58.16             | 91.60             |
| <b>Total Income</b>                                     | <b>9,412.59</b>   | <b>10907.91</b>   |
| Profit /Loss before Finance Charges, Depreciation & Tax | 120.81            | 407.66            |
| Finance Charges   | 111.96            | 82.93             |
| Depreciation & Amortization                             | 106.59            | 94.78             |
| Profit /Loss Before Tax                                 | (97.74)           | 229.95            |
| Tax : 1. Current tax                                    | 3.08              | 50.90             |
| 2. Deferred tax   | (27.70)           | 6.19              |
| 3.MAT Credit Entitlement/Utilization                    | (4.00)            | 17.69             |
| <b>Profit After Tax</b>                                 | <b>(69.12)</b>    | <b>155.17</b>     |
| Paid-Up Share Capital                                   | 385.50            | 385.50            |
| Reserve & Surplus                                       | 812.76            | 877.20            |
| Transfer to General Reserves                            | -                 | -                 |

**DIVIDEND**

As company required funds for business and growth, your Directors do not recommend any Dividend for the financial year 2022-2023.

**TRANSFER TO RESERVE**

During the year under review, no amount was transferred to General Reserve.

**REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:**

During the Financial year 2022-23, turnover of the company for the financial year ended 31.03.2023 is Rs. 9,354.43 Lacs as compared to Rs. 10816.31 Lacs in the last year. The Net Loss after Tax is Rs. 69.12 Lacs as compared to Net Profit after tax of Rs 155.17 Lacs in the last year. The company has suffered loss during the financial year due to increase in manufacturing expenses and decrease in sale price of paper. The company is trying to revive its position. The company is engaged in manufacturing of Kraft Paper. There was no change in the nature of business of company.

**FUTURE PROSPECTS**

The India Kraft paper market size reached 9.4 Million Tons in 2022. Looking forward, IMARC Group expects the market to reach 15.6 Million Tons by 2028, exhibiting a growth rate (CAGR) of 8.9% during 2023-2028.

Kraft paper refers to a strong paperboard material that is composed of recycled materials or wood pulp produced in the Kraft process. It is widely utilized in numerous packaging applications, including envelopes, bags, sacks, composite cans, pouches, cartons, etc.

The growing usage of compostable and sustainable packaging materials owing to the increasing awareness regarding the detrimental impact of plastic and other non-biodegradable variants is primarily propelling the **growth of the Indian Kraft paper market**. In addition to this, the elevating use of Kraft

paper in gift wrapping, events, weddings, etc., due to its colourful creativity, aesthetic appeal, and textured properties, is also fuelling the market growth. Furthermore, the escalating demand for highly technical saturated Kraft paper in the construction sector to meet unique needs related to countertop, partition, and flooring applications is acting as another significant growth-inducing factor. Apart from this, the expanding utilization of Kraft paper in the e-commerce industry for packaging solutions on account of various associated benefits, such as folding resistance, toughness, and high-strength compression performance, is further augmenting the market growth. Moreover, the rising focus of the Indian government authorities on banning the use of plastics is also creating a positive **outlook for the Kraft paper market** across the country. For instance, in June 2022, the Central Pollution Control Board (CPCB), a federal agency under the Ministry of Environment, issued a list of steps to be taken to prohibit the use of specific single-use plastic products. Numerous other factors, such as the inflating popularity of Kraft paper in the printing and publication sectors and the introduction of advanced packaging solutions, including stand-up pouches, zipper pouches, etc., are anticipated to stimulate the Indian Kraft paper market over the forecasted period.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this 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.

**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.

**AUDITOR AND AUDITOR'S REPORT**

**(a) STATUTORY AUDITOR**

M/S RAJ VIYOM & CO., Chartered Accountants, Muzaffarnagar were re-appointed as Statutory Auditor of your company at the 34<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2022, for a term of five consecutive years to hold office from the conclusion of the 34<sup>th</sup> Annual General Meeting until the conclusion of 39<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2027.

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, 2023.

**(b) 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 has an observation that one third of directors on the Board should be Independent Directors. The Board of Directors state that company is trying to comply with the requirements of Companies Act, 2013 and already approved the appointment of two Independent directors along with existing Independent directors.

**(c) 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.

**SHARE CAPITAL**

The paid up equity share capital as on 31/03/2023 was Rs. 3,85,50,000/-. 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.

**ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) and Section 134(3)(a) of Companies Act 2013 the company has filed its annual return for the financial year ended 31/03/2022 & the same has been uploaded on the website of the Company under the link

[https://www.shakumbhripulp.com/files/annual-return/ar\\_0004.pdf](https://www.shakumbhripulp.com/files/annual-return/ar_0004.pdf)

**COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act

**LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2023-2024 to MSE Limited where the Company's Shares are listed.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND 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.

- (i) the steps taken or impact on conservation of energy; **-NIL**
- (ii) the steps taken by the company for utilising alternate sources of energy; **-NIL**
- (iii) the capital investment on energy conservation equipments; **-NIL**

**(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.

- (i) the efforts made towards technology absorption; **-NIL**
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; **-NIL**
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) **-NIL**
  - (a) the details of technology imported;
  - (b) the year of import;
  - (c) whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development. –NIL

**(C) Foreign exchange earnings and Outgo:**

There are no Foreign exchange earnings of the company during the financial year. However, there was outflow of Rs. 539.46 Lacs during the year.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL****Change in composition of the Board during the year**

During the year under Review, Mr. Sunil Kumar Garg was appointed as additional director on the Board of the company w.e.f. 11/03/2022. He hold the office of Additional Director upto the date of Annual General Meeting of the company. Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 12<sup>th</sup> August, 2022, approve and recommend the appointment of Mr. Sunil Kumar Garg (DIN: 09534044) as Director of the Company in the 34<sup>th</sup> Annual General Meeting. The Shareholder approved the appointment of Mr. Sunil Kumar Garg (DIN: 09534044) as Non- Executive Professional Director of the company by the way of Special resolution passed in the 34<sup>th</sup> Annual General Meeting.

In order to broad base the Board, on the basis of recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 11<sup>th</sup> August, 2023, approved the appointment of Ms Mukesh Jain and Ms Mona as Non- Executive Independent Directors of the company for a term of five consecutive years w.e.f 28/09/2023 subject to the approval of Shareholders in the annual general meeting. Accordingly, Special Resolution for their appointment is included in the notice of ensuing Annual General Meeting for approval of members of the company.

**Directors retiring by rotation**

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Shri Sanjeev Kumar Sangal, Shri Amit Agarwal, Shri Arjun Kumar Agarwal, Shri Girish Kumar Aggarwal & Shri Sunil Kumar Garg, Directors of the Company retires at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**Declaration from Independent Directors**

The company has received the declarations from all the Independent directors confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Listing Regulations. The names of all the Independent Directors of the Company have been included in the Independent Director's databank maintained by Indian Institute of Corporate Affairs ("IICA").

The Board is of the opinion that all the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of legal, industry experience, strategy, finance and governance, IT and human resources, safety and sustainability, etc. and that they hold the highest standards of integrity.

**Change in the Key Managerial Personnel during the year**

During the year under review, there is change in the Key Managerial Personnel of the Company. Ms. Ayushi Gupta, Company Secretary of the Company has resigned for her post w.e.f 20.09.2022. Further to fill the vacancy and on the basis of recommendation of the Nomination & Remuneration Committee, the board approved the appointment of Ms. Eitisha Jain as Company Secretary of the Company w.e.f 21.09.2022 in the Board meeting held on 21.09.2022. However, Ms. Eitisha Jain has resigned from the post of Company Secretary of the company w.e.f 15.06.2023 and Ms. Ayushi Gupta has been appointed as Company Secretary of the Company w.e.f 11.08.2023.

**BOARD PERFORMANCE 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 Company has a policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation of Non-Executive Directors and Executive Directors. In accordance with the manner of evaluation specified by the Nomination and Remuneration Committee, the performance evaluation of the Independent Directors was carried out by the entire Board excluding the director being evaluated. The performance evaluation of the Non Independent Directors and the Board was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared after taking into consideration the Guidance note issued by SEBI vide circular no, CMD/CIR/P/2017/004 dated 05.01.2017 and based on



response received from directors. The Directors expressed their satisfaction with the evaluation process.

## **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. [https://www.shakumbhripulp.com/files/policies/pol\\_10.pdf](https://www.shakumbhripulp.com/files/policies/pol_10.pdf). 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 the irrelative 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.

**COMMITTEES OF THE BOARD**

**a) AUDIT COMMITTEE**

As on 31/03/2023, the Audit committee comprises of the following directors:

|  |           |
|--|-----------|
| Mrs. ALKARANI (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 31/03/2023, the Nomination and Remuneration Committee comprises of the following directors:

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

**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:

11/04/2022, 30/05/2022, 17/06/2022, 12/08/2022, 21/09/2022, 14/11/2022, 10/02/2023

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

One Separate meeting of Independent Directors was held during the year on 16<sup>th</sup> March, 2023 without the attendance of Non-Independent Directors and members of Management.

**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.

#### **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. [https://www.shakumbhripulp.com/files/policies/pol\\_06.pdf](https://www.shakumbhripulp.com/files/policies/pol_06.pdf). During the year under review, no employee was denied access to the Audit Committee.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

However, detail of investment which is outstanding as on 31st March, 2023 is provided in the Notes to the Financial Statements under Note No.5.

#### **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. 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 terms of Section 188(1) of the Companies Act, 2013 in Form AOC 2 is attached as Annexure - II.

#### **MANAGERIAL REMUNERATION AND OTHER DISCLOSURES:**

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

#### **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.

#### **CORPORATE SOCIAL RESPONSIBILITY**

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

**PARTICULARS OF EMPLOYEES**

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

**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.

**MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

Management Discussion & Analysis Report, which form an integral part of this Report, is set out as separate Annexure.

**DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the year under review there is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

**DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS**

During the year under review, there has been no one time settlement of Loans taken from Banks and Financial Institutions

**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.

**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**

Your Directors take this opportunity to convey their deep sense of gratitude for valuable assistance and Co-operation extended to the Company by all valued Customers, Bankers and various departments of government and local authorities.

Your Directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts and spirit of dedication shown by the employees, officers and the executives at all levels which contributed, in no small measure, to the progress and the high performance of the Company during the Year under review.

**FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED**

**DATED: 28/08/2023**  
**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****OUTLOOK OF PAPER INDUSTRY:**

The Indian paper industry has experienced a significant improvement in operating margins for top 10 listed companies in FY23, driven by a 45 per cent revenue growth and a surge in net realisation. However, the industry showed signs of stabilisation in Q4FY23 due to factors like China's ban on paper waste and supply disruptions from the Russia-Ukraine war.

Looking ahead to FY24, a moderation in top-line and operating margins is anticipated. The Indian paper and paperboard packaging market is projected to grow at a CAGR of 6.6 per cent until 2027. The industry witnessed a rise in sales volumes, higher production, and a remarkable 45 per cent growth in sales revenues in FY23. Supply-demand disruptions led to higher realisations, while imports of raw materials and uncertainty in the industry pose challenges for future growth.

Paper is a versatile and widely-used material made from cellulose fibers, usually derived from wood pulp. It has been an integral part of human society for over two thousand years, with a vast range of applications including writing, printing, packaging, and more.

The importance of paper lies in its ability to convey information and ideas, as well as its convenience and accessibility. Paper is lightweight, easy to transport, and can be produced in large quantities at a relatively low cost. It has played a critical role in the development and dissemination of knowledge, allowing for the spread of ideas and information across vast distances and time periods.

In addition to its communicative and informational properties, paper also has practical applications in everyday life. It is used in packaging for products ranging from food to electronics, providing protection and stability during transportation and storage. Paper products such as tissues and hygiene products are also an essential part of personal care and hygiene.

Overall, paper's versatility and accessibility have made it a fundamental material in modern society. While digital technology has led to a decline in certain paper products, such as newspapers and magazines, it remains a crucial component of many industries and will continue to be so for the foreseeable future.

**SCOPE AND DEMAND OF PAPER INDUSTRY IN INDIA**

The Paper and Paperboard Packaging market size was worth around US\$ 203 billion in 2021 and is estimated to hit approximately US\$ 243 billion by 2030. Due to a variety of driving factors, the market is predicted to rise at a significant rate.

The global paper and paperboard packaging market is projected to grow owing to increasing strictness adopted by government and international environmental bodies against the use of single-use plastic in the packaging industry compelling market players to opt for more sustainable forms of material to use.

The India kraft paper market size reached 9.4 Million Tons in 2022. Looking forward, IMARC Group expects the market to reach 15.6 Million Tons by 2028, exhibiting a growth rate (CAGR) of 8.9% during 2023-2028.

The growing demand for paperboard packaging in the healthcare segment is expected to help the global market generate high revenue. Some of the most commonly used materials in the pharmaceutical and healthcare sectors are metals and plastics. Since there are growing concerns about using plastics for packaging medicines, providers of paper and paperboard packaging solutions have increased investment in research to develop better solutions using less harmful materials.

Other factors like the reusability of paper packaging may help generate more consumers as the general population has become aware of the direct consequences consumer shopping patterns have on the environment. There is a growing set of people who prefer to shop or purchase products only from companies that support environmental sustainability. Such moves are projected to drive the demand for paper packaging solutions. The food & beverages industry is one of the highest consumers of paper and paperboard for packaging and as the industry grows, the demand will increase.

The growth in the sector is being driven by a surge in e-commerce, food processing, pharmaceuticals, FMCG, the manufacturing industry, and the healthcare sector. The significant upsurge is fuelled by a growing demand for paper-based products, evolving consumer preferences, and increasing emphasis on sustainable packaging solutions. This industry has become a cornerstone of India's manufacturing and logistics sectors, contributing to both domestic consumption and export markets

The growing e-commerce industry may provide growth opportunities while managing paper quality is expected to act as a challenge for the market players.

Firstly, the rapid expansion of the e-commerce sector has created a massive demand for packaging materials such as corrugated boxes, cartons, and envelopes.

As online shopping continues to flourish, the need for safe, durable, and eco-friendly packaging solutions has skyrocketed. This trend has presented significant opportunities for the industry to innovate and cater to the evolving demands of modern consumers.

Furthermore, the increasing awareness about environmental sustainability has driven the shift towards eco-friendly packaging alternatives. With a growing emphasis on reducing plastic waste and carbon emissions, paper-based packaging solutions have gained immense popularity. From recycled paper packaging to biodegradable materials, the Indian paper and packaging industry has been at the forefront of providing sustainable options to meet consumer expectations and comply with regulatory requirements.

Additionally, the rising literacy rates, expanding education sector, and government initiatives promoting education for all have resulted in a surge in demand for paper products. From textbooks and notebooks to stationery and printing papers, the Indian paper industry plays a vital role in supporting the education system and knowledge dissemination. This growing demand for paper-based educational materials has contributed significantly to the industry's expansion.

## SWOT ANALYSIS OF THE INDIAN PAPER AND PACKAGING INDUSTRY

### STRENGTHS

- The packaging board segment is growing attractively
- Wide variety of paper is traded
- Incomes of plantation farmers have increased
- There is increased recyclability of waste paper

### WEAKNESSES

- Many economically unviable plants
- There is a growing requirement of scale to survive

### THREATS

- Costs of raw materials have increased hence the total cost increased
- There is growing competition from imports
- Digitalization is affecting paper demand
- Intermittent lockdowns due to the pandemic are affecting demand
- Higher energy cost imparting competitiveness

### OPPORTUNITIES:

- Attractive demand headroom from a lower per capita consumption perspective
- Growing consumption of packaging paper/board in food and pharma sector
- Greater hygiene awareness following the pandemic
- Growing demand from downstream sectors (Kraft, corrugation, duplex)
- Innovative product creation possibilities
- Progressive ban on single-use plastic to widen the market.

### OUTLOOK

The company utilized the total capital arranged. In addition to the core paper Manufacturing, the company always trying to explore the opportunities in that sector where the company can increase the value of stakeholders. Kraft Paper 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 31/03/2023, the Company has 69 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<br>31.03.2022 | For year ended<br>31.03.2023 | Changes % | Explanation for<br>Changes more than<br>25%                  |
|--------------------------------------|------------------------------|------------------------------|-----------|--|
| Debtors Turnover                     | 6.85                         | 6.53                         | -4.67%    | Not Applicable   |
| Inventory Turnover                   | 15.62                        | 10.12                        | -35.21%   | Due to Decrease in turnover and increase in inventory        |
| Interest Coverage Ratio              | 3.77                         | 1.08                         | -71.35%   | Due to increase in term loan and net loss during the year    |
| Current Ratio                        | 0.95                         | 0.86                         | -9.47%    | Not Applicable   |
| Debt Equity Ratio                    | 0.71                         | 1.28                         | 80.28%    | Due to increase in term loan and net loss during the year    |
| Debt Service Coverage Ratio (Times)  | 2.13                         | 0.90                         | -57.75%   | Due to loss during the year                                  |
| Return on Equity Ratio (%)           | 13.34                        | -5.71                        | -142.80%  | Due to loss during the year                                  |
| Trade Payable Turnover Ratio (Times) | 5.82                         | 4.70                         | -19.24%   | N.A  |
| Operating Profit Margin%             | 4.22                         | 1.04                         | -75.35%   | Due to loss during the year and decrease in the turnover     |
| Net Profit Margin%                   | 1.43                         | -0.74                        | -151.75%  | Due to net loss during the year and decrease in the turnover |
| Return on Capital Employed (%)       | 14.53                        | 0.56                         | -96.15%   | Due to loss during the year                                  |

**CHANGES IN RETURN ON NET WORTH**

The return on net worth for the financial year 2021-22 and for the financial year 2022-23, it is 0.12 and 0.06 respectively. The change in return on net worth as compared to the immediately previous financial year is (-50%) and reason for change in the above is due to loss incurred during the FY 2022-23.

**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.

**FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED**

**DATED: 28/08/2023**  
**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 31<sup>ST</sup> MARCH, 2023  
[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**  
4.5 KM, Bhopa Road, Muzaffarnagar,  
Uttar Pradesh- 251001

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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2023** 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 **31<sup>st</sup> March, 2023** 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.
  - (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;

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 subject to the following observation:

- i) *As per the provisions of Section 149(4) of the Companies Act, 2013, listed public company shall have at least one-third of the total number of Directors as independent Directors. Company could not comply with the same and Independent directors on the Board of the company does not constitute one third of total number of directors.*

We further report that:

- (i). The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. However there is lack of required number of Independent Directors on the Board of the company as required under Companies Act, 2013. 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 other than those held at shorter notice, 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 there has not been any such activity having a major bearing on the Company's affairs in pursuance of the above referred laws rules, regulations, guidelines etc.

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

**Sd/-  
Shailly Goel  
Company Secretary  
FCS No: 8769  
C.P. No.: 9196  
UDIN: F008769E000874810  
Peer Review Certificate No. -1634/2021**

**Date: 28<sup>th</sup> August, 2023**

**Place: New Delhi**

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**

**Auditor's responsibility**

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. 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 and for which we relied on the report of statutory auditor.
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: 28<sup>th</sup> August, 2023**  
**Place: New Delhi**

**Annexure II 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, 2023, which were not an arm's length basis.

**2. Details of Material 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) | Date of approval by Board |
|---------------------------|-----------------------------------|-----------------------|--------------------------|------------------|---------------------------|
| ACS Papers India Pvt.Ltd. | Director's relative is director   | Purchases             | 01.04.2022 to 31.03.2023 | 2059.1           | 30.05.2022                |
|                           |                                   | Sales                 |                          | 1458.39          |                           |
| Aviana Enterprises        | Director's relative is Proprietor | Purchases             | 01.04.2022 to 31.03.2023 | 2618.70          | 30.05.2022                |
|                           |                                   | Sales                 |                          | 7.99             |                           |

Note: the transactions were entered in the ordinary course of business and at arm's length basis.

On behalf 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: 28/08/2023**  
**PLACE: Muzaffarnagar**

**Annexure III 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 2022-23   | <b>Director's Name*</b>   | <b>Ratio to median remuneration</b>        |
|       |  | Girish Kumar Agarwal  | 8.37:1                                     |
| (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 2022-23 compared to 2021-22. | <b>Director's/CFO/CS name*</b>  | <b>Percentage increase in remuneration</b> |
|       |  | Girish Kumar Agarwal, Whole Time Director                                   | No change                                  |
|       |  | Chirag Garg, CFO  | No Change                                  |
|       |  | Ayushi Gupta, CS**  | No Change                                  |
|       |  | Eitisha Jain, CS**  | N.A  |
| (iii) | Percentage increase in the median remuneration of employees in the financial year 2022-23 compared to 2021-22.   | 4.82%   |  |
| (iv)  | Number of permanent employees on the rolls of the company***   | <b>Ason 31.03.2023</b>  | <b>Ason 31.03.2022</b>                     |
|       |  | 69  | 72   |
| (v)   | Average percentile increase in salaries of Employees other than managerial personnel in financial year 2022-23 compared to 2021-22****   | 9.33%   |  |
|       | Average percentile increase in managerial remuneration financial year 2022-23 compared to 2021-22  | Nil   |  |
|       | Justification for increase   | Increase in salaries of employees 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.**

Note:

Remuneration of employees has not been considered for calculation of Ratio to median remuneration who resigned or joined during the F.Y. 2022-23.

\*No other director was given remuneration during the F.Y. 2022-23 and 2021-22.

\*\*Ms. Ayushi Gupta, CS has resigned w.e.f 20/09/2022 and Ms. Eitisha Jain, CS was appointed w.e.f 21/09/2022 .

\*\*Total employees exclude directors of the company.

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

On behalf of the Board

**FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED**

**DATED: 28/08/2023**

**PLACE: Muzaffarnagar**

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

**Sd/-  
ARJUN KUMAR  
DIRECTOR  
DIN: 02614019**

## Annexure IV - TOP TEN EMPLOYEES DETAILS

| S.NO. | NAME                | DESIGNATION            | TOTAL REMUNERATION DRAWN IN 2022-23 | NATURE OF EMPLOYMENT | QUALIFICATIONS & EXPERIENCE | LAST EMPLOYMENT AGE (in Years) | AGE (in Years) | COMMENCEMENT OF EMPLOYMENT | PERCENT AGE OF EQUITY SHARES(%) | RELATION WITH DIRECTOR           |
|-------|---------------------|------------------------|-------------------------------------|----------------------|-----------------------------|--------------------------------|----------------|----------------------------|---------------------------------|----------------------------------|
| 1     | ANIL KUMAR          | STORE MANAGER          | 1200000                             | PERMANENT            | GRADUATE & 7 YRS            | N.A                            | 61             | 12-01-2016                 | 0                               | N.A                              |
| 2     | ABHINA V AGARWAL    | ADMINISTRATIVE MANAGER | 1140000                             | PERMANENT            | GRADUATE & 9 YRS            | N.A                            | 33             | 04-01-2014                 | 2.9                             | Son of Mr. Arjun Agarwal         |
| 3     | SMT ARCHANA AGARWAL | H.R MANAGER            | 960000                              | PERMANENT            | GRADUATE & 7 YRS            | N.A                            | 56             | 12-01-2016                 | 5.1                             | Wife of Mr. Arjun Agarwal        |
| 4     | AVIN AGARWAL        | PURCHASE MANAGER       | 960000                              | PERMANENT            | GRADUATE & 7 YRS            | N.A                            | 36             | 12-01-2016                 | 1.03                            | Son of Mr. Girish Agarwal        |
| 5     | CHIRAG GARG         | C.F.O                  | 600000                              | PERMANENT            | GRADUATE & 9 YRS            | N.A                            | 36             | 05-01-2014                 | 0                               | N.A                              |
| 6     | PUJA AGARWAL        | MANAGER                | 600000                              | PERMANENT            | GRADUATE & 3 YRS            | N.A                            | 35             | 02-05-2020                 | 0                               | Son's wife of Mr. Girish Agarwal |
| 8     | SOMYA GARG          | ADMINISTRATIVE MANAGER | 600000                              | PERMANENT            | GRADUATE & 7 YRS            | N.A                            | 39             | 04-01-2016                 | 0                               | N.A                              |
| 7     | AMBRISH AGARWAL     | MANAGER                | 480000                              | PERMANENT            | GRADUATE & 2 YRS            | N.A                            | 65             | 01-01-2022                 | 0                               | Brother of Mr. Girish Agarwal    |
| 9     | VIKHYAT AGARWAL     | MANAGER                | 480000                              | PERMANENT            | POST GRADUATE & 5 YRS       | N.A                            | 37             | 18-06-2018                 | 0.01                            | N.A                              |
| 10    | AJAY KUMAR AGARWAL  | Accounts Manager       | 420000                              | PERMANENT            | POST GRADUATE & 15 YRS      | N.A                            | 63             | 01-06-2009                 | 0                               | N.A                              |

Note : No employee is drawing remuneration more than the limit specified under Rule 5(2) (i) (ii) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

On behalf of the Board

FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

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

DATED: 28/08/2023  
PLACE: Muzaffarnagar

Sd/-

ARJUN KUMAR  
DIRECTOR  
DIN: 02614019

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

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 2023**, 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 2023**, its loss 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended **31 March 2023**. 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. During the year under consideration, we have no key audit matters to 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 2022-23, 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 the 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 the 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 or opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023 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.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2020 ("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 the standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2014, as amended;
  - e. On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 the standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;
  - g. With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year as in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 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 Ind AS financial statements – Refer Note 38 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.
    - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- (v) The company has not declared or paid dividend during the year covered by our audit.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **RAJ VIYOM & CO.,**  
Chartered Accountants,  
Firm Regn. No. 002011C

CA Raj Kumar Sharma  
**Partner**  
Membership No.077650  
UDIN: 23077650BGTUQI7950

Dated: 30.05.2023  
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 2023. We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.
- (b) The Company does not have any intangible asset.
- (c) 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.
- d) The Company has not revalued its property, plant & equipment during the year.
- (e) 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.
- (f) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification. In our opinion and according the information and explanations given to us the coverage and procedure of such verification by the management is appropriate having regard to the size of the company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories by the management as compared with book of account.
- (b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, at points of time during the year, from bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the company with such bank are in agreement with the audited books of account of the Company, the differences, if any are either not material or minor in nature.
- (iii) The Company has not made investments in, or provided any guarantee or security, or granted any loans or advances in the nature of 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 and 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 deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (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 31.03.2023 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.
- (viii) In our opinion and according to the information and explanations given to us, the company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, as income during the year. Accordingly the requirement on clause 3(viii) of the order is not applicable to the company.

- (ix) (a) 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.
- (b) According to the information and explanations given to us, the company is not declared willful defaulter by any bank or financial institution or other lender during the year.
- (c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.
- (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) 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).
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) According to information and explanations given to us, no fraud by the company or on the company has been noticed or reported during the year.
- (b) According to information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to information and explanations given to us, no whistle-blower complaints had been received by the company during the year.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order is not applicable on the Company.
- (xiii) In our opinion and according to the information and explanations 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) (a) According to information and explanations given to us, the company has an internal audit system commensurate with the size and the nature of its business.
- (b) The reports of internal auditors for the period under audit were considered by us.
- (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) (a) 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.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) In our opinion and according to the information and explanations given to us, the Group does not have any CIC as part of the Group.

- (xvii) In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) According to the information and explanations provided to us, there has been no resignation of the statutory auditors during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the provision of section 135 are not applicable on the company hence, the provisions of clause 3(xx) of the Order is not applicable to the Company.
- (xxi) According to the information and explanations given to us, the company is not required to prepare Consolidate financial statement hence, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

For **RAJ VIYOM & CO.,**  
Chartered Accountants,  
Firm Regn. No. 002011C

CA Raj Kumar Sharma  
**Partner**  
Membership No.077650  
UDIN: 23077650BGTUQI7950

Dated: 30.05.2023  
Place: MUZAFFARNAGAR

**ANNEXURE B TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (f) 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 2023 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 the 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 2023, 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 VIYOM & CO.,**  
Chartered Accountants,  
Firm Regn. No. 002011C

CA Raj Kumar Sharma  
**Partner**  
Membership No.077650  
UDIN: 23077650BGTUQI7950

Dated: 30.05.2023  
Place: MUZAFFARNAGAR

**Shakumbhri Pulp And Paper Mills Limited**

**Balance Sheet as at 31 March 2023**

(Amounts in INR Lakhs, unless otherwise stated)

|  | Notes | As at 31<br>March 2023 | As at 31<br>March 2022 |
|--|-------|------------------------|------------------------|
| <b>Assets</b>  |       |                        |                        |
| <b>Non-current assets</b>  |       |                        |                        |
| Property, plant and equipment  | 3     | 2,327.94               | 1,637.95               |
| Capital work in progress   | 4     | -                      | 256.03                 |
| Financial assets   |       |                        |                        |
| Investment in financial assets   | 5     | 0.76                   | 0.71                   |
| Other financial assets   | 6     | 37.54                  | 37.54                  |
| Other non-current assets   | 7     | -                      | 26.13                  |
| <b>Total non-current assets</b>  |       | <b>2,366.24</b>        | <b>1,958.36</b>        |
| <b>Current assets</b>  |       |                        |                        |
| Inventories  | 8     | 986.47                 | 862.55                 |
| <b>Financial assets</b>  |       |                        |                        |
| Trade receivables  | 9     | 1,079.88               | 1,784.76               |
| Cash and cash equivalents  | 10    | 5.31                   | 3.27                   |
| Bank balances other than cash and cash equivalents                                     | 11    | 77.45                  | 49.16                  |
| Other current assets   | 12    | 14.39                  | 15.17                  |
| Current tax assets (net)   | 13    | 18.43                  | -                      |
| <b>Total current assets</b>  |       | <b>2,181.93</b>        | <b>2,714.91</b>        |
| <b>Total assets</b>  |       | <b>4,548.17</b>        | <b>4,673.27</b>        |
| <b>Equity and liabilities</b>  |       |                        |                        |
| <b>Equity</b>  |       |                        |                        |
| Equity share capital   | 14    | 385.50                 | 385.50                 |
| Other equity   | 15    | 812.76                 | 877.20                 |
| <b>Total equity</b>  |       | <b>1,198.26</b>        | <b>1,262.70</b>        |
| <b>Non-current liabilities</b>   |       |                        |                        |
| Financial liabilities  |       |                        |                        |
| Borrowings   | 16    | 666.13                 | 399.35                 |
| Provisions   | 17    | 36.97                  | 37.51                  |
| Deferred tax liabilities (net)   | 18    | 94.89                  | 124.79                 |
| <b>Total non-current liabilities</b>   |       | <b>797.99</b>          | <b>561.65</b>          |
| <b>Current liabilities</b>   |       |                        |                        |
| Financial liabilities  |       |                        |                        |
| Borrowings   | 19    | 864.36                 | 491.41                 |
| Trade payables   | 20    | -                      | -                      |
| Total outstanding dues of micro enterprises and small enterprises                      |       | -                      | -                      |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |       | 1,414.40               | 2,001.77               |
| Other current financial liabilities  | 21    | 201.77                 | 238.98                 |
| Other current liabilities  | 22    | 55.87                  | 97.50                  |
| Provisions   | 23    | 15.52                  | 10.93                  |
| Current tax liability (net)  | 24    | -                      | 8.33                   |
| <b>Total current liabilities</b>   |       | <b>2,551.92</b>        | <b>2,848.92</b>        |
| <b>Total liabilities</b>   |       | <b>3,349.91</b>        | <b>3,410.57</b>        |
| <b>Total equity and liabilities</b>  |       | <b>4,548.17</b>        | <b>4,673.27</b>        |

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For RAJ VIYOM & CO.,**

ICAI Firm Registration No.: 002011C

Chartered Accountants,

Sd/-

CA Raj Kumar Sharma

**Partner**

Membership No.: 077650

Place: Muzaffarnagar

Date: 30.05.2023

UDIN: 23077650BGTUQ17950

Sd/-

Whole Time Director  
(Girish Kumar Aggarwal)  
DIN- 06457199

Sd/-

CFO  
(Chirag Garg)  
PAN : AJYPG1223A

Sd/-

Director  
(Arjun Kumar )  
DIN- 02614019

Sd/-

Company Secretary  
(Etitisha Jain)

PAN : AUVPJ8429P

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

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**Shakumbhri Pulp And Paper Mills Limited**

**Statement of Profit and Loss for the year ended 31 March 2023**

(Amounts in INR Lakhs, unless otherwise stated)

|   | Notes | <u>For the year ended<br/>31 March 2023</u> | <u>For the year ended<br/>31 March 2022</u> |
|---|-------|---|---|
| <b>Income:</b>  |       |   |   |
| Revenue from operations                                       | 25    | 9,354.43                                    | 10,816.31                                   |
| Other income  | 26    | 58.16                                       | 91.60                                       |
| <b>Total income</b>   |       | <b>9,412.59</b>                             | <b>10,907.91</b>                            |
| <b>Expenses:</b>  |       |   |   |
| Cost of material consumed                                     | 27    | 8,613.87                                    | 9,686.36                                    |
| Purchase of stock-in-trade                                    | 28    | 167.93                                      | 328.40                                      |
| Changes in inventories of finished goods and work-in-progress | 29    | (6.21)                                      | (4.22)                                      |
| Employee benefits expense                                     | 30    | 236.31                                      | 218.52                                      |
| Finance costs   | 31    | 111.96                                      | 82.93                                       |
| Depreciation and amortization expense                         | 3     | 106.59                                      | 94.78                                       |
| Other expenses  | 32    | 279.88                                      | 271.19                                      |
| <b>Total expenses</b>   |       | <b>9,510.33</b>                             | <b>10,677.96</b>                            |
| <b>Profit/(Loss) before exceptional items and tax</b>         |       | <b>(97.74)</b>                              | <b>229.95</b>                               |
| Exceptional items   |       | -   | -   |
| <b>Profit/(Loss) before tax</b>                               |       | <b>(97.74)</b>                              | <b>229.95</b>                               |
| <b>Tax expense</b>  |       |   |   |
| Current tax   |       | 3.08  | 50.90                                       |
| Less: MAT credit entitlement                                  |       | -   | 17.69                                       |
| Less: MAT credit reverse                                      |       | (4.00)                                      | -   |
| Deferred tax  |       | (27.70)                                     | 6.19  |
| <b>Profit/(Loss) for the year</b>                             |       | <b>(69.12)</b>                              | <b>155.17</b>                               |
| <b>Other comprehensive income</b>                             |       |   |   |
| <b>Items that will not be reclassified to profit or loss</b>  |       |   |   |
| Re-measurement gains/(losses) on defined benefit plan         |       | 6.48  | 4.96  |
| Income tax effect   |       | (1.80)                                      | (1.29)                                      |
| <b>Other comprehensive income</b>                             |       | <b>4.68</b>                                 | <b>3.67</b>                                 |
| <b>Total comprehensive income</b>                             |       | <b>(64.44)</b>                              | <b>158.84</b>                               |

**Earnings per equity share of face value of ₹ 10 each :**

|                |    |        |      |
|----------------|----|--------|------|
|                | 33 |        |      |
| Basic (in ₹)   |    | (1.79) | 4.03 |
| Diluted (in ₹) |    | (1.79) | 4.03 |

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 VIYOM & CO.,**

ICAI Firm Registration No.: 002011C

Chartered Accountants,

Sd/-

CA Raj Kumar Sharma

**Partner**

Membership No.: 077650

Place: Muzaffarnagar

Date: 30.05.2023

UDIN: 23077650BGTUQI7950

Sd/-

Whole Time Director

(Girish Kumar Aggarwal)

DIN- 06457199

Sd/-

CFO

(Chirag Garg)

PAN : AJYPG1223A

Sd/-

Director

(Arjun Kumar )

DIN- 02614019

Sd/-

Company Secretary

(Eitisha Jain)

PAN : AUVPJ8429P

| <b>Shakumbhri Pulp And Paper Mills Limited</b>  |   |   |
|---|---|---|
| <b>Statement of Cash Flows for the year ended 31 March 2023</b>   |   |   |
| (Amounts in INR, unless otherwise stated)   |   |   |
| <b>Particulars</b>  | <b>For the year<br/>ended<br/>31 March 2023</b> | <b>For the year<br/>ended<br/>31 March 2022</b> |
| <b>Profit before tax</b>  | (97.74)   | 229.95  |
| Adjustments for:  |   |   |
| Depreciation and amortization   | 106.59  | 94.78   |
| Gain/(loss) on fair valuation of investments  | (0.06)  | (0.01)  |
| Profit on sale of property, plant & equipment   | (3.53)  | -   |
| Interest income   | (3.56)  | (2.07)  |
| Dividend income   | (0.11)  | (0.08)  |
| Interest expenses   | 127.35  | 85.78   |
| <b>Operating profit before working capital changes</b>  | <b>128.94</b>                                   | <b>408.35</b>                                   |
| <b>Movement in working capital</b>  |   |   |
| (Increase)/decrease in trade receivables  | 704.88  | (411.25)  |
| (Increase)/decrease in inventories  | (123.92)  | (339.86)  |
| (Increase)/decrease in other non current financial assets   | (0.05)  | (0.01)  |
| (Increase)/decrease in bank balance other than cash and cash equivalent   | (28.29)   | (48.36)   |
| (Increase)/decrease in other current assets   | (17.65)   | (3.88)  |
| (Increase)/decrease in other non-current assets   | 26.13   | 9.11  |
| Increase/(decrease) in trade payables   | (587.37)  | 610.60  |
| Increase/(decrease) in other current financial liabilities  | (37.21)   | 149.71  |
| Increase/(decrease) in other current liabilities  | (41.63)   | 9.16  |
| Increase/(decrease) in current tax liability (net)  | (8.33)  | (6.80)  |
| Increase/(decrease) in long term provisions   | 2.00  | 25.20   |
| Increase/(decrease) in short term provisions  | 4.59  | 3.02  |
| <b>Cash generated from/(used in) operations</b>   | <b>22.09</b>                                    | <b>404.99</b>                                   |
| Direct taxes paid (net of refunds)  | 0.92  | (68.59)   |
| <b>Net cash generated from/(used in) operating activities</b>   | <b>23.01</b>                                    | <b>336.40</b>                                   |
| <b>Cash flow from investing activities</b>  |   |   |
| Purchase of property, plant & equipment including CWIP and capital advances   | (546.02)  | (295.02)  |
| Proceeds from sale of property, plant & equipment   | 9.00  | -   |
| Dividend received   | 0.11  | 0.08  |
| Interest received   | 3.56  | 2.07  |
| <b>Net cash (used in)/generated from investing activities</b>   | <b>(533.35)</b>                                 | <b>(292.87)</b>                                 |
| <b>Cash flow from financing activities</b>  |   |   |
| Proceeds of long-term borrowings  | 266.78  | 120.28  |
| Repayment/Proceeds from short-term borrowings   | 372.95  | (94.70)   |
| Interest paid   | (127.35)  | (85.78)   |
| <b>Net cash (used in)/generated from financing activities</b>   | <b>512.38</b>                                   | <b>(60.20)</b>                                  |
| <b>Net (decrease) / increase in cash and cash equivalents</b>   | <b>2.04</b>                                     | <b>(16.67)</b>                                  |
| <b>Cash and cash equivalents at the beginning of the year</b>   | <b>3.27</b>                                     | <b>19.94</b>                                    |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>5.31</b>                                     | <b>3.27</b>                                     |
| <b>Components of cash and cash equivalents</b>  |   |   |
| Cash and cheques on hand  | 5.12  | 3.19  |
| Balances with banks:  |   |   |
| - On current accounts   | 0.19  | 0.08  |
| <b>(refer note 10)</b>  | <b>5.31</b>                                     | <b>3.27</b>                                     |
| Notes:  |   |   |
| The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows". |   |   |

| <b>Disclosure of changes in liabilities arising from financing activities</b>  |  |                        |                             |
|--|--|------------------------|-----------------------------|
| <b>Particulars</b>   | <b>Term Loans including current maturities</b> | <b>Unsecured Loans</b> | <b>Short Term Loans- CC</b> |
| <b>Opening Balance as at April 01, 2022</b>  | 336.32   | 154.11                 | 400.33                      |
| Add:- Proceeds from borrowings/ Interest accrued during the year   | 487.90   | 32.09                  | 11,353.19                   |
| Less:- Repayment of borrowings / Interest payment during the year  | 166.39   | 5.00                   | 11,062.06                   |
| <b>Non Cash items :-</b>   |  |                        |                             |
| - Amortization   | -  | -                      | -                           |
| <b>Closing Balance as at March 31, 2023</b>  | <b>657.83</b>                                  | <b>181.20</b>          | <b>691.46</b>               |
| <b>Particulars</b>   | <b>Term Loans including current maturities</b> | <b>Unsecured Loans</b> | <b>Short Term Loans- CC</b> |
| <b>Opening Balance as at April 01, 2021</b>  | 317.92   | 83.31                  | 464.47                      |
| Add:- Proceeds from borrowings / Interest accrued during the year  | 174.99   | 71.56                  | 11,883.68                   |
| Less:- Repayment of borrowings / Interest payment during the year  | 156.59   | 0.76                   | 11,947.82                   |
| <b>Non Cash items :-</b>   |  |                        |                             |
| - Amortization   | -  | -                      | -                           |
| <b>Closing Balance as at March 31, 2022</b>  | <b>336.32</b>                                  | <b>154.11</b>          | <b>400.33</b>               |
| <p>As per our report of even date<br/> <b>For RAJ VIYOM &amp; CO.,</b><br/>                     ICAI Firm Registration No.: 002011C<br/>                     Chartered Accountants</p> |  |                        |                             |
| <p>Sd/-<br/>                     Whole Time Director<br/>                     (Girish Kumar Aggarwal)<br/>                     DIN- 06457199</p>                                       |  |                        |                             |
| <p>Sd/-<br/>                     Director<br/>                     (Arjun Kumar )<br/>                     DIN- 02614019</p>   |  |                        |                             |
| <p>Sd/-<br/>                     CA Raj Kumar Sharma<br/> <b>Partner</b><br/>                     Membership No.: 077650</p>   |  |                        |                             |
| <p>Sd/-<br/>                     CFO<br/>                     (Chirag Garg)<br/>                     PAN : AJYPG1223A</p>  |  |                        |                             |
| <p>Sd/-<br/>                     Company Secretary<br/>                     (Eitisha Jain)<br/>                     PAN : AUVPI8429P</p>   |  |                        |                             |
| <p>Place: Muzaffarnagar<br/>                     Date: 30.05.2023<br/>                     UDIN: 23077650BGTUQI7950</p>  |  |                        |                             |

**Shakumbhri Pulp And Paper Mills Limited**  
**Statement of Changes in Equity for the year ended 31 March 2023**  
(Amounts in INR Lakhs, unless otherwise stated)

**A Equity share capital (Refer Note 14)**

**(1) Current reporting period**

| Balance at the beginning of the current reporting period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 385.50   | -  | 385.50  | -   | 385.50   |

**(2) Previous reporting period**

| Balance at the beginning of the current reporting period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 385.50   | -  | 385.50  | -   | 385.50   |

**B Other equity (Refer Note 15)**

| Particulars                        | Security premium    |                     | General reserve     |                     | Equity component of financial instruments |                     | Retained earning    |                     | Total other equity  |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023                       | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
|                                    | (Refer note 15.1)   |                     | (Refer note 15.2)   |                     | (Refer note 15.3)                         |                     | (Refer note 15.4)   |                     | (Refer note 15)     |                     |
| <b>Opening balance</b>             | <b>112.00</b>       | <b>112.00</b>       | <b>39.01</b>        | <b>39.01</b>        | <b>20.15</b>                              | <b>20.15</b>        | <b>706.04</b>       | <b>547.20</b>       | <b>877.20</b>       | <b>718.36</b>       |
| Addition/reduction during the year | -                   | -                   | -                   | -                   | -   | -                   | -                   | -                   | -                   | -                   |
| Profit/(loss) for the year         | -                   | -                   | -                   | -                   | -   | -                   | (69.12)             | 155.17              | (69.12)             | 155.17              |
| Other comprehensive income         | -                   | -                   | -                   | -                   | -   | -                   | 4.68                | 3.67                | 4.68                | 3.67                |
| <b>Total Comprehensive Income</b>  | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>                                  | <b>-</b>            | <b>(64.44)</b>      | <b>158.84</b>       | <b>(64.44)</b>      | <b>158.84</b>       |
| <b>Closing balance</b>             | <b>112.00</b>       | <b>112.00</b>       | <b>39.01</b>        | <b>39.01</b>        | <b>20.15</b>                              | <b>20.15</b>        | <b>641.60</b>       | <b>706.04</b>       | <b>812.76</b>       | <b>877.20</b>       |

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 VIYOM & CO.,**  
ICAI Firm Registration No.: 002011C  
Chartered Accountants

**Sd/-**  
Whole Time Director  
(Girish Kumar Aggarwal)  
DIN- 06457199

**Sd/-**  
Director  
(Arjun Kumar )  
DIN- 02614019

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

Place: Muzaffarnagar  
Date: 30.05.2023  
UDIN: 23077650BGTUQI7950

**Sd/-**  
CFO  
(Chirag Garg)  
PAN : AJYPG1223A

**Sd/-**  
Company Secretary  
(Eitisha Jain)  
PAN : AUVPJ8429P

**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 30.05.2023"

**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 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.

**(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.

**(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.

**(iii) GST paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the assets or as part of the expenses item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**(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 materials and stores, work in progress 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.

**(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) Borrowings costs**

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

**(s) Employee benefits****(i) Short-term obligations**

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

**(ii) Post-employment obligations**

The group operates the following post-employment schemes:

- (a) defined benefit plan viz. gratuity; and
- (b) defined contribution plans such as provident fund.

**(a) Defined benefit plan**

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

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

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

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

**(b) Defined contribution plans**

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

**(t) 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 24**

Estimation of defined benefit obligation – **Note 34**

Recognition of deferred tax liabilities – **Note 18**

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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2015, by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, which are applicable for annual reporting periods beginning from April 01, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect to have any significant impact on its financial statement.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty.' The Company does not expect to have any significant impact on its financial statement.

**Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect to have any significant impact on its financial statement.

**Ind AS 109 - Financial Instruments**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**Other amendments**

Other amendments include amendments in Ind AS 102, Share-based Payments, Ind AS 103, Business Combination, Ind AS 109, Financial Instruments, Ind AS 115, Revenue from contract with customers are mainly editorial in nature in order to provide better clarification of respective Ind AS. The Company does not expect to have any significant impact on its financials statements.

**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    |
|--|-------|-----------|--------------------------|-------------------|------------------------------|----------|----------|----------|
| <b>Gross carrying value as of March 31, 2022</b>     | 12.29 | 38.84     | 96.75                    | 2,494.96          | 16.68                        | 13.17    | 111.93   | 2,784.62 |
| Additions during the year                            | -     | -         | 6.50                     | 772.58            | 3.46                         | 0.48     | 19.03    | 802.05   |
| Deletions during the year                            | -     | -         | -                        | -                 | -                            | -        | 32.49    | 32.49    |
| <b>Gross carrying value as of March 31, 2023</b>     | 12.29 | 38.84     | 103.25                   | 3,267.54          | 20.14                        | 13.65    | 98.47    | 3,554.18 |
| <b>Accumulated Depreciation as of March 31, 2022</b> | -     | 32.80     | 49.86                    | 960.26            | 10.73                        | 10.26    | 82.76    | 1,146.67 |
| Depreciation   | -     | 0.49      | 3.04                     | 92.29             | 2.07                         | 1.32     | 7.38     | 106.59   |
| Accumulated Depreciation on deletions                | -     | -         | -                        | -                 | -                            | -        | 27.02    | 27.02    |
| <b>Accumulated Depreciation as of March 31, 2023</b> | -     | 33.29     | 52.90                    | 1,052.55          | 12.80                        | 11.58    | 63.12    | 1,226.24 |
| <b>Carrying value as of March 31, 2023</b>           | 12.29 | 5.55      | 50.35                    | 2,214.99          | 7.34                         | 2.07     | 35.35    | 2,327.94 |
| <b>Carrying value as of March 31, 2022</b>           | 12.29 | 6.04      | 46.89                    | 1,534.70          | 5.95                         | 2.91     | 29.17    | 1,637.95 |
| <b>Property, plant &amp; equipment</b>               |       |           |                          |                   |                              |          |          |          |
|  | Land  | Buildings | Effluent treatment plant | Plant & machinery | Office furniture & equipment | Computer | Vehicles | Total    |
| <b>Gross carrying value as of March 31, 2021</b>     | 12.29 | 38.84     | 96.75                    | 2,462.50          | 12.82                        | 10.50    | 111.93   | 2,745.63 |
| Additions during the year                            | -     | -         | -                        | 32.46             | 3.86                         | 2.67     | -        | 38.99    |
| Deletions during the year                            | -     | -         | -                        | -                 | -                            | -        | -        | -        |
| <b>Gross carrying value as of March 31, 2022</b>     | 12.29 | 38.84     | 96.75                    | 2,494.96          | 16.68                        | 13.17    | 111.93   | 2,784.62 |
| <b>Accumulated Depreciation as of March 31, 2021</b> | -     | 31.20     | 46.99                    | 878.09            | 9.44                         | 8.52     | 77.65    | 1,051.89 |
| Depreciation   | -     | 1.60      | 2.87                     | 82.17             | 1.29                         | 1.74     | 5.11     | 94.78    |
| Accumulated Depreciation on deletions                | -     | -         | -                        | -                 | -                            | -        | -        | -        |
| <b>Accumulated Depreciation as of March 31, 2022</b> | -     | 32.80     | 49.86                    | 960.26            | 10.73                        | 10.26    | 82.76    | 1,146.67 |
| <b>Carrying value as of March 31, 2022</b>           | 12.29 | 6.04      | 46.89                    | 1,534.70          | 5.95                         | 2.91     | 29.17    | 1,637.95 |
| <b>Carrying value as of March 31, 2021</b>           | 12.29 | 7.64      | 49.76                    | 1,584.41          | 3.38                         | 1.98     | 34.28    | 1,693.74 |

**Note:**

1 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-16

**Shakumbhri Pulp And Paper Mills Limited**  
(Amounts in INR Lakhs, unless otherwise stated)

|                                   |                   |                   |
|-----------------------------------|-------------------|-------------------|
|                                   | <b>As at 31</b>   | <b>As at 31</b>   |
| <b>4 Capital work in progress</b> | <b>March 2023</b> | <b>March 2022</b> |
| Capital work in progress          | -                 | 256.03            |
| <b>Total</b>                      | <b>-</b>          | <b>256.03</b>     |

Note : 4A

|                               | Amount in CWIP for a period of |           |           |                      | 31.03.2023 |
|-------------------------------|--------------------------------|-----------|-----------|----------------------|------------|
|                               | Less than 1<br>year            | 1-2 years | 2-3 years | More than 3<br>years |            |
| <b>Particulars</b>            |                                |           |           |                      |            |
| Project in progress           | -                              | -         | -         | -                    | -          |
| Project Temporarily Suspended | -                              | -         | -         | -                    | -          |
| <b>Total</b>                  | <b>-</b>                       | <b>-</b>  | <b>-</b>  | <b>-</b>             | <b>-</b>   |

Note : 4B

|                               | Amount in CWIP for a period of |           |           |                      | 31.03.2022    |
|-------------------------------|--------------------------------|-----------|-----------|----------------------|---------------|
|                               | Less than 1<br>year            | 1-2 years | 2-3 years | More than 3<br>years |               |
| <b>Particulars</b>            |                                |           |           |                      |               |
| Project in progress           | 256.03                         | -         | -         | -                    | 256.03        |
| Project Temporarily Suspended | -                              | -         | -         | -                    | -             |
| <b>Total</b>                  | <b>256.03</b>                  | <b>-</b>  | <b>-</b>  | <b>-</b>             | <b>256.03</b> |

|  |                   |                   |
|--|-------------------|-------------------|
| <b>5 Non current financial assets</b>                          | <b>As at 31</b>   | <b>As at 31</b>   |
| <b>Investment carried at fair value through profit or loss</b> | <b>March 2023</b> | <b>March 2022</b> |
| <b>Quoted</b>  |                   |                   |
| Equity shares of Union Bank of India *                         | 0.13              | 0.08              |
| <b>Unquoted</b>  |                   |                   |
| Equity shares of Gulshan Mercantile                            | 0.63              | 0.63              |
| <b>Total</b>   | <b>0.76</b>       | <b>0.71</b>       |

\*Disclosure of investment

|  |                   |                   |
|--|-------------------|-------------------|
|  | <b>As at 31</b>   | <b>As at 31</b>   |
|  | <b>March 2023</b> | <b>March 2022</b> |
| Aggregate amount of quoted investments                 | 0.22              | 0.22              |
| Aggregate market value of quoted investments           | 0.13              | 0.08              |
| Aggregate amount of unquoted investments               | -                 | -                 |
| Aggregate amount of impairment in value of investments | -                 | -                 |

|   |                   |                   |
|---|-------------------|-------------------|
| <b>6 Non Current Other Financial assets</b> | <b>As at 31</b>   | <b>As at 31</b>   |
| <b>Unsecured good</b>                       | <b>March 2023</b> | <b>March 2022</b> |
| Security deposite                           | 37.54             | 37.54             |
| <b>Total</b>                                | <b>37.54</b>      | <b>37.54</b>      |

|   |                   |                   |
|---|-------------------|-------------------|
| <b>7 Other non current assets</b>                           | <b>As at 31</b>   | <b>As at 31</b>   |
| <b>(Unsecured, considered good unless otherwise stated)</b> | <b>March 2023</b> | <b>March 2022</b> |
| Capital advance   | -                 | 26.13             |
| <b>Total</b>  | <b>-</b>          | <b>26.13</b>      |

|   |                   |                   |
|---|-------------------|-------------------|
| <b>8 Inventories</b>  | <b>As at 31</b>   | <b>As at 31</b>   |
| <b>(Unsecured, considered good unless otherwise stated)</b> | <b>March 2023</b> | <b>March 2022</b> |
| Raw materials   | 623.24            | 553.79            |
| Work-in-progress  | 9.08              | 12.83             |
| Finished goods  | 76.55             | 66.60             |
| Stores and spare parts                                      | 154.00            | 127.00            |
| Others*   | 123.60            | 102.33            |
| <b>Total</b>  | <b>986.47</b>     | <b>862.55</b>     |

\*Others include Chemicals, Packing Material & Fuel

**SHAKUMBHRI PULP AND PAPER MILLS LIMITED**

|  | <u>As at 31</u><br><u>March 2023</u> | <u>As at 31</u><br><u>March 2022</u> |
|--|--------------------------------------|--------------------------------------|
| <b>9 Trade receivables</b>                                       |                                      |                                      |
| Unsecured  |                                      |                                      |
| (i) Undisputed - considered good                                 | 1,076.42                             | 1,781.30                             |
| (ii) Undisputed - which have significant increase in credit risk | -                                    | -                                    |
| (iii) Undisputed - credit impaired                               | -                                    | -                                    |
| (i) Disputed - considered good                                   | -                                    | -                                    |
| (ii) Disputed - which have significant increase in credit risk   | 3.46                                 | 3.46                                 |
| (iii) Disputed - credit impaired                                 | -                                    | -                                    |
| <b>Total</b>   | <u><u>1,079.88</u></u>               | <u><u>1,784.76</u></u>               |

\* Please refer Note 36 Related Party disclosure

**Note: 9A**

| Particulars  | Outstanding for following periods from due date of payment |                    |                   |           |           |                   | 31.03.2023      |
|--|--|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
|  | Not due  | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |                 |
| (i) Undisputed - considered good                                 | -  | 1,013.13           | 12.87             | 40.46     | 0.30      | 9.66              | <b>1,076.42</b> |
| (ii) Undisputed - which have significant increase in credit risk | -  | -                  | -                 | -         | -         | -                 | -               |
| (iii) Undisputed - credit impaired                               | -  | -                  | -                 | -         | -         | -                 | -               |
| (i) Disputed - considered good                                   | -  | -                  | -                 | -         | -         | -                 | -               |
| (ii) Disputed - which have significant increase in credit risk   | -  | -                  | -                 | -         | -         | 3.46              | <b>3.46</b>     |
| (iii) Disputed - credit impaired                                 | -  | -                  | -                 | -         | -         | -                 | -               |

**Note: 9B**

| Particulars  | Outstanding for following periods from due date of payment |                    |                   |           |           |                   | 31.03.2022 |
|--|--|--------------------|-------------------|-----------|-----------|-------------------|------------|
|  | Not due  | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |            |
| (i) Undisputed - considered good                                 | -  | 1,716.36           | 32.77             | 22.51     | 9.66      | -                 | 1,781.30   |
| (ii) Undisputed - which have significant increase in credit risk | -  | -                  | -                 | -         | -         | -                 | -          |
| (iii) Undisputed - credit impaired                               | -  | -                  | -                 | -         | -         | -                 | -          |
| (i) Disputed - considered good                                   | -  | -                  | -                 | -         | -         | -                 | -          |
| (ii) Disputed - which have significant increase in credit risk   | -  | -                  | -                 | -         | -         | 3.46              | 3.46       |
| (iii) Disputed - credit impaired                                 | -  | -                  | -                 | -         | -         | -                 | -          |

|                                     | <u>As at 31</u><br><u>March 2023</u> | <u>As at 31</u><br><u>March 2022</u> |
|-------------------------------------|--------------------------------------|--------------------------------------|
| <b>10 Cash and cash equivalents</b> |                                      |                                      |
| Cash on hand                        | 4.04                                 | 2.11                                 |
| Cheque on hand                      | 1.08                                 | 1.08                                 |
| Balance with bank                   | 0.19                                 | 0.08                                 |
|                                     | <u><u>5.31</u></u>                   | <u><u>3.27</u></u>                   |

|  | <u>As at 31</u><br><u>March 2023</u> | <u>As at 31</u><br><u>March 2022</u> |
|--|--------------------------------------|--------------------------------------|
| <b>11 Bank balances other than cash and cash equivalents</b> |                                      |                                      |
| Margin money deposited*                                      | 77.45                                | 49.16                                |
|  | <u><u>77.45</u></u>                  | <u><u>49.16</u></u>                  |

\* Margin money held with banks for F.Y. 2022-23 Rs. 2.63 lakhs against pollution and Rs. 74.82 lakhs against letter of credit and bank guarantee and for F.Y. 2021-22 Rs. 0.80 lakhs against pollution and Rs. 48.36 lakhs against letter of credit and bank guarantee.

|   | <u>As at 31</u><br><u>March 2023</u> | <u>As at 31</u><br><u>March 2022</u> |
|---|--------------------------------------|--------------------------------------|
| <b>12 Other current assets</b>                              |                                      |                                      |
| <b>(Unsecured, considered good unless otherwise stated)</b> |                                      |                                      |
| Prepaid expenses  | 3.61                                 | 2.95                                 |
| Advances to suppliers                                       | 3.70                                 | 10.46                                |
| Others  | 7.08                                 | 1.76                                 |
| <b>Total</b>  | <u><u>14.39</u></u>                  | <u><u>15.17</u></u>                  |

|                                    | <u>As at 31</u><br><u>March 2023</u> | <u>As at 31</u><br><u>March 2022</u> |
|------------------------------------|--------------------------------------|--------------------------------------|
| <b>13 Current tax assets (net)</b> |                                      |                                      |
| Income tax recoverable             | 18.43                                | -                                    |
| <b>Total</b>                       | <u><u>18.43</u></u>                  | <u><u>-</u></u>                      |

(Amounts in INR Lakhs, unless otherwise stated)

**14 Share capital**

|  | Number of<br>shares<br>(lakhs) | Amount        |
|--|--------------------------------|---------------|
| <b><u>Authorised share capital</u></b>                                   |                                |               |
| <b>Equity shares of INR 10 each</b>                                      |                                |               |
| <b>As at 31 March 2022</b>   | 40.00                          | 400.00        |
| Increase during the year   | -                              | -             |
| <b>As at 31 March 2023</b>   | <b>40.00</b>                   | <b>400.00</b> |
| <b><u>Issued share capital</u></b>                                       |                                |               |
|  | Number of<br>shares<br>(lakhs) | Amount        |
| <b>Equity shares of INR 10 each issued, subscribed and fully paid up</b> |                                |               |
| <b>As at 31 March 2022</b>   | 38.55                          | 385.50        |
| Shares issued during the year  | -                              | -             |
| <b>As at 31 March 2023</b>   | <b>38.55</b>                   | <b>385.50</b> |

**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.

**14 A Details of shareholders holding more than 5% shares in the Company**

| Name of the shareholder             | As at 31 March 2023 |           | As at 31 March 2022 |           |
|-------------------------------------|---------------------|-----------|---------------------|-----------|
|                                     | Number<br>(lakhs)   | % Holding | Number<br>(lakhs)   | % Holding |
| <b>Equity shares of INR 10 each</b> |                     |           |                     |           |
| Shri Arjun Kumar Agarwal            | 2.49                | 6.46%     | 2.49                | 6.46%     |
| Shri Amit Agarwal                   | 7.01                | 18.18%    | 7.01                | 18.18%    |
| Smt. Archana Agarwal                | 1.97                | 5.11%     | 1.97                | 5.11%     |

**14 B Details of shareholders of promoters in the Company**

| Name of the shareholder             | As at 31 March 2023 |           | As at 31 March 2022 |           | % Change<br>during the year |
|-------------------------------------|---------------------|-----------|---------------------|-----------|-----------------------------|
|                                     | Number<br>(lakhs)   | % Holding | Number<br>(lakhs)   | % Holding |                             |
| <b>Equity shares of INR 10 each</b> |                     |           |                     |           |                             |
| Shri Arjun Kumar Agarwal            | 2.49                | 6.46%     | 2.49                | 6.46%     | -                           |
| Smt. Archana Agarwal                | 1.97                | 5.11%     | 1.97                | 5.11%     | -                           |
| Shri Abhinav Aggarwal               | 1.12                | 2.91%     | 1.12                | 2.91%     | -                           |
| M/s Arjun Agarwal & Sons            | 0.80                | 2.08%     | 0.80                | 2.08%     | -                           |

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



(Amounts in INR Lakhs, unless otherwise stated)

| <b>15 Other equity</b>                                | <b>As at 31<br/>March 2023</b> | <b>As at 31<br/>March 2022</b> |
|---|--------------------------------|--------------------------------|
| <b>15.1 Security premium</b>                          |                                |                                |
| <b>Opening balance</b>                                | 112.00                         | 112.00                         |
| Addition/Reduction during the year                    | -                              | -                              |
| <b>Closing balance</b>                                | <b>112.00</b>                  | <b>112.00</b>                  |
| <b>15.2 General reserve</b>                           |                                |                                |
| <b>Opening balance</b>                                | 39.01                          | 39.01                          |
| Addition/Reduction during the year                    | -                              | -                              |
| <b>Closing balance</b>                                | <b>39.01</b>                   | <b>39.01</b>                   |
| <b>15.3 Equity component of financial instruments</b> |                                |                                |
| <b>Opening balance</b>                                | 20.15                          | 20.15                          |
| Addition/Reduction during the year                    | -                              | -                              |
| <b>Closing balance</b>                                | <b>20.15</b>                   | <b>20.15</b>                   |
| <b>15.4 Retained earning</b>                          |                                |                                |
| <b>Statement of Profit &amp; Loss</b>                 |                                |                                |
| <b>Opening balance</b>                                | 706.04                         | 547.20                         |
| Profit for the year                                   | (64.44)                        | 158.84                         |
| <b>Closing balance</b>                                | <b>641.60</b>                  | <b>706.04</b>                  |
| <b>Grand Total</b>                                    | <b>812.76</b>                  | <b>877.20</b>                  |

(Amounts in INR Lakhs, unless otherwise stated)

| <b>16 Long term borrowings</b>     | <b>As at 31<br/>March 2023</b> | <b>As at 31<br/>March 2022</b> |
|------------------------------------|--------------------------------|--------------------------------|
| <b>(Secured)</b>                   |                                |                                |
| Term loans from banks              | 484.93                         | 245.24                         |
|                                    | <b>(a) 484.93</b>              | <b>245.24</b>                  |
| <b>(Unsecured)</b>                 |                                |                                |
| From directors and their relatives | 181.20                         | 154.11                         |
|                                    | <b>(b) 181.20</b>              | <b>154.11</b>                  |
| <b>Total long-term borrowings</b>  | <b>(a+b) 666.13</b>            | <b>399.35</b>                  |

**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 &amp; building and hypothecation of plant &amp; 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 249.60 lacs)**

At the rate of 9.80 % p.a. (Previous year 7.50 % p.a.) Repayable in 60 Monthly installments of 4.16 lacs each starting from April 2019.

**From Union Bank of India (Original loan Amount 68.64 lacs)**

At the rate of 7.50 % p.a. (Previous year 7.50% p.a.) Repayable in 36 Monthly installments of 1.91 lacs each starting from April 2023.

**From Union Bank of India (Original loan Amount 112.50 lacs)**

At the rate of 9.80 % p.a (Previous year 7.50% p.a.) Repayable in 59 Monthly installments of 1.87 lacs each and last installment of Rs. 2.17 lacs starting from April 2023.

**From Union Bank of India (Original loan Amount 425 lacs)**

At the rate of 9.80 % p.a. Repayable in 72 Monthly installments of 5.91 lacs each starting from April 2023.

**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.

**(Original loan Amount 11.50 lacs)**

At the rate of 9.50% p.a. (Previous year 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.

**17 Provisions**

|  | <b>As at 31<br/>March 2023</b> | <b>As at 31<br/>March 2022</b> |
|--|--------------------------------|--------------------------------|
| Provision for gratuity (Refer note 34) | 36.97                          | 37.51                          |
| <b>Total</b>                           | <b>36.97</b>                   | <b>37.51</b>                   |

(Amounts in INR Lakhs, unless otherwise stated)

**18 Deferred tax liabilities (net)**

|  | <u>As at 31<br/>March 2023</u> | <u>As at 31<br/>March 2022</u> |
|--|--------------------------------|--------------------------------|
| <b>Deferred tax liabilities</b>  |                                |                                |
| Property, plant & equipment: Impact of differences between tax depreciation charged as per Financial Reporting                         | (a) 292.07                     | 235.14                         |
| Compound financial instruments   | -                              | 11.69                          |
|  | <u>292.07</u>                  | <u>246.83</u>                  |
| <b>Deferred tax assets</b>   |                                |                                |
| Impact of gratuity expenditure charged to the statement of profit & loss in current year but allowed for tax purposes on payment basis | 82.44                          | 11.30                          |
|  | <u>82.44</u>                   | <u>11.30</u>                   |
| <b>MAT Credit Entitlement</b>  |                                |                                |
| MAT credit entitlement   | (c) 114.74                     | 110.74                         |
|  | <u>114.74</u>                  | <u>110.74</u>                  |
| <b>Total</b>   | <b>(a-b-c) <u>94.89</u></b>    | <b><u>124.79</u></b>           |

**Income Tax**

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

**Statement of profit and loss:**

**Profit or loss section**

|   | <u>As at 31<br/>March 2023</u> | <u>As at 31<br/>March 2022</u> |
|---|--------------------------------|--------------------------------|
| <b>Current income tax:</b>  |                                |                                |
| Current income tax charge   | 3.08                           | 50.90                          |
| Less: MAT credit entitlement  | -                              | 17.69                          |
| Less: MAT credit reverse  | (4.00)                         | -                              |
| <b>Deferred tax:</b>  |                                |                                |
| Relating to origination and reversal of temporary differences         | (27.70)                        | 6.19                           |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b><u>(28.62)</u></b>          | <b><u>74.78</u></b>            |

**OCI section**

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

|  | <u>As at 31<br/>March 2023</u> | <u>As at 31<br/>March 2022</u> |
|--|--------------------------------|--------------------------------|
| Net loss/(gain) on remeasurements of defined benefit plans | (1.80)                         | (1.29)                         |
| <b>Income tax charged to OCI</b>                           | <b><u>(1.80)</u></b>           | <b><u>(1.29)</u></b>           |

|  | <u>As at 31<br/>March 2023</u> | <u>As at 31<br/>March 2022</u> |
|--|--------------------------------|--------------------------------|
| Accounting profit before tax   | (97.74)                        | 229.95                         |
| <b>Non deductible income for tax purposes:</b>                         |                                |                                |
| <b>Taxable Profit</b>  | <b>(97.74)</b>                 | <b>229.95</b>                  |
| Add: 1/5 of Equity component of compound financial instruments         | -                              | -                              |
| At India's statutory income tax rate of 27.82% (31 March 2022: 27.82%) | -                              | 63.97                          |
| <b>Non deductible expenses for tax purposes:</b>                       |                                |                                |
| Depreciation expenses (net)  | -                              | (10.41)                        |
| Gratuity   | -                              | 2.93                           |
| Other non deductible expenses  | -                              | 0.25                           |
| Adjustments in respect of current income tax of earlier years          | -                              | 11.85                          |
| MAT credit Entitlement   | -                              | -                              |
| Deferred tax expenses reported in the statement of profit and loss*    | (27.70)                        | 6.19                           |
| <b>At the effective income tax rate</b>                                | <b><u>(27.70)</u></b>          | <b><u>74.78</u></b>            |
| Income tax expense reported in the statement of profit and loss        | -                              | 56.74                          |
| Deferred tax expenses reported in the statement of profit and loss     | (27.70)                        | 6.19                           |
| Current income tax of earlier years                                    | -                              | 11.85                          |
| Less: MAT credit entitlement   | -                              | -                              |
|  | <b><u>(27.70)</u></b>          | <b><u>74.78</u></b>            |

(Amounts in INR Lakhs, unless otherwise stated)

**19 Short term borrowings**

|                                      | <u>As at 31<br/>March 2023</u> | <u>As at 31<br/>March 2022</u> |
|--------------------------------------|--------------------------------|--------------------------------|
| Secured                              |                                |                                |
| Working capital loan from bank*      | 691.46                         | 400.33                         |
| Current maturities of long term debt | 172.90                         | 91.08                          |
| <b>Total</b>                         | <b><u>864.36</u></b>           | <b><u>491.41</u></b>           |

\*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.

**20 Trade payables**

|                           | <u>As at 31<br/>March 2023</u> | <u>As at 31<br/>March 2022</u> |
|---------------------------|--------------------------------|--------------------------------|
| <b>Trade Payable</b>      |                                |                                |
| (i) MSME                  | -                              | -                              |
| (ii) Others               | 1,414.40                       | 2,001.77                       |
| (iii) Disputed dues-MSME  | -                              | -                              |
| (iv) Disputed dues-Others | -                              | -                              |
| <b>Total</b>              | <b><u>1,414.40</u></b>         | <b><u>2,001.77</u></b>         |

**Note: 20A**

| Particulars               | Outstanding for following periods from due date of |                     |          |           |                      | 31.03.2023 |
|---------------------------|--|---------------------|----------|-----------|----------------------|------------|
|                           | Not due  | Less than<br>1 year | 1-2 year | 2-3 years | More than<br>3 years |            |
| (i) MSME                  | -  | -                   | -        | -         | -                    | -          |
| (ii) Others               | -  | 1,325.43            | 37.72    | 27.20     | 24.05                | 1,414.40   |
| (iii) Disputed dues-MSME  | -  | -                   | -        | -         | -                    | -          |
| (iv) Disputed dues-Others | -  | -                   | -        | -         | -                    | -          |

**Note: 20B**

| Particulars               | Outstanding for following periods from due date of |                     |          |           |                      | 31.03.2022 |
|---------------------------|--|---------------------|----------|-----------|----------------------|------------|
|                           | Not due  | Less than<br>1 year | 1-2 year | 2-3 years | More than<br>3 years |            |
| (i) MSME                  | -  | -                   | -        | -         | -                    | -          |
| (ii) Others               | -  | 1,884.77            | 57.86    | 20.22     | 38.92                | 2,001.77   |
| (iii) Disputed dues-MSME  | -  | -                   | -        | -         | -                    | -          |
| (iv) Disputed dues-Others | -  | -                   | -        | -         | -                    | -          |

**21 Other current financial liabilities**

|                          | <u>As at 31<br/>March 2023</u> | <u>As at 31<br/>March 2022</u> |
|--------------------------|--------------------------------|--------------------------------|
| Salaries & wages payable | 71.66                          | 60.62                          |
| Cheque payable           | 46.81                          | 113.37                         |
| Other payable            | 83.30                          | 64.99                          |
| <b>Total</b>             | <b><u>201.77</u></b>           | <b><u>238.98</u></b>           |

**22 Other current liabilities**

|                        | <u>As at 31<br/>March 2023</u> | <u>As at 31<br/>March 2022</u> |
|------------------------|--------------------------------|--------------------------------|
| Advance from customers | 4.38                           | 13.18                          |
| Statutory dues         | 51.49                          | 84.32                          |
| <b>Total</b>           | <b><u>55.87</u></b>            | <b><u>97.50</u></b>            |

**23 Provisions**

|  | <u>As at 31<br/>March 2023</u> | <u>As at 31<br/>March 2022</u> |
|--|--------------------------------|--------------------------------|
| Provision for gratuity (Refer note 34) | 15.52                          | 10.93                          |
| <b>Total</b>                           | <b><u>15.52</u></b>            | <b><u>10.93</u></b>            |

**24 Current tax liability (net)**

|              | <u>As at 31<br/>March 2023</u> | <u>As at 31<br/>March 2022</u> |
|--------------|--------------------------------|--------------------------------|
| Income tax   | -                              | 8.33                           |
| <b>Total</b> | <b><u>-</u></b>                | <b><u>8.33</u></b>             |

(Amounts in INR Lakhs, unless otherwise stated)

**25 Revenue from operations**

| <b>Particulars</b>            | <b>For the year ended<br/>31 March 2023</b> | <b>For the year ended<br/>31 March 2022</b> |
|-------------------------------|---|---|
| Sale of products              |   |   |
| Manufacturing                 | 9,171.19                                    | 10,486.72                                   |
| Trading                       | 169.32                                      | 329.59                                      |
| <b>Other operating income</b> |   |   |
| Sale of scrap                 | 13.92                                       | -   |
| <b>Total</b>                  | <b>9,354.43</b>                             | <b>10,816.31</b>                            |

**A. Contract balances**

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

| <b>Particulars</b>                         | <b>As at 31 March<br/>2023</b> | <b>As at 31 March<br/>2022</b> |
|--|--------------------------------|--------------------------------|
| Trade receivables *                        | 1,079.88                       | 1,784.76                       |
| <b>Contract liabilities</b>                |                                |                                |
| Advances from customers (Refer Note no 22) | 4.38                           | 13.18                          |

**B. Reconciliation of revenue recognised with contract price:**

| <b>Particulars</b>              | <b>For the year ended<br/>31 March 2023</b> | <b>For the year ended<br/>31 March 2022</b> |
|---------------------------------|---|---|
| Revenue as per contracted price | 9,354.43                                    | 10,816.31                                   |
| <b>Total</b>                    | <b>9,354.43</b>                             | <b>10,816.31</b>                            |

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

| <b>Particulars</b>                         | <b>As at 31 March<br/>2023</b> | <b>As at 31 March<br/>2022</b> |
|--|--------------------------------|--------------------------------|
| Advances from customers (Refer Note no 22) | 4.38                           | 13.18                          |

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.

**26 Other income**

| <b>Particulars</b>                            | <b>For the year ended<br/>31 March 2023</b> | <b>For the year ended<br/>31 March 2022</b> |
|---|---|---|
| Interest income                               |   |   |
| - on fixed deposit with banks                 | 3.56  | 2.07  |
| Dividend received                             | 0.11  | 0.08  |
| Unclaimed balance written back                | 50.90                                       | 87.89                                       |
| Profit on sale of property, plant & equipment | 3.53  | -   |
| Other income                                  | 0.06  | 1.56  |
| <b>Total</b>                                  | <b>58.16</b>                                | <b>91.60</b>                                |

**27 Cost of raw material and components consumed**

| <b>Particulars</b>                  | <b>For the year ended<br/>31 March 2023</b> | <b>For the year ended<br/>31 March 2022</b> |
|-------------------------------------|---|---|
| Cost of raw materials (Waste paper) | 6,061.82                                    | 6,917.27                                    |
| Other components consumed           |   |   |
| Chemicals                           | 664.06                                      | 531.76                                      |
| Packing material                    | 111.27                                      | 158.00                                      |
| Stores & spares                     | 296.35                                      | 286.16                                      |
| Power & fuel                        | 1,383.08                                    | 1,709.06                                    |
| Repairs - plant & machinery         | 67.89                                       | 63.19                                       |
| ETP running expenses                | 29.40                                       | 20.92                                       |
| <b>Total</b>                        | <b>8,613.87</b>                             | <b>9,686.36</b>                             |

(Amounts in INR Lakhs, unless otherwise stated)

| <b>28 Purchase of stock-in-trade</b>  | <b>For the year ended<br/>31 March 2023</b> | <b>For the year ended<br/>31 March 2022</b> |
|---|---|---|
| Waste Paper   | 167.93                                      | 328.40                                      |
| <b>Total</b>  | <b>167.93</b>                               | <b>328.40</b>                               |
| <br>  |   |   |
| <b>29 (Increase)/decrease in inventories of finished goods and work-in-progress</b> | <b>For the year ended<br/>31 March 2023</b> | <b>For the year ended<br/>31 March 2022</b> |
| <b>Opening stock</b>  |   |   |
| Work-in-progress  | 12.83                                       | 7.76  |
| Finished goods  | 66.60                                       | 67.45                                       |
| <b>Total (a)</b>  | <b>79.43</b>                                | <b>75.21</b>                                |
| <br>  |   |   |
| <b>Closing stock</b>  |   |   |
| Work-in-progress  | 9.08  | 12.83                                       |
| Finished goods  | 76.56                                       | 66.60                                       |
| <b>Total (b)</b>  | <b>85.64</b>                                | <b>79.43</b>                                |
| <b>Total (a) - (b)</b>  | <b>(6.21)</b>                               | <b>(4.22)</b>                               |
| <br>  |   |   |
| <b>30 Employee benefits expense</b>   | <b>For the year ended<br/>31 March 2023</b> | <b>For the year ended<br/>31 March 2022</b> |
| Salaries, wages and bonus   | 212.07                                      | 194.99                                      |
| Contribution to provident and other funds   | 13.22                                       | 13.00                                       |
| Gratuity  | 11.02                                       | 10.53                                       |
| <b>Total</b>  | <b>236.31</b>                               | <b>218.52</b>                               |
| <br>  |   |   |
| <b>31 Finance costs</b>   | <b>For the year ended<br/>31 March 2023</b> | <b>For the year ended<br/>31 March 2022</b> |
| Interest expense on:  |   |   |
| - term loans  | 55.69                                       | 29.76                                       |
| - bank borrowings   | 52.65                                       | 43.17                                       |
| - unsecured borrowings  | 19.01                                       | 12.85                                       |
| <b>Total</b>  | <b>127.35</b>                               | <b>85.78</b>                                |
| Less: Amount included in capital work in progress                                   | 15.39                                       | 2.85  |
|   | <b>111.96</b>                               | <b>82.93</b>                                |

(Amounts in INR Lakhs, unless otherwise stated)

**32 Other expenses**

|                                   | <b>For the year ended<br/>31 March 2023</b> | <b>For the year ended<br/>31 March 2022</b> |
|-----------------------------------|---|---|
| Printing & stationery             | 0.70  | 0.34  |
| Postage expenses                  | 0.68  | 0.54  |
| Telephone expenses                | 4.13  | 2.25  |
| Insurance charges                 | 3.38  | 3.24  |
| Legal expenses                    | 0.27  | 0.36  |
| Professional charges              | 6.32  | 4.77  |
| Bank charges                      | 14.67                                       | 3.99  |
| Rates & taxes                     | 4.42  | 11.46                                       |
| Payment to auditors               | 1.50  | 1.50  |
| Security service charges          | 7.04  | 8.60  |
| Vehicle running & maintenance     | 27.66                                       | 22.99                                       |
| Irrecoverable advance written off | 0.26  | 1.26  |
| Charity & donation                | 1.30  | -   |
| Miscellaneous expenses            | 3.79  | 2.32  |
| Advertisement                     | 0.34  | -   |
| Rebate & discount                 | 1.50  | -   |
| Bad debts                         | -   | 2.00  |
| Sales promotion expenses          | -   | 1.20  |
| Commission on sales               | 79.55                                       | 79.16                                       |
| Freight outward & loading charges | 122.37                                      | 125.21                                      |
| <b>Total</b>                      | <b>279.88</b>                               | <b>271.19</b>                               |

**Detail of Payment to Auditors**

|                    | <b>For the year ended<br/>31 March 2023</b> | <b>For the year ended<br/>31 March 2022</b> |
|--------------------|---|---|
| <b>As auditor:</b> |   |   |
| Audit fee          | 1.25  | 1.25  |
| Tax audit fee      | 0.25  | 0.25  |
| <b>Total</b>       | <b>1.50</b>                                 | <b>1.50</b>                                 |

**33 Earnings per share (EPS)**

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

|  | <b>For the year ended<br/>31 March 2023</b> | <b>For the year ended<br/>31 March 2022</b> |
|--|---|---|
| Net profit/(loss) for calculation of basic EPS                             | (69.12)                                     | 155.17                                      |
| Weighted average number of equity shares in calculating basic EPS          | 38.55                                       | 38.55                                       |
| Basic earnings/(loss) per share  | (1.79)                                      | 4.03  |
| Net profit/(loss) for calculation of diluted EPS                           | (69.12)                                     | 155.17                                      |
| Weighted average number of equity shares for calculating diluted EPS       | 38.55                                       | 38.55                                       |
| Diluted earnings/(loss) per share  | (1.79)                                      | 4.03  |
|  | <b>No. of shares</b>                        | <b>No. of shares</b>                        |
| Weighted average number of equity shares in calculating basic EPS          | 38.55                                       | 38.55                                       |
| <b>Effect of dilution</b>  | -   | -   |
| <b>Weighted average number of equity shares in calculating diluted EPS</b> | <b>38.55</b>                                | <b>38.55</b>                                |

**Shakumbhri Pulp And Paper Mills Limited**

(Amounts in INR Lakhs, unless otherwise stated)

**34 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- 30)

| <b>Particulars</b>                     | <b>2022-23</b> | <b>2021-22</b> |
|--|----------------|----------------|
| Contribution to provident & other fund | 13.22          | 13.00          |
| <b>Total</b>                           | <b>13.22</b>   | <b>13.00</b>   |

**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**

|  | <b>For the year<br/>ended 31<br/>March 2023</b> | <b>For the year<br/>ended 31<br/>March 2022</b> |
|--|---|---|
| <b>Net employees benefit expense recognised in employee cost</b> |   |   |
| Current service cost   | 7.90  | 7.85  |
| Interest cost on benefit obligation                              | 3.12  | 2.69  |
| <b>Net benefit expense recognised in profit &amp; loss</b>       | <b>11.02</b>                                    | <b>10.54</b>                                    |

**Balance sheet**

|                                      | <b>As at 31<br/>March 2022</b> | <b>As at 31<br/>March 2021</b> |
|--------------------------------------|--------------------------------|--------------------------------|
| <b>Benefit asset/(liability)</b>     |                                |                                |
| Present value of unfunded obligation | (52.49)                        | (48.44)                        |
| Fair value of plan assets            | -                              | -                              |
| <b>Net liability</b>                 | <b>(52.49)</b>                 | <b>(48.44)</b>                 |

**Changes in the present value of the defined benefit obligation**

|   | <b>For the year<br/>ended 31<br/>March 2023</b> | <b>For the year<br/>ended 31<br/>March 2022</b> |
|---|---|---|
| Opening defined benefit obligation        | 48.44   | 42.87   |
| Current service cost                      | 7.90  | 7.85  |
| Interest cost                             | 3.12  | 2.69  |
| Past service cost                         | -   | -   |
| Benefit paid                              | (0.49)  | -   |
| Actuarial (gains)/ losses on obligation   | (6.48)  | (4.96)  |
| <b>Closing defined benefit obligation</b> | <b>52.49</b>                                    | <b>48.44</b>                                    |



**Shakumbhri Pulp And Paper Mills Limited**

(Amounts in INR Lakhs, unless otherwise stated)

**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**

|                           | <b>For the year<br/>ended 31<br/>March 2023</b> | <b>For the year<br/>ended 31<br/>March 2022</b> |
|---------------------------|---|---|
| Discount rate             | 7.20%   | 7.25%   |
| 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.

| <b>Particulars</b>                                      | <b>Change in assumptions</b> | <b>For the year<br/>ended 31<br/>March 2023</b> | <b>For the year<br/>ended 31<br/>March 2022</b> |
|---|------------------------------|---|---|
| Defined benefit obligation based on current assumptions |                              | 52.49   | 48.44   |
| Discount rate   | +0.50%                       | 2.16  | 1.96  |
|   | -0.50%                       | 1.99  | (2.13)  |
| Salary escalation                                       | +0.50%                       | (1.48)  | (1.58)  |
|   | -0.50%                       | 1.22  | 1.33  |
| 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

**Shakumbhri Pulp And Paper Mills Limited**

(Amounts in INR Lakhs, unless otherwise stated)

|                                | <b>For the year<br/>ended 31<br/>March 2023</b> | <b>For the year<br/>ended 31<br/>March 2022</b> |
|--------------------------------|---|---|
| <b><u>Maturity Profile</u></b> |   |   |
| Within next 12 months          | 15.52   | 10.93   |
| Between 2 and 5 years          | 14.78   | 13.20   |
| Between 5 and 10 years         | 12.88   | 17.57   |

**Risk analysis**

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

**Inflation risk**

Currently the company has not funded the defined benefit plans. Therefore, the company, will have to bear the entire increases in 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.

**35 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;

|  | <b>As at 31 March 2023</b> |              | <b>As at 31 March 2022</b> |              |
|--|----------------------------|--------------|----------------------------|--------------|
|  | <b>Amortised<br/>Cost</b>  | <b>FVTPL</b> | <b>Amortised<br/>Cost</b>  | <b>FVTPL</b> |
| <b>Financial assets</b>                        |                            |              |                            |              |
| Investment                                     | 0.76                       | -            | 0.71                       | -            |
| Security deposits                              | 37.54                      | -            | 37.54                      | -            |
| Trade receivables                              | 1,079.88                   | -            | 1,784.76                   | -            |
| Cash and cash equivalents                      | 5.31                       | -            | 3.27                       | -            |
| Bank Balance other than cash & cash equivalent | 77.45                      | -            | 49.16                      | -            |
| <b>Total</b>                                   | <b>1,200.94</b>            | <b>-</b>     | <b>1,875.44</b>            | <b>-</b>     |
| <b>Financial liabilities</b>                   |                            |              |                            |              |
| Term loans (Secured)                           | 484.93                     | -            | 245.24                     | -            |
| Loans from directors & relative (Unsecured)    | 181.20                     | -            | 154.11                     | -            |
| Short-term borrowings                          | 691.46                     | -            | 400.33                     | -            |
| Current maturities of long term debt           | 172.90                     | -            | 91.08                      | -            |
| Trade payables                                 | 1,414.40                   | -            | 2,001.77                   | -            |
| Salaries & wages payable                       | 71.66                      | -            | 60.62                      | -            |
| Cheque payable                                 | 46.81                      | -            | 113.37                     | -            |
| Other payable                                  | 83.30                      | -            | 64.99                      | -            |
| <b>Total</b>                                   | <b>3,146.66</b>            | <b>-</b>     | <b>3,131.51</b>            | <b>-</b>     |

**Shakumbhri Pulp And Paper Mills Limited**  
(Amounts in INR Lakhs, unless otherwise stated)

**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 2023 |                 | As at 31 March 2022 |                 |
|---|-------------------------|---------------------|-----------------|---------------------|-----------------|
|   |                         | Carrying Value      | Fair Value      | Carrying Value      | Fair Value      |
| <b>Financial assets not measured at fair value</b>      |                         |                     |                 |                     |                 |
| <b>Measured at amortised cost</b>                       |                         |                     |                 |                     |                 |
| <b>Financial assets (current)</b>                       |                         |                     |                 |                     |                 |
| Investment  | Level 3                 | 0.76                | 0.76            | 0.71                | 0.71            |
| Security deposits                                       | Level 3                 | 37.54               | 37.54           | 37.54               | 37.54           |
| Trade receivable  | Level 3                 | 1,079.88            | 1,079.88        | 1,784.76            | 1,784.76        |
| Cash and cash equivalents                               | Level 3                 | 5.31                | 5.31            | 3.27                | 3.27            |
| Bank balance other than cash and cash equivalent        | Level 3                 | 77.45               | 77.45           | 49.16               | 49.16           |
| <b>Total</b>  |                         | <b>1,200.94</b>     | <b>1,200.94</b> | <b>1,875.44</b>     | <b>1,875.44</b> |
| <b>Financial liabilities not measured at fair value</b> |                         |                     |                 |                     |                 |
| <b>Measured at amortised cost</b>                       |                         |                     |                 |                     |                 |
| Term loans (Secured)                                    | Level 3                 | 484.93              | 484.93          | 245.24              | 245.24          |
| Loans from directors & relatives (Unsecured)            | Level 3                 | 181.20              | 181.20          | 154.11              | 154.11          |
| <b>Total</b>  |                         | <b>666.13</b>       | <b>666.13</b>   | <b>399.35</b>       | <b>399.35</b>   |
| Short term borrowings                                   | Level 3                 | 691.46              | 691.46          | 400.33              | 400.33          |
| Current maturities of long term debt                    | Level 3                 | 172.90              | 172.90          | 91.08               | 91.08           |
| Trade payables  | Level 3                 | 1,414.40            | 1,414.40        | 2,001.77            | 2,001.77        |
| <b>Financial liabilities (Current) Others</b>           |                         |                     |                 |                     |                 |
| Salaries & wages payable                                | Level 3                 | 71.66               | 71.66           | 60.62               | 60.62           |
| Cheque payable  | Level 3                 | 46.81               | 46.81           | 113.37              | 113.37          |
| Other payable   | Level 3                 | 83.30               | 83.30           | 64.99               | 64.99           |
| <b>Total</b>  |                         | <b>3,146.66</b>     | <b>3,146.66</b> | <b>3,131.51</b>     | <b>3,131.51</b> |

**Shakumbhri Pulp And Paper Mills Limited**

(Amounts in INR Lakhs, unless otherwise stated)

**Notes:**

- i) Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short term maturities of their instrument.
- ii) Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities have fair value that approximate to their carrying amounts due to their short-term nature.
- iii) There are no transfer between Level 1, Level 2, and Level 3 during the year ended 31 March 2023 and 31 March 2022.

**36 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 2023**

| Particulars               | Estimated gross carrying | Expected credit loss | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|--------------------------|----------------------|------------------------|---|
| Trade Receivables         | 1,079.88                 | -                    | -                      | 1,079.88                                    |
| Cash and cash equivalents | 5.31                     | -                    | -                      | 5.31  |

**Shakumbhri Pulp And Paper Mills Limited**  
(Amounts in INR Lakhs, unless otherwise stated)

**For the year ended 31 March 2022**

| Particulars               | Estimated gross carrying | Expected credit loss | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|--------------------------|----------------------|------------------------|---|
| Trade receivables         | 1,784.76                 | -                    | -                      | 1,784.76                                    |
| Cash and cash equivalents | 3.27                     | -                    | -                      | 3.27  |

**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 2023            | On demand | Within 1 year | 1 to 5 years | > 5 years | Total    |
|---|-----------|---------------|--------------|-----------|----------|
| <b>Borrowings</b>                           |           |               |              |           |          |
| Term loans (Secured)                        | -         | -             | 484.93       | -         | 484.93   |
| Loans from director & relatives (Unsecured) | -         | -             | -            | 181.20    | 181.20   |
| <b>Short term borrowings</b>                |           |               |              |           |          |
| Working capital loan from bank              | -         | 691.46        | -            | -         | 691.46   |
| <b>Other financial liabilities</b>          |           |               |              |           |          |
| Current maturities of long term borrowings' | -         | 172.90        | -            | -         | 172.90   |
| <b>Trade payables</b>                       |           |               |              |           |          |
| Trade payables                              | -         | 1,414.40      | -            | -         | 1,414.40 |

| For the year ended 31 March 2022             | On demand | Within 1 year | 1 to 5 years | > 5 years | Total    |
|--|-----------|---------------|--------------|-----------|----------|
| <b>Borrowings</b>                            |           |               |              |           |          |
| Term loans (Secured)                         | -         | -             | 245.24       | -         | 245.24   |
| Loans from directors & relatives (Unsecured) | -         | -             | -            | 154.11    | 154.11   |
| <b>Short term borrowings</b>                 |           |               |              |           |          |
| Working capital loan from bank               | -         | 400.33        | -            | -         | 400.33   |
| <b>Other financial liabilities</b>           |           |               |              |           |          |
| Current maturities of long term borrowings'  | -         | 91.08         | -            | -         | 91.08    |
| <b>Trade payables</b>                        |           |               |              |           |          |
| Trade payables                               | -         | 2001.77       | -            | -         | 2,001.77 |

**37 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.

**Shakumbhri Pulp And Paper Mills Limited**

(Amounts in INR Lakhs, unless otherwise stated)

**(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<br>March 2023 | As at 31<br>March 2022 |
|--|------------------------|------------------------|
|  | USD                    | USD                    |
| <b>Financial assets</b>                                  |                        |                        |
| Trade receivables  | -                      | -                      |
| <b>Net exposure to foreign currency risk (assets)</b>    | -                      | -                      |
| <b>Financial liabilities</b>                             |                        |                        |
| Trade payables   | 2.85                   | -                      |
| <b>Net exposure to foreign currency risk (liability)</b> | (2.85)                 | -                      |

**(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<br>ended 31<br>March 2023 | For the year<br>ended 31<br>March 2022 |
| <b>USD Sensitivity</b>                     |  |  |
| INR/USD -Increase by 5% (31 March 2023-5%) | 0.00                                   | -                                      |
| INR/USD -Decrease by 5% (31 March 2023-5%) | (0.00)                                 | -                                      |

**(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<br>March 2023 | As at 31<br>March 2022 |
|---------------------------------|------------------------|------------------------|
| <b>Variable rate borrowings</b> |                        |                        |
| Term loan from banks            | 484.93                 | 245.24                 |
| <b>Total</b>                    | <b>484.93</b>          | <b>245.24</b>          |

**(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<br>ended 31<br>March 2023 | For the year<br>ended 31<br>March 2022 |
| Interest rates – increase by 50 basis points* | 2.84                                   | 1.79                                   |
| Interest rates – decrease by 50 basis points* | (2.84)                                 | (1.79)                                 |
| <b>Total</b>                                  |  |  |

\* Holding all other variable constant

**Shakumbhri Pulp And Paper Mills Limited**

(Amounts in INR Lakhs, unless otherwise stated)

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

| <b>Contingent liabilities</b>  | <b>As at 31<br/>March 2023</b> | <b>As at 31<br/>March 2022</b> |
|--|--------------------------------|--------------------------------|
| Contingent liabilities   | -                              | -                              |
| <b>Commitment</b>  |                                |                                |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | -                              | 155.54                         |

**39 Value of Imports (C.I.F.) Value in respect of Particulars**

| <b>Particulars</b>                     | <b>As at<br/>31.03.2023</b> | <b>As at<br/>31.03.2022</b> |
|--|-----------------------------|-----------------------------|
| (a) Raw materials                      | 538.30                      | 326.58                      |
| (b) Stores & spare parts               | 1.16                        | -                           |
| (c) Plant & machinery                  | -                           | -                           |
| <b>Expenditure in foreign currency</b> | -                           | -                           |
| <b>Remittance in foreign currency</b>  | 539.46                      | 326.58                      |
| <b>Earning in foreign currency</b>     | -                           | -                           |

**40 Consumption of Imported and Indigenous Raw Material, Stores & Spares Parts etc :**

| <b>Particulars</b>               | <b>As at 31.03.2023</b> |                   | <b>As at 31.03.2022</b> |                   |
|----------------------------------|-------------------------|-------------------|-------------------------|-------------------|
|                                  | <b>Amount</b>           | <b>PERCENTAGE</b> | <b>Amount</b>           | <b>PERCENTAGE</b> |
| <b>1. Raw Material</b>           |                         |                   |                         |                   |
| Indigenous                       | 4,903.83                | 80.90%            | 6,485.22                | 93.75%            |
| Imported                         | 1,157.99                | 19.10%            | 432.05                  | 6.25%             |
| <b>Total Rs.</b>                 | <b>6,061.82</b>         | <b>100.00%</b>    | <b>6,917.27</b>         | <b>100.00%</b>    |
| <b>2. Stores &amp; Spares</b>    |                         |                   |                         |                   |
| Indigenous                       | 294.76                  | 99.46%            | 286.16                  | 100.00%           |
| Imported                         | 1.59                    | 0.54%             | -                       | -                 |
| <b>Total Rs.</b>                 | <b>296.35</b>           | <b>100.00%</b>    | <b>286.16</b>           | <b>100.00%</b>    |
| 3. Chemical (Indigenous)         | 664.06                  | 100.00%           | 531.76                  | 100.00%           |
| 4. Packing Material (Indigenous) | 111.27                  | 100.00%           | 158.00                  | 100.00%           |

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

Information with regard to the status of the suppliers as Micro, Small and Medium enterprises is not available to the company hence it is not possible for the company to disclose said information in respect of suppliers.

**Shakumbhri Pulp And Paper Mills Limited**  
(Amounts in INR Lakhs, unless otherwise stated)

**42 Related Party Disclosure**

**Related Parties names and relationship**

| Name of Party              | Principal Place of Operation | Principal Activities | Relation                             |
|----------------------------|------------------------------|----------------------|--------------------------------------|
| Shri Chirag Garg           | India                        | Investing            | Key Management Personnel             |
| Smt. Eitisha Jain          | India                        | Company Secretary    | Key Management Personnel             |
| Shri Girish Kumar Aggarwal | India                        | Investing            | Key Management Personnel             |
| Shri Arjun Kumar           | India                        | Investing            | Key Management Personnel             |
| Shri Ayush Agarwal         | India                        | Investing            | Relative of Key Management Personnel |
| Smt. Archana Agarwal       | India                        | Salary               | Relative of Key Management Personnel |
| Smt. Pooja Agarwal         | India                        | Salary               | Relative of Key Management Personnel |
| Shri Sunil Garg            | India                        | Investing            | Relative of Key Management Personnel |
| Shri Abhinav Agarwal       | India                        | Salary               | Relative of Key Management Personnel |
| Shri Ambrish Agarwal       | India                        | Salary               | Relative of Key Management Personnel |

**Companies/firms controlled by directors/relatives**

ACS Papers Pvt. Ltd.  
Aviana Enterprises  
Ginny Enterprises  
Vas Enterprises Pvt. Ltd.  
Girish Kumar & Sons (HUF)



**Shakumbhri Pulp And Paper Mills Limited**

(Amounts in INR Lakhs, unless otherwise stated)

**Related parties transaction and balance**

| Name of the Related Parties and Relationship | Key Management personnel |                     | Companies controlled by Directors / Relatives |                     |
|--|--------------------------|---------------------|---|---------------------|
|  | As at 31 March 2023      | As at 31 March 2022 | As at 31 March 2023                           | As at 31 March 2022 |
| Unsecured Loans repayment                    | 5.00                     | -                   | -   | 0.76                |
| Unsecured Loans received                     | 15.00                    | 10.00               | -   | 50.00               |
| Interest paid                                | 11.62                    | 9.89                | 7.40  | 2.95                |
| Salary paid                                  | 21.14                    | 14.64               | 41.40   | 37.80               |
| Sale   | -                        | -                   | 1,466.39                                      | 1,328.48            |
| Purchase                                     | -                        | -                   | 4,803.86                                      | 5,573.68            |
| <b>Closing Balance</b>                       |                          |                     |   |                     |
| Unsecured Loan                               | 92.34                    | 71.89               | 88.86   | 82.22               |
| Trade receivable                             | -                        | -                   | 229.69  | 290.12              |
| Trade payable                                | -                        | -                   | 848.49  | 877.29              |
| Other payable                                | 13.35                    | 4.65                | 20.12   | 19.56               |

**43 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.

| Non Current Assets   | As at<br>March 31,<br>2023 | As at<br>March 31,<br>2022 |
|--|----------------------------|----------------------------|
| (Other than financial instruments; post employment benefits; deferred tax assets; and right arising under insurance contracts) |                            |                            |
| Within India   | -                          | 26.13                      |
| Outside India  | -                          | -                          |

**44 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

**Shakumbhri Pulp And Paper Mills Limited**

(Amounts in INR Lakhs, unless otherwise stated)

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

The company's gearing ratio were as follows:

| Particular                      | As at 31<br>March 2023 | As at 31<br>March 2022 |
|---------------------------------|------------------------|------------------------|
| Net debt                        | 1,525.18               | 887.49                 |
| Total equity                    | 1,198.26               | 1262.70                |
| <b>Net debt to equity ratio</b> | <b>127.28%</b>         | <b>70.29%</b>          |

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.

**45 Other Statutory Information**

- The title deeds of all the immovable properties disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.
- The Company has not revalued any of its Property, Plant and Equipment during the current reporting period and also for previous year's reporting period.
- The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013, either severally or jointly with any other person, that are (a) repayable on demand, or (b) without specifying any terms or period of repayment.
- The company does not have any capital work in progress as on 31.03.2023.
- The Company does not have any intangible assets under development during the current and previous year reporting period.
- The Company does not hold any Benami Property and hence there were no proceedings initiated or pending against the Company for holding any benami property under the Benami Property Transactions Act, 1988 and the Rules made there under.
- The company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- The company is not declared willful defaulter by any bank or financial institution or other lender during the year.
- Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

|   | 31.03.2023 | 31.03.2022 |
|---|------------|------------|
| (a) Transactions other than shareholding with struck off Companies  | NIL        | NIL        |
| (b) On the basis of information available, details of shares held by struck off company (Face value of ₹ 10) are as under:- |            |            |

| Name of the Struck off Company          | Nature of Transaction with Struck-off company | No. of Shares<br>31.03.2023 | No. of Shares<br>31.03.2022 |
|---|---|-----------------------------|-----------------------------|
| Opel Engineers And Fabricators Pvt.Ltd. | Share held by struck off company              | 30000                       | 30000                       |
| Roopam Fabrics Pvt Ltd                  | Share held by struck off company              | 30000                       | 30000                       |
| Shree Jee Wireless Private Limited      | Share held by struck off company              | 30000                       | 30000                       |
| Jagdamba Cement Company Private Limited | Share held by struck off company              | 20000                       | 20000                       |

- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company does not have investment in any downstream companies for which it has to comply with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.
- The Company has used the borrowings from banks and financial institutions for the purpose for which it was obtained.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:-
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

**Shakumbhri Pulp And Paper Mills Limited**

(Amounts in INR Lakhs, unless otherwise stated)

- (xiv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (xv) The Company does not have any such transactions which was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (xvi) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (xvii) The Company is not required to comply with the provisions of Section 135 of the Companies Act, 2013.

**46 Financial Ratio Analysis**

| Type of Ratios                              | Formula                                      | 31.03.2023 | 31.03.2022 | Variance | Reason for variance                                       |
|---|--|------------|------------|----------|---|
|   |  | Ratio      | Ratio      |          |   |
| (a) Current Ratio (Times)                   | Current Assets / Current Liabilities         | 0.86       | 0.95       | -9.47%   |   |
| (b) Debt Equity Ratio (Times)               | Total Debt / Shareholders' Equity            | 1.30       | 0.72       | 80.56%   | Due to increase in term loan and net loss during the year |
| (c) Debt Service Coverage Ratio (Times)     | EBITDA / (Interest + Installments)           | 0.90       | 2.13       | -57.75%  | Due to net loss during the year                           |
| (d) Return on Equity Ratio (%)              | PAT / Average Equity Shareholders' Fund      | -5.71%     | 13.34%     | -142.80% | Due to net loss during the year                           |
| (e) Inventory Turnover Ratio (Times)        | Sales / Average Inventory                    | 10.12      | 15.62      | -35.21%  | Due to decrease in turnover and increase inventory        |
| (f) Trade Receivable Turnover Ratio (Times) | Net Credit Sales / Average Trade Receivables | 6.53       | 6.85       | -4.67%   |   |
| (g) Trade Payable Turnover Ratio (Times)    | Net Credit Purchase/Average Trade Payables   | 4.70       | 5.82       | -19.24%  |   |
| (h) Net Capital Turnover Ratio (Times)      | Sales / Working Capital                      | (25.28)    | (80.71)    | -68.68%  | Due to decrease in turnover and working capital           |
| (i) Net Profit Ratio (%)                    | Net Profit (PAT)/Sales                       | -0.74%     | 1.43%      | -151.75% | Due to net loss during the year and decrease the turnover |
| (j) Return on Capital Employed (%)          | EBIT / Average Capital Employed              | 0.56%      | 14.53%     | -96.15%  | Due to net loss during the year                           |
| (k) Return on Investment (%)                | Income on Invesement / Investment            | 14.42%     | 10.68%     | 35.02%   | Due to higher receipt of dividend during the year         |

**Shakumbhri Pulp And Paper Mills Limited**

(Amounts in INR Lakhs, unless otherwise stated)

**47 Notes to accounts**

- (a) Balances of trade receivables, trade payable and advances as at 31st March, 2023 are subject to confirmation.  
 (b) 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 VIYOM & CO.,**

ICAI Firm Registration No.: 002011C

Chartered Accountants,

Sd/-

CA Raj Kumar Sharma

**Partner**

Membership No.: 077650

Place: Muzaffarnagar

Date: 30.05.2023

UDIN: 23077650BGTUQI7950

Sd/-

Whole Time Director

(Girish Kumar Aggarwal)

DIN- 06457199

Sd/-

CFO

(Chirag Garg)

PAN : AJYPG1223A

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

Sd/-

Director

(Arjun Kumar )

DIN- 02614019

Sd/-

Company Secretary

(Eitisha Jain)

PAN : AUVPJ8429P

**SHAKUMBHRI PULP AND PAPER MILLS LIMITED**

4.5 KM BHOPA ROAD MUZAFFARNAGAR

UTTAR PRADESH UP 251001 IN