

BRAND
NAME

2024-25

37th 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
Ms. MUKESH JAIN : Independent Director
Ms. MONA : 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

SECRETARIAL AUDITOR

M/S ANURADHA BHATIA & ASSOCIATES, Company Secretaries

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
Ph. No.-7895512368
website: shakumbhripulp.com
E-mail: shakumbari@yahoo.com, shakumbhripaper@gmail.com

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SHAKUMBHRI PULP AND PAPER MILLS LIMITED

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

CIN: L21012UP1986PLC007671
GSTIN: 09AABCS9947E1ZZ

Ph. No.-7895512368 website: shakumbhripulp.com
E-mail: shakumbari@yahoo.com, shakumbhripaper@gmail.com

Notice is hereby given that the 37th Annual General Meeting of the shareholders of **M/S SHAKUMBHRI PULP AND PAPER MILLS LIMITED** will be held on Saturday the 27th day of September, 2025 at 11:30 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 31st March 2025 along with the report of the Directors and Auditors thereon.
2. Re-appointment of Shri Sanjeev Kumar Sangal (DIN: 00954385), who retires by rotation and being eligible offers himself for re-appointment.
3. Re-appointment of Shri Amit Agarwal (DIN: 01336763), who retires by rotation and being eligible offers himself for re-appointment.
4. Re-appointment of Shri Girish Kumar Agarwal (DIN: 06457199), who retires by rotation and being eligible offers himself for re-appointment.
5. Re-appointment of Shri Sunil Kumar Garg (DIN: 09534044), who retires by rotation and being eligible offers himself for re- appointment.

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

DATED: 13/08/2025
PLACE: Muzaffarnagar

Sd/-
Ayushi Gupta
(Company Secretary)
Membership No. – ACS 28438

REGISTERED OFFICE:

4.5 KM, Bhopa Road, Muzaffarnagar,
Uttar Pradesh 251001

CIN: L21012UP1986PLC007671

Ph. No.-7895512368

E-mail: shakumbari@yahoo.com, shakumbhripaper@gmail.com

website: shakumbhripulp.com

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. 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 Skyline Financial Services Private Limited D-153 A, 1st Floor , Okhla Industrial Area, Phase - I 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 https://shakumbhripulp.com and https://www.skylinerta.com/	
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 21.09.2025 to 27.09.2025 (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:

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 24th September 2025 at 10:00 A.M. and ends on 26th September 2025 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 20th September 2025 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.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(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 CDSL/NSDL** is given below:

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

Type of shareholders	Login Method
	<p>4) For OTP based login you can click on https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<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
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000</p>

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

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

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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 mandatorily 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, 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 & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or [contact at toll free no. 1800 21 09911](tel:18002109911)

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 or call at toll free no. 1800 21 09911

13. 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.
14. 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. 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.
15. 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](https://shakumbhripulp.com) and on the website of CDSL and communicated to the Stock Exchanges.

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

Sd/-
Ayushi Gupta
(Company Secretary)
Membership No. – ACS 28438

DATED: 13/08/2025

PLACE: Muzaffarnagar

REGISTERED OFFICE:

4.5 KM, Bhopa Road, Muzaffarnagar,

Uttar Pradesh 251001

CIN: L21012UP1986PLC007671

Ph. No.-7895512368

E-mail: shakumbhari@yahoo.com, shakumbhripaper@gmail.com

website: shakumbhripulp.com

Additional information with respect to Item no. 2 to 5 as required under Regulation 36(2) of the Listing Regulations and Secretarial Standard - 2 are stated hereunder:

Details of Directors

Sr. No.	Name of Directors	Sanjeev Singhal	Girish Kumar Aggarwal	Amit Agarwal	Sunil Kumar Garg
1	Director Identification Number (DIN)	00954385	06457199	01336763	09534044
2	Date of Birth (Age)	24.05.1963 (62 years)	14.02.1960 (65 years)	01.07.1974 (51 years)	01.05.1967 (58 years)
3	Permanent Account Number (PAN)	ALUPS5340Q	AHBPA9708M	ACCPA1463F	AASPG9890J
4	Date of Initial Appointment on the Board	01.06.2009	01.02.2013	01.02.2013	11.03.2022
5	Experience in specific functional area	30 Years	34 Years	22 Years	32 years
6	Expertise in specific functional area	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.
7	No. of equity shares held in the Company	42,150 shares	62,500 shares	701,000 shares	90,000 shares
8	Qualification	Graduate	Graduate	Graduate	LL.B, Graduate
9	List of other Directorships*	NIL	NIL	1) BINDAL PULP AND PAPERS PRIVATE LIMITED 2) NEERAJ PAPER MARKETING LIMITED 3) BINDAL INDUSTRIES LIMITED 4) BINDAL ROLLING MILLS LIMITED 5) BRINA GOPAL TRADERS PVT.LTD.	NIL
10	Membership/Chairman of Committees of the other Companies*	NIL	NIL	Member - Audit Committee and Nomination and Remuneration Committee of Neeraj Paper Marketing Limited Chairman - Stakeholder Relationship Committee of Neeraj Paper Marketing Limited	NIL

Sr. No.	Name of Directors	Sanjeev Singhal	Girish Kumar Aggarwal	Amit Agarwal	Sunil Kumar Garg
12	Term and condition for Appointment / Re-appointment	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.
13	Proposed Remuneration	No Remuneration is proposed	No Remuneration is proposed. Already drawing remuneration as Whole Time Director	No Remuneration is proposed	No Remuneration is proposed
14	Last drawn Remuneration	NIL	Rs. One Lac per month in the capacity of Whole Time Director	NIL	NIL
15	No. of Board meeting attended during the year	NINE	NINE	SEVEN	NINE
16	Listed Entity from which the director has resigned in past 3 years	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

*** 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**

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

Sd/-
Ayushi Gupta
(Company Secretary)
Membership No. – ACS 28438

DATED: 13/08/2025

PLACE: Muzaffarnagar

REGISTERED OFFICE:

4.5 KM, Bhopa Road, Muzaffarnagar,

Uttar Pradesh 251001

CIN: L21012UP1986PLC007671

Ph. No.-7895512368

E-mail: shakumbhari@yahoo.com, shakumbhripaper@gmail.com

website: shakumbhripulp.com

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 37th Annual General Meeting of the Company, to be held on the Saturday, 27th September, 2025 at 4.5 KM, Bhopa Road, Muzaffarnagar, Uttar Pradesh- 251001 at 11:30 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 31 st March 2025 along with the report of the Directors and Auditors thereon.		
2.	Re-appointment of Shri Sanjeev Kumar Sangal (DIN: 00954385), who retires by rotation and being eligible offers himself for re-appointment.		
3.	Re-appointment of Shri Arjun Kumar Agarwal (DIN: 02614019), who retires by rotation and being eligible offers himself for re-appointment.		
4.	Re-appointment of Shri Girish Kumar Agarwal (DIN: 06457199), who retires by rotation and being eligible offers himself for re- appointment.		
5.	Re-appointment of Shri Sunil Kumar Garg (DIN: 09534044), who retires by rotation and being eligible offers himself for re- appointment.		

Signed thisday of..... 2024

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. (* Applicable to Members holding shares in dematerialized form)	
4.	Number of Shares held	

I/We hereby record my/our presence at the 37th Annual General Meeting of the Company, to be held on the Saturday, 27th September, 2025 at 11:30 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

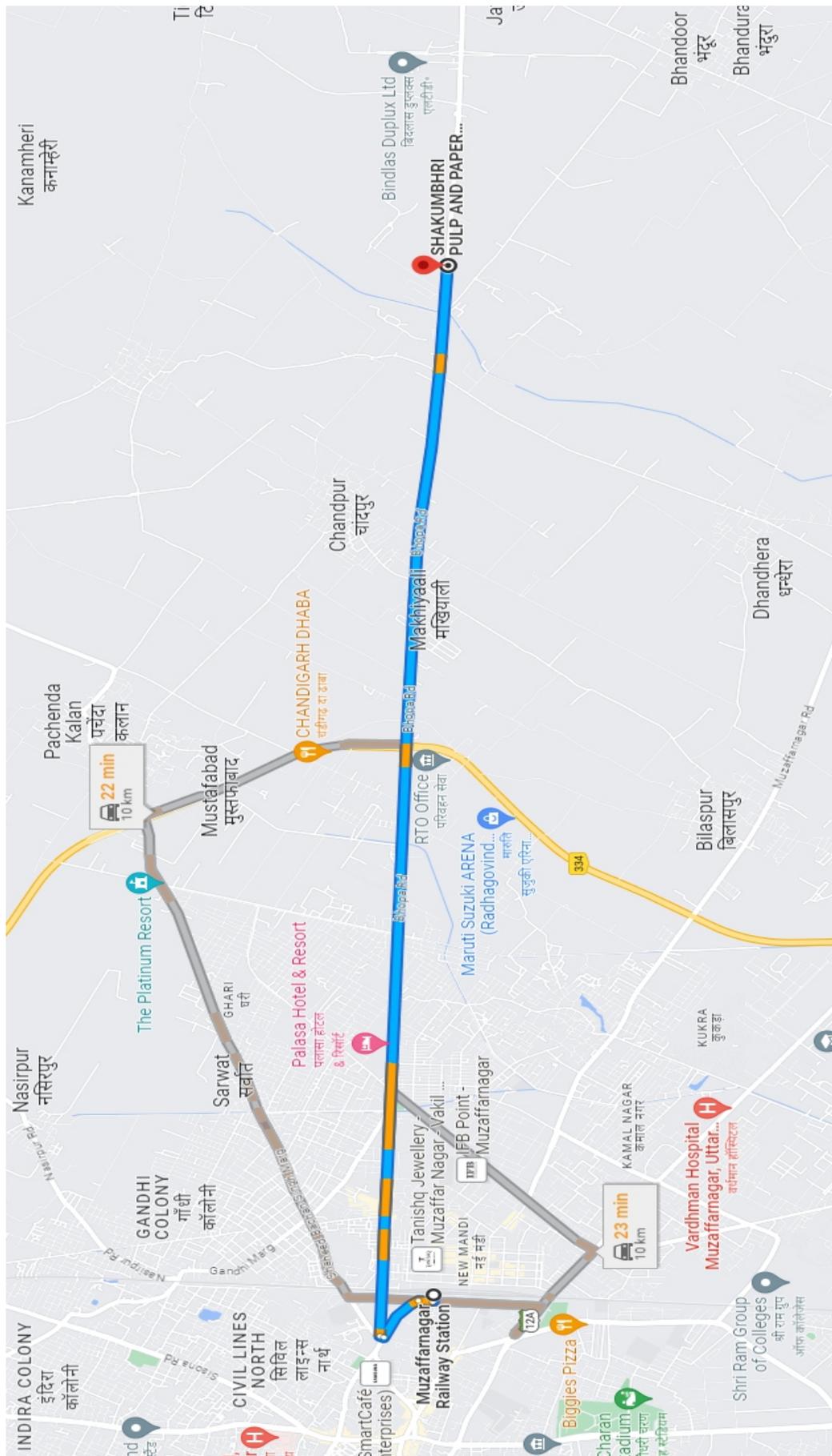
S. No	Particulars	Details
1.	Name of the first named Shareholder(In Block Letters)	
2.	Postal address	
3.	Registered Folio No. / *Client ID No. (*applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

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.	Adoption of the Audited Financial Statement of the Company for the financial year ended 31 st March 2025 along with the report of the Directors and Auditors thereon.			
2.	Re-appointment of Shri Sanjeev Kumar Sangal (DIN: 00954385), who retires by rotation and being eligible offers himself for re-appointment.			
3.	Re-appointment of Shri Amit Agarwal (DIN: 01336763), who retires by rotation and being eligible offers himself for re-appointment.			
4.	Re-appointment of Shri Girish Kumar Agarwal (DIN: 06457199), who retires by rotation and being eligible offers himself for re- appointment.			
5.	Re-appointment of Shri Sunil Kumar Garg (DIN: 09534044), who retires by rotation and being eligible offers himself for re- appointment.			

Place:
Date: 27/09/2025 (Signature of Shareholder)

Route Map for Venue of AGM



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: shakumbari@yahoo.com, shakumbhripaper@gmail.com

DIRECTORS' REPORT
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March, 2025

Dear Members,

Your directors have pleasure in presenting you their 37th Annual Report on the business and operations of the company together with the Audited Financial Statement of the Company for the year ended 31st March 2025.

FINANCIAL RESULTS

	(Amount in Lakhs)	
	31.03.2025	31.03.2024
Net Sale/Income from Operations	8618.84	7,710.46
Other Income	4.49	59.21
Total Income	8623.33	7,769.67
Profit /Loss before Finance Charges, Depreciation & Tax	284.12	202.5
Finance Charges	132.59	149.47
Depreciation & Amortization	133.19	127.33
Profit /Loss Before Tax	18.34	(74.30)
Tax : 1. Current tax	4	8.33
2. Deferred tax	(4.19)	(20.33)
3.MAT Credit Entitlement/Utilization	(2.86)	-
Profit After Tax	21.39	(62.30)
Paid-Up Share Capital	385.50	385.50
Reserve & Surplus	771.43	752.06
Transfer to General Reserves	-	-

DIVIDEND

As company required funds for business and growth, your Directors do not recommend any Dividend for the financial year 2024-2025.

TRANSFER TO RESERVE

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

STATE OF COMPANY AFFAIRS AND REVIEW OF BUSINESS OPERATIONS:

During the Financial year 2024-25, turnover of the company for the financial year ended 31.03.2025 is Rs. 8,618.84 Lacs as compared to Rs. 7,710.46 Lacs in the last year. The Net Profit after Tax is Rs. 21.39 Lacs as compared to Net Loss after tax of Rs 62.30 Lacs in the last year. The turnover and net profit of the company has increased in the current year as compared to the previous year. The company is engaged in manufacturing of Kraft Paper. There was no change in the nature of business of company.

FUTURE PROSPECTS

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 colorful creativity, aesthetic appeal, and textured properties, is also fueling 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.

In addition, there is a rising demand for kraft paper within the luxury goods industry. The appeal of kraft paper lies in its aesthetic qualities and sustainability. Numerous luxury brands are adopting kraft paper for packaging their products as it imparts a more rustic and natural look, which appeals to discerning consumers. Government initiatives in India are actively promoting the use of sustainable materials, with a specific focus on kraft paper. Government policies encourage businesses to embrace recycled materials, thereby boosting the demand for kraft paper products in the country.

The rise of e-commerce in India has increased the need for strong and durable packaging materials, with Kraft paper being a popular choice for shipping boxes and packaging materials.

The production of consumer goods such as food products, cosmetics, and personal care items often requires Kraft paper packaging to ensure product safety and freshness.

The Kraft paper industry has evolved to offer customized and branded packaging solutions, which are in demand by businesses looking to distinguish their products in the market.

The recyclability of Kraft paper is an attractive feature, and the Indian government's focus on a circular economy is promoting the use of recycled materials in the production of Kraft paper.

The explosive growth of e-commerce and online retailing has significantly boosted the demand for kraft paper, particularly in the form of corrugated boxes and mailers. With the global e-commerce market, the need for efficient and durable packaging solutions is paramount. Kraft paper is extensively used for packaging and shipping due to its strength, lightweight nature, and cost-effectiveness.

E-commerce giants like Amazon and Alibaba rely heavily on kraft paper-based packaging to ensure product safety during transit. The rise of online shopping, accelerated by the COVID-19 pandemic, has led to an increased volume of shipped goods, thereby driving the kraft paper market. Moreover, the trend towards personalized packaging solutions in the e-commerce sector has further spurred the demand for kraft paper, as it offers customization options that enhance the consumer unboxing experience. This surge in e-commerce activities is expected to continue, propelling the kraft paper market forward.

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 adequate internal control procedures commensurate with the size of the Company and the nature of its business. These systems are designed to ensure that all the assets of the company are safeguarded and protected against any loss and that all the transactions are properly authorized, recorded and reported. The internal audit is entrusted to M/s Raaj Kumar Bansal & Co, a firm of Chartered Accountants.

The main thrust of internal audit is to test and review controls, appraisal of risks and business practices. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. The Board of Directors has framed a policy which ensures the orderly and efficient conduct of its business, safeguarding of its assets, to provide greater assurance regarding prevention and detection of frauds and accuracy and completeness of the accounting records of the company. Further your company has adequate internal financial control with reference to its financial statements.

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 and no 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 34th Annual General Meeting held on 30th September, 2022, for a term of five consecutive years to hold office from the conclusion of the 34th Annual General Meeting until the conclusion of 39th 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, 2025. Further, no fraud is reported by auditors under sub-section (12) of section 143 in their Report on the financial statements for the year ended March 31, 2025.

(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 Anuradha Bhatia & Associates, Company Secretaries to undertake the Secretarial Audit of the company for the Financial year 2024-25. The Secretarial Audit Report is annexed herewith as '**Annexure1**'.

The Board noted that there is no observation made in the Secretarial Audit report for the financial year ended 31st March 2025.

(c) COST RECORD AND 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. Further maintenance of cost records as specified by the Central Government under sub-section (1) of [section 148 of the Companies Act, 2013](#), is not required by the Company.

SHARE CAPITAL

The paid up equity share capital as on 31/03/2025 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 31/03/2024 & the same has been uploaded on the website of the Company under the link https://shakumbhripulp.com/files/annual-return/ar_06.pdf

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) 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 2024-2025 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 remittance in foreign currency of Rs. 504.21 Lacs during the year.

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

During the year under review, there is change in Board of Directors of the company and Key Managerial Personnel of the company.

Mr. Arjun Kumar (DIN: 02614019), Non-Executive Director and Promoter of the Company has expired due to illness on 5th March, 2025. The Board place on record a deep appreciation for the valuable services rendered by Sh. Arjun Kumar during his tenure as a director 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 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, proficiency, 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.

Approval of remuneration of Key Managerial Personnel during the year

The Board of directors, pursuant to the recommendations of the Nomination and Remuneration Committee approved the payment of remuneration to Mr. Girish Kumar Agarwal, Whole Time Director of the company for a period from 1st October, 2024 upto 29th June, 2026, being the remainder period of his appointment as Whole time director of company in their meeting held on 12th August, 2024. The remuneration was further approved by the Shareholders in the annual general meeting held on 28th September, 2024.

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 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..

Evaluation of Committees

The performance evaluation of Committees was based on criteria such as structure and composition of Committees, attendance and participation of member of the Committees, fulfilment of the functions assigned to Committees by the Board and applicable regulatory framework, frequency and needs within and outside the Company, demonstrated and effective communication skills, adequacy of time allocated at the Committee Meetings to fulfil duties assigned to it, adequacy and timeliness of the Agenda and Minutes circulated, comprehensiveness of the discussions and constructive functioning of the Committees, effectiveness of the Committee's recommendation for the decisions of the Board, etc.

Evaluation of Directors and Board

A separate exercise was carried out to evaluate the performance of Individual Directors and the Board as a whole. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of Board was based on criteria inter alia, including Structure of the Board, Meetings of the Board, Functions of the Board, Role and responsibilities of the Board, Governance and compliance, Evaluation of Risks, Corporate culture and values etc.

Criteria for Independent Directors

The performance evaluation of Independent Directors was based on various criteria, inter alia, including qualification, experience, core skill, ability and willingness to speak up, ability to carry others, ability to disagree, stand his/her ground, Participation of the Directors in the Board proceedings and his / her effectiveness, The devotion of sufficient time and attention towards professional obligations for independent decisions and acting in the best interest of the Company, Provides strategic guidance to the Company and determines important policies with a view to ensuring long-term viability and strength, Bringing external expertise and independent judgment that contributes to the objectivity of the Board's deliberation, particularly on issues of strategy, performance, and conflict management etc.

The results of the Evaluation for the year under review were shared with the Board, Chairman of respective Committees and individual Directors. The results of Evaluation showed high level of commitment and Engagement of Board, its various Committees and Senior leadership.

As part of the outcome of the Performance Evaluation exercise, it was noted that the Board is Independent, operates at a high level of Governance Standards and is committed to creating value for all stakeholders. It was also noted that the Meetings of the Board are well planned and run effectively by the Chair, its Committees are managed well and continue to perform on their respective focus areas of Governance and Internal Controls. The Directors expressed their satisfaction with the evaluation process

Based on the outcome of the Evaluation of the year under review, the Board has agreed to maintain the High Standards of Governance, Visibility and Interaction in the coming years.

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. 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**

From 01/04/2024 till 05/03/2025, the Audit committee comprised of the following directors:

Ms. Mukesh Jain (Non- Executive, Independent Director)	-Chairman
Ms. Mona (Non- Executive, Independent Director)	-Member
*Mr. Arjun Kumar (Non-Executive Director)	-Member

During the year, the Audit Committee of the Company reconstituted with the approval of Board in their meeting held on 21st March 2025 w.e.f 21/03/2025 and as on 31/03/2025, the Audit committee comprised of the following directors:

Ms. Mukesh Jain (Non-Executive Independent Director)	-Chairman
Ms. Mona (Non-Executive Independent Director)	-Member
*Mr. Sunil Kumar Garg (Non Executive Director)	-Member

* During the year under review, due to the unfortunate demise of Mr. Arjun Kumar, Non- Executive director of the company who served as a member of the Audit committee; the Audit Committee of the Board was reconstituted and Mr. Sunil Kumar Garg, Non- Executive Director of the company was appointed as a member of the Audit committee.

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

b) NOMINATION AND REMUNERATION COMMITTEE

From 01/04/2024 till 05/03/2025, the Nomination and Remuneration committee comprised of the following directors:

Ms. Mukesh Jain (Non- Executive, Independent Director)	-Chairman
Ms. Mona (Non- Executive, Independent Director)	-Member
*Mr. Arjun Kumar (Non-Executive Director)	-Member

During the year, the Nomination and Remuneration Committee of the Company reconstituted with the approval of Board in their meeting held on 21st March 2025 w.e.f 21/03/2025 and as on 31/03/2025, the Nomination and Remuneration committee comprised of the following directors:

Ms. Mukesh Jain (Non-Executive Independent Director)	-Chairman
Ms. Mona (Non-Executive Independent Director)	-Member
*Mr. Sunil Kumar Garg (Non Executive Director)	-Member

* During the year under review, due to the unfortunate demise of Mr. Arjun Kumar, Non- Executive director of the company who served as a member of the Nomination and Remuneration committee; the Audit Committee of the Board was reconstituted and Mr. Sunil Kumar Garg, Non- Executive Director of the company was appointed as a member of the Nomination and Remuneration committee.

MEETINGS OF BOARD OF DIRECTORS:

During the year four Audit Committee meeting, one Nomination and Remuneration Committee Meeting and nine Board Meetings and one independent directors' meeting were held. The provisions of Companies Act, 2013 and listing regulations were adhered to while considering the time gap between two meetings. Date of meetings are as follows:

S.no.	Type of meeting	Date of meeting	Total no. of directors/members as on the date of meeting	Attendance	
				No. of directors /members attended	% of attendance
1	Board Meeting	30/05/2024	7	6	85.714%
2	Board Meeting	17/07/2024	7	7	100%
3	Board Meeting	02/08/2024	7	7	100%
4	Board Meeting	12/08/2024	7	6	85.714%
5	Board Meeting	13/11/2024	7	7	100%
6	Board Meeting	13/12/2024	7	7	100%
7	Board Meeting	14/02/2025	7	7	100%
8	Board Meeting	21/03/2025	6	6	100%
9	Board Meeting	31/03/2025	6	6	100%
10	Audit committee meeting	30/05/2024	3	3	100%
11	Audit committee meeting	12/08/2024	3	3	100%
12	Audit committee meeting	13/11/2024	3	3	100%
13	Audit committee meeting	14/02/2025	3	3	100%
14	Nomination and Remuneration Committee Meeting	31/07/2024	3	3	100%

One Separate meeting of Independent Directors was held during the year on 21st March, 2025 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 /VIGIL MECHANISM

Your Company has a Whistle Blower Policy or vigil mechanism 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 / Vigil mechanism policy is available on the website of the Company i.e. 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, 2025 is provided in the Notes to the Financial Statements under Note No.4.

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 Material 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**.

NUMBER OF EMPLOYEES AS ON THE CLOSURE OF THE FINANCIAL YEAR

The number of employees as on the closure of financial year is stated as below:

Male	112
Female	7
Transgender	0
Total	119

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.

- (i) Number of Sexual Harassment Complaints received : Nil
(ii) Number of Sexual Harassment Complaints disposed off: Nil
(iii) Number of Sexual Harassment Complaints pending beyond 90 days: Nil

MATERNITY BENEFIT

The Company has complied with the provisions of the Maternity Benefit Act, 1961, during the year under review.

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

Sd/-
Girish Kumar Agarwal
Whole Time Director
DIN: 06457199

Sd/-
Sunil Kumar Garg
Director
DIN: 02614019

Address: 4.5 KM, Bhopa Road, Muzaffarnagar,
Uttar Pradesh 251001

DATED: 13/08/2025
PLACE: Muzaffarnagar

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: shakumbhari@yahoo.com, shakumbhripaper@gmail.com

ANNEXURE TO DIRECTORS REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

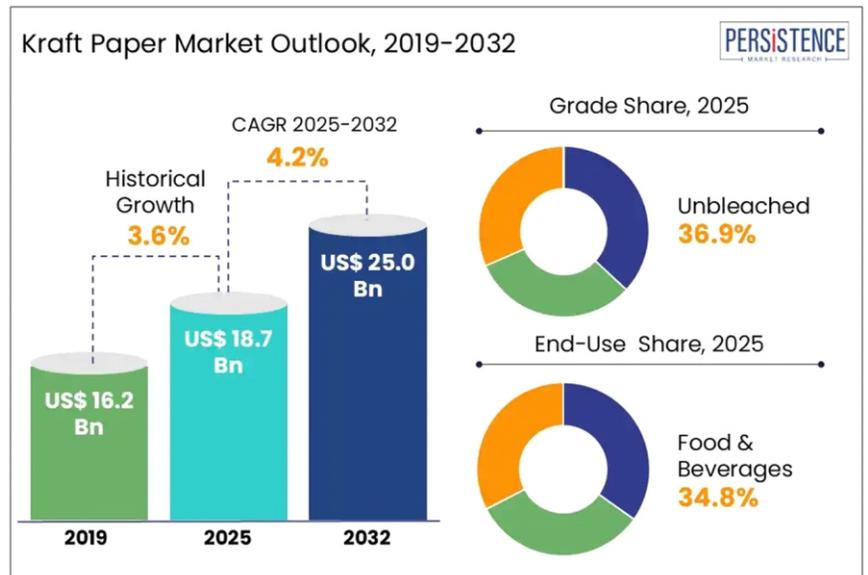
The global Kraft Paper market size is likely to value at US\$ 18.7 billion in 2025 and is expected to reach US\$ 25.0 billion by 2032, reflecting a CAGR of 4.2% during the forecast period from 2025-2032.

The kraft paper market is driven by the rising demand for sustainable, recyclable, and biodegradable packaging solutions. Kraft paper is widely used in the food and beverage, construction, and retail sectors due to its strength, durability, and eco-friendly properties. Increasing environmental regulations and a growing consumer preference for alternatives to plastic are further fueling market expansion in both developed and emerging economies.

MARKET DYNAMICS:**1. Driver - Growing consumer preference for sustainable and biodegradable packaging boosts kraft paper demand**

Global paper consumption is growing as the preference for sustainable and biodegradable packaging has significantly fueled the demand for kraft paper. Consumers increasingly prioritize eco-friendly choices over plastic alternatives. This shift in behavior, largely influenced by heightened awareness of environmental impacts and non-recyclable waste, has prompted businesses across sectors to integrate kraft paper into their packaging strategies. Valued for its recyclability, biodegradability, and lower carbon footprint, kraft paper is being widely adopted as industries seek to align with sustainability goals.

In 2025, Mondi Group certified its entire kraft paper portfolio as compostable, supporting its commitment to ensure all packaging and paper products are reusable, recyclable, or compostable by 2025. Made from renewable sources, Mondi's kraft papers help customers achieve their environmental goals.



These efforts highlight how manufacturers are adapting to meet the rising demand for environmentally responsible packaging solutions.

2. Restrains - Limited Availability of Raw Wood Pulp Due to Deforestation Regulations Hampers Continuous Kraft Paper Production

A distinctive challenge confronting the global kraft paper market has been the inferior barrier properties of kraft paper in comparison to materials made from plastic. Although kraft paper is favored for its sustainability, its inability to provide effective moisture, grease, and air resistance has restricted its adoption in packaging applications requiring high-performance protection—such as in frozen foods, pharmaceuticals, and liquid containers. To compensate, additional coatings or lamination layers are often required, which can compromise recyclability and raise production costs.

This trade-off between functionality and sustainability has presented a significant challenge for manufacturers attempting to meet both environmental and performance expectations. Customers seeking sustainable solutions have often been forced to choose between eco-friendliness and product safety, creating hesitation among certain end-users. As industries demand packaging that meets increasingly stringent safety and performance standards, the need to overcome kraft paper's inherent material limitations has become a pressing concern that continues to slow its broader market penetration.

3. Opportunity - Rising E-Commerce Packaging Needs Create Strong Opportunities for Customized Kraft Paper Solutions

Opportunities have been created in the kraft paper market due to the rising demand for sustainable e-commerce packaging solutions. As online retail has rapidly expanded, the need for durable, biodegradable, and visually appealing materials has been increasingly emphasized. Kraft paper has been widely adopted for its strength and eco-friendliness, meeting both protective and environmental criteria. Customization options have been pursued to boost brand recognition and improve unboxing experiences. In response, manufacturers have been driven to develop innovative designs tailored to evolving e-commerce logistics and consumer expectations.

In 2025, DS Smith launched its “Tape Back” solution—an e-commerce packaging design that eliminates plastic tear strips in favor of a reusable adhesive strip. This approach has not only simplified returns but also improved recyclability. Through such innovations, kraft paper has been positioned as a critical solution in the transition away from plastic, aligning with circular economy goals and rising consumer consciousness.

CATEGORY WISE INSIGHTS:

1. Grade Insights

Unbleached kraft paper has been widely recognized as the leading segment in the kraft paper market, largely due to its impressive strength and minimal environmental impact. Its natural brown color, preserved through limited processing, reflects a commitment to eco-friendly manufacturing practices. This type of paper has been commonly used in demanding applications such as sacks and industrial wrapping, where durability is essential. Its recyclability and biodegradability have continued to resonate with both manufacturers and environmentally conscious consumers.

2. End-Use Industry Insights

The food and beverages industry has been identified as the fastest-growing end-use segment in the kraft paper market, largely driven by rising demand for sustainable and health-conscious packaging. As consumers become more aware of the environmental and health impacts of plastic, kraft paper has been increasingly adopted for food wraps, takeaway containers, and other packaging solutions. Its natural, biodegradable, and recyclable qualities make it an ideal choice for maintaining food safety while minimizing environmental harm.

In 2025, DS Smith launched its “GoChill Cooler,” a 100% recyclable and reusable alternative to traditional plastic and Styrofoam coolers. Made from wax-free corrugated board, the cooler was designed to keep food and beverages fresh while reducing waste and carbon emissions.

This reflects the global paper packaging market's broader shift toward sustainable packaging in everyday food consumption.

SCOPE AND DEMAND OF PAPER INDUSTRY IN INDIA

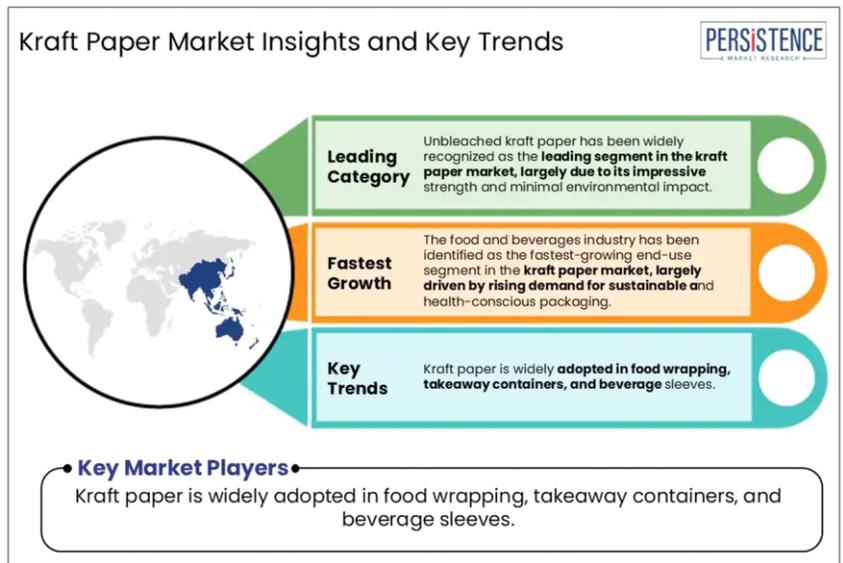
India Kraft Paper Market Trends:

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 colorful creativity, aesthetic appeal, and textured properties, is also fueling 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.

In addition, there is a rising demand for kraft paper within the luxury goods industry. The appeal of kraft paper lies in its aesthetic qualities and sustainability. Numerous luxury brands are adopting kraft paper for packaging their products as it imparts a more rustic and natural look, which appeals to discerning consumers.

Government initiatives in India are actively promoting the use of sustainable materials, with a specific focus on kraft paper. Government policies



encourage businesses to embrace recycled materials, thereby boosting the demand for kraft paper products in the country.

Kraft paper manufacturers are also making significant investments in innovative technologies to enhance the quality and efficiency of their production processes. These investments have led to the development of new and improved kraft paper products, such as enhanced strength and durability.

The Indian government has launched various initiatives to promote the use of eco-friendly materials, including Kraft paper, and reduce plastic waste. This has further supported the growth of the Kraft paper market.

The rise of e-commerce in India has increased the need for strong and durable packaging materials, with Kraft paper being a popular choice for shipping boxes and packaging materials.

The production of consumer goods such as food products, cosmetics, and personal care items often requires Kraft paper packaging to ensure product safety and freshness.

The Kraft paper industry has evolved to offer customized and branded packaging solutions, which are in demand by businesses looking to distinguish their products in the market.

The recyclability of Kraft paper is an attractive feature, and the Indian government's focus on a circular economy is promoting the use of recycled materials in the production of Kraft paper.

The explosive growth of e-commerce and online retailing has significantly boosted the demand for kraft paper, particularly in the form of corrugated boxes and mailers. With the global e-commerce market projected to reach \$6.4 trillion by 2024, the need for efficient and durable packaging solutions is paramount. Kraft paper is extensively used for packaging and shipping due to its strength, lightweight nature, and cost-effectiveness.

E-commerce giants like Amazon and Alibaba rely heavily on kraft paper-based packaging to ensure product safety during transit. The rise of online shopping, accelerated by the COVID-19 pandemic, has led to an increased volume of shipped goods, thereby driving the kraft paper market. Moreover, the trend towards personalized packaging solutions in the e-commerce sector has further spurred the demand for kraft paper, as it offers customization options that enhance the consumer unboxing experience. This surge in e-commerce activities is expected to continue, propelling the kraft paper market forward.

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 adequate internal control procedures commensurate with the size of the Company and the nature of its business. These systems are designed to ensure that all the assets of the company are safeguarded and protected against any loss and that all the transactions are properly authorized recorded and reported. The internal audit is entrusted to M/s Raaj Kumar Bansal & Co, a firm of Chartered Accountants.

The main thrust of internal audit is to test and review controls, appraisal of risks and business practices. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. The Board of Directors has framed a policy which ensures the orderly and efficient conduct of its business, safeguarding of its assets, to provide greater assurance regarding prevention and detection of frauds and accuracy and completeness of the accounting records of the company. Further your company has adequate internal financial control with reference to its financial statements.

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 31/03/2025, the Company has 119 employees. Industrial relations are cordial and satisfactory.

KEY FINANCIAL RATIOS

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

Nature of Ratios	For year ended 31.03.2025	For year ended 31.03.2024	Changes %	Explanation for Changes more than 25%
Debtors Turnover	7.00	7.13	-1.82%	Not Applicable
Inventory Turnover	10.91	9.13	19.50%	Not Applicable
Interest Coverage Ratio	2.11	1.35	56.30%	Due to increase in profit during the year
Current Ratio	0.78	0.75	4.00%	Not Applicable
Debt Equity Ratio	1.25	1.17	6.84%	Not Applicable
Debt Service Coverage Ratio (Times)	1.37	1.04	31.73%	Due to increase in profit during the year
Return on Equity Ratio (%)	1.90%	-5.43%	-134.99%	Due to increase in profit during the year
Trade Payable Turnover Ratio (Times)	4.62	4.28	7.94%	N.A
Operating Profit Margin%	1.79%	-0.96%	286.46%	Due to increase in profit during the year
Net Profit Margin%	0.25%	-0.81%	-130.86%	Due to increase in profit during the year
Return on Capital Employed (%)	5.99%	2.92%	105.14%	Due to increase in profit during the year
Net Capital Turnover Ratio	-12.76	-12.94	-1.39%	N.A
Return on Investment	12.46%	11.71%	6.40%	N.A

CHANGES IN RETURN ON NET WORTH

The return on net worth for the financial year 2023-24 and for the financial year 2024-25 is (0.06) and 0.02 respectively. The change in return on net worth as compared to the immediately previous financial year is (133.33%) and reason for change in the above is due to increase in profit during the FY 2024-25.

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

Sd/-
Girish Kumar Agarwal
Whole Time Director
DIN: 06457199

Sd/-
Sunil Kumar Garg
Director
DIN: 02614019

DATED: 13/08/2025
PLACE: Muzaffarnagar

Address: 4.5 KM, Bhopa Road, Muzaffarnagar,
Uttar Pradesh 251001

Annexure 1 to the Board report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rule,2014]

To,
The Members,
SHAKUMBHRI PULP AND PAPER MILLS LIMITED
CIN : L21012UP1986PLC007671
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**. (hereinafter called the company). 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2025** 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** ("The Company") for the financial year ended on, 31st March 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings (ECB): **Not Applicable during the Audit Period under Review;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 : **Not Applicable during the Audit Period under Review ;**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: **Not Applicable during the Audit Period under Review ;**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 : **Not Applicable during the Audit Period under Review ;**
 - (f) 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;
 - (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 : **Not Applicable during the Audit Period under Review ;** and
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 : **Not Applicable during the Audit Period under Review .**
- (vi) In respect of other laws specifically applicable to the company, we have relied on the representation made by the Company and its officers for the System and Mechanism formed by the Company for compliance 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

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

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

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

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the company 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, standards, etc.

Place: New Delhi
Date: 11.08.2025

Sd/-
Anuradha Bhatia & Associates
Practicing Company Secretary
Membership No.: A 23720
CP No. :8523
UDIN: A023720G000972351
Peer Review Certificate No. : 5432/2024

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

CIN : L21012UP1986PLC007671

4.5 Km 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 records is the responsibility of the 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 responsible assurance about the correctness of the contents of 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 that we follow provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi

Date: 11.08.2025

Sd/-
Anuradha Bhatia & Associates
Practicing Company Secretary
Membership No.: A 23720
CP No. :8523
UDIN: A023720G000972351
Peer Review Certificate No. : 5432/2024

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: shakumbhari@yahoo.com, shakumbhripaper@gmail.com

Annexure II to Board ReportFORM 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 arm's 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, 2025, 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	Corporate identity number (CIN)/PAN	Nature of Relationship	Nature of Transaction	Duration of Transaction	Salient terms of a contracts/arrangement/Transaction	Amount of transaction (in Lacs)	Amount Paid as advance, if any (in Lacs)	Date of approval by Board
ACS Papers India Pvt.Ltd.	U51909DL2017PTC315017	Director's relative is director	Purchases	01.04.2024 to 31.03.2025	Transaction is done in ordinary course of business and on arm's length basis	1071.15	Nil	30.05.2024
ACS Papers India Pvt.Ltd.	U51909DL2017PTC315017	Director's relative is director	Sales	01.04.2024 to 31.03.2025	Transaction is done in ordinary course of business and on arm's length basis	891.07	Nil	30.05.2024
Aviana Enterprises	BNPNA9372J	Director's relative is Proprietor	Purchases	01.04.2024 to 31.03.2025	Transaction is done in ordinary course of business and on arm's length basis	3018.28	Nil	30.05.2024

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

FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

Sd/-

Girish Kumar Agarwal
Whole Time Director
DIN: 06457199

Sd/-

Sunil Kumar Garg
Director
DIN: 09534044

DATED: 13/08/2025

PLACE: Muzaffarnagar

Address: 4.5 KM, Bhopa Road, Muzaffarnagar,
Uttar Pradesh 251001

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: shakumbhari@yahoo.com, shakumbhripaper@gmail.com

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 2024-25	Director's Name*	Ratio to median remuneration
		Girish Kumar Agarwal, Whole Time Director	4.96:1
(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 2024-25 compared to 2023-24.	Director's/CFO/CS name*	Percentage increase in remuneration
		Girish Kumar Agarwal, Whole Time Director	No change
		Chirag Garg, CFO	No Change
		Ayushi Gupta, CS	No Change
(iii)	Percentage increase in the median remuneration of employees in the financial year 2024-25 compared to 2023-24.	- 8.36%**	
(iv)	Number of permanent employees on the rolls of the company***	As on 31.03.2025	Ason 31.03.2024
		119	66
(v)	Average percentile increase in salaries of Employees other than managerial personnel in financial year 2024-25 compared to 2023-24****	Percentage increase in salaries of employees in 2024-25 compared to 2023-24 is 17.17%	
	Average percentile increase in managerial remuneration financial year 2024-25 compared to 2023-24	Nil	
	Justification for increase	Salaries of employees was paid as per normal industry standards	
	Affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that remuneration paid 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. 2024-25.

*No other director except Mr. Girish Kumar Agarwal was given remuneration during the F.Y. 2024-25 and 2023-24.

** Percentage increase in the median remuneration of employees is - 8.36% in the financial year 2024-25 is due to change in No. of employees for calculation of median remuneration during the year.

***Total employees exclude directors of the company.

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

FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

Sd/-
Girish Kumar Agarwal
Whole Time Director
DIN: 06457199

Sd/-
Sunil Kumar Garg
Director
DIN: 09534044

DATED: 13/08/2025

PLACE: Muzaffarnagar

Address: 4.5 KM, Bhopa Road, Muzaffarnagar,
Uttar Pradesh 251001

**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 Ind AS financial statements of **SHAKUMBHRI PULP & PAPER MILLS LIMITED, MUZAFFARNAGAR** ("the Company") which comprise the Balance sheet as at **31 March 2025**, 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 2025**, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements' section of our report. We are independent of the company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 2025**. 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 2024-25, 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 our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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, 2025 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, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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 Standalone Ind AS financial statements – Refer Note 35 to the standalone Ind As financial statements;
- (ii) The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (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) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

Sd/-
CA Raj Kumar Sharma
Partner

Membership No.077650
UDIN: 24077650BKDFIC3641

Dated: 30.05.2025
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 2025**. 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 to 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 March 31, 2025 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 did not raise any money by way of initial public offer or further public offer (including debt instrument). The Company has taken term loan from bank and has been applied to the purpose for which they were raised.
- (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

Sd/-
CA Raj Kumar Sharma
Partner
Membership No.077650
UDIN: 24077650BKDFIC3641

Dated: 30.05.2025
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 2025** 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 2025, 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

Sd/-
CA Raj Kumar Sharma
Partner

Membership No.077650
UDIN: 24077650BKDFIC3641

Dated: 30.05.2025
Place: MUZAFFARNAGAR

Shakumbhri Pulp And Paper Mills Limited
Balance Sheet as at 31 March 2025
(Amounts in INR Lakhs, unless otherwise stated)

	Notes	<u>As at 31 March 2025</u>	<u>As at 31 March 2024</u>
I Assets			
1. Non-current assets			
(a) Property, plant and equipment	3	2,362.77	2,295.26
(b) Financial assets			
(i) Investment in financial assets	4	0.89	0.94
(ii) Other financial assets	5	53.01	53.01
Total non-current assets		<u>2,416.67</u>	<u>2,349.21</u>
2. Current assets			
(a) Inventories	6	877.55	702.76
(b) Financial assets			
(i) Trade receivables	7	1,378.75	1,082.36
(ii) Cash and cash equivalents	8	6.51	2.58
(iii) Bank balances other than cash and cash equivalents	9	54.37	22.04
(c) Other current assets	10	11.55	13.56
(d) Current tax assets (net)	11	3.59	5.62
Total current assets		<u>2,332.32</u>	<u>1,828.92</u>
Total assets		<u>4,748.99</u>	<u>4,178.13</u>
II Equity and liabilities			
1. Equity			
(a) Equity share capital	12	385.50	385.50
(b) Other equity	13	771.43	752.06
Total equity		<u>1,156.93</u>	<u>1,137.56</u>
2. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	471.76	505.16
(b) Provisions	15	44.93	35.53
(c) Deferred tax liabilities (net)	16	67.35	75.17
Total non-current liabilities		<u>584.04</u>	<u>615.86</u>
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	971.82	821.07
(ii) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,784.91	1,349.10
(iii) Other current financial liabilities	19	169.83	165.48
(b) Other current liabilities	20	53.54	63.29
(c) Provisions	21	27.92	25.77
Total current liabilities		<u>3,008.02</u>	<u>2,424.71</u>
Total liabilities		<u>3,592.06</u>	<u>3,040.57</u>
Total equity and liabilities		<u>4,748.99</u>	<u>4,178.13</u>

Material accounting policies

1-2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For RAJ VIYOM & CO.,

ICAI Firm Registration No.: 002011C

Chartered Accountants,

Sd/-

CA Raj Kumar Sharma

Partner

Membership No.: 077650

Place: Muzaffarnagar

Date: 30.05.2025

UDIN: 25077650BMJGRL2827

Sd/-

Whole-time Director

(Girish Kumar Aggarwal)

DIN- 06457199

Sd/-

CFO

(Chirag Garg)

PAN : AJYPG1223A

Sd/-

Director

(Sunil Kumar Garg)

DIN- 09534044

Sd/-

Company Secretary

(Ayushi Gupta)

PAN : ASQPG9580K

Shakumbhri Pulp And Paper Mills Limited
Statement of Profit and Loss for the year ended 31 March 2025
(Amounts in INR Lakhs, unless otherwise stated)

	Notes	For the year 31 March 2025	For the year 31 March 2024
I Income:			
Revenue from operations	22	8,618.84	7,710.46
Other income	23	4.49	59.21
Total income		8,623.33	7,769.67
II Expenses:			
Cost of material consumed	24	7,847.89	7,103.50
Purchase of stock-in-trade	25	-	39.45
Changes in inventories of finished goods and work-in-progress	26	47.44	(27.09)
Employee benefits expense	27	268.21	231.38
Finance costs	28	136.30	151.92
Depreciation and amortization expense	3	133.19	127.33
Other expenses	29	171.96	217.48
Total expenses		8,604.99	7,843.97
III Profit/(Loss) before exceptional items and tax		18.34	(74.30)
IV Exceptional items		-	-
V Profit/(Loss) before tax		18.34	(74.30)
VI Tax expense			
Current tax		2.86	-
Income tax expenses relating to earlier year		1.14	8.33
MAT credit entitlement		(2.86)	-
Deferred tax		(4.19)	(20.33)
VII Profit/(Loss) for the year		21.39	(62.30)
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plan		(2.80)	2.21
Income tax effect		0.78	(0.61)
Other comprehensive income		(2.02)	1.60
IX Total comprehensive income		19.37	(60.70)
X Earnings per equity share of face value of 10 each :	30		
Basic (in `)		0.55	(1.62)
Diluted (in `)		0.55	(1.62)

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

As per our report of even date

For and on behalf of the Board of Directors

For RAJ VIYOM & CO.,

ICAI Firm Registration No.: 002011C

Chartered Accountants,

Sd/-

Whole-time Director

(Girish Kumar Aggarwal)

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Sd/-

Company Secretary

(Ayushi Gupta)

PAN : ASQPG9580K

Place: Muzaffarnagar

Date: 30.05.2025

UDIN: 25077650BMJGRL2827

Shakumbhri Pulp And Paper Mills Limited
Statement of Cash Flows for the year ended 31 March 2025
(Amounts in INR, unless otherwise stated)

Particulars	For the year ended <u>31 March 2025</u>	For the year ended <u>31 March 2024</u>
Profit before tax	18.34	(74.30)
Adjustments for:		
Depreciation and amortization	133.19	127.33
Loss on sale of property, plant & equipment	3.19	0.11
Interest income	(4.38)	(5.37)
Dividend income	(0.11)	(0.11)
Interest expenses	139.36	151.92
Operating profit before working capital changes	289.59	199.58
Movement in working capital		
(Increase)/decrease in trade receivables	(296.39)	(2.48)
(Increase)/decrease in inventories	(174.79)	283.71
(Increase)/decrease in other non current financial assets	0.05	(15.65)
(Increase)/decrease in bank balance other than cash and cash	(32.33)	55.41
(Increase)/decrease in other current assets	2.01	0.83
(Increase)/decrease in current tax assets	2.03	12.81
(Increase)/decrease in other non-current assets	(2.85)	-
Increase/(decrease) in trade payables	435.81	(65.30)
Increase/(decrease) in other current financial liabilities	4.35	(36.29)
Increase/(decrease) in other current liabilities	(9.75)	7.42
Increase/(decrease) in long term provisions	9.40	(1.44)
Increase/(decrease) in short term provisions	(0.65)	12.46
Cash generated from/(used in) operations	226.48	451.06
Direct taxes paid (net of refunds)	(1.14)	(8.33)
Net cash generated from/(used in) operating activities	225.34	442.73
Cash flow from investing activities		
Purchase of property, plant & equipment including CWIP	(209.89)	(95.26)
Proceeds from sale of property, plant & equipment	6.00	0.50
Dividend received	0.11	0.11
Interest received	4.38	5.37
Net cash (used in)/generated from investing activities	(199.40)	(89.28)
Cash flow from financing activities		
Proceeds of long-term borrowings	(33.40)	(160.97)
Repayment/Proceeds from short-term borrowings	150.75	(43.29)
Interest paid	(139.36)	(151.92)
Net cash (used in)/generated from financing activities	(22.01)	(356.18)
Net (decrease) / increase in cash and cash equivalents	3.93	(2.73)
Cash and cash equivalents at the beginning of the year	2.58	5.31
Cash and cash equivalents at the end of the year	6.51	2.58

Components of cash and cash equivalents

Cash and cheques on hand	6.47	2.39
Balances with banks:		
- On current accounts	0.04	0.19
(refer note 8)	6.51	2.58

Note:

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

For and on behalf of the Board of Directors

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

(Sunil Kumar Garg)

DIN- 09534044

Sd/-

CA Raj Kumar Sharma

Partner

Membership No.: 077650

Place: Muzaffarnagar

Date: 30.05.2025

UDIN: 25077650BMJGRL2827

Sd/-

CFO

(Chirag Garg)

PAN : AJYPG1223A

Sd/-

Company Secretary

(Ayushi Gupta)

PAN : ASQPG9580K

Shakumbhri Pulp And Paper Mills Limited
Statement of Changes in Equity for the year ended 31 March 2025
(Amounts in INR Lakhs, unless otherwise stated)

A Equity share capital (Refer Note 12)

(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 13)

Particulars	Security premium		General reserve		Equity component of financial instruments		Retained earning		Total other equity	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
	(Refer note 13.1)		(Refer note 13.2)		(Refer note 13.3)		(Refer note 13.4)		(Refer note 13)	
Opening balance	112.00	112.00	39.01	39.01	20.15	20.15	580.90	641.60	752.06	812.76
Addition/reduction during the year	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	21.39	(62.30)	21.39	(62.30)
Other comprehensive income	-	-	-	-	-	-	(2.02)	1.60	(2.02)	1.60
Total Comprehensive Income	-	-	-	-	-	-	19.37	(60.70)	19.37	(60.70)
Closing balance	112.00	112.00	39.01	39.01	20.15	20.15	600.27	580.90	771.43	752.06

Material accounting policies 1-2

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

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
(Sunil Kumar Garg)
DIN- 09534044

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

Sd/-
CFO
(Chirag Garg)
PAN : AJYPG1223A

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

Place: Muzaffarnagar
Date: 30.05.2025
UDIN: 25077650BMJGRL2827

Shakumbhri Pulp And Paper Mills Limited

(Amounts in INR Lakhs, unless otherwise stated)

1. Material Accounting Policies**Background**

Shakumbhri Pulp & Paper Mills Limited (CIN : L21012UP1986PLC007671) 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 30.05.2025"

This note provides a list of the material 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.

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. 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.

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

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

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables of the Company, are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance..

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 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.

Borrowings are de-recognized in the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

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

(r) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised 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) Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

(u) Rounding off 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.

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.

Recent accounting developments

The Ministry of Corporate Affairs notified new standards or amendment to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Company applied following amendments for the first-time during the current year which are effective from April 1, 2024:

Amendments to Ind AS 116 -Lease liability in a sale and leaseback

The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on Right of use assets it retains.

Introduction of Ind AS 117

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have a significant impact on the Company's Financial Statements.

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

3 Property, plant & equipment

Gross carrying value as of March 31, 2024

Additions during the year

Deletions during the year

Gross carrying value as of March 31, 2025

Accumulated Depreciation as of March 31, 2024

Depreciation

Accumulated Depreciation on deletions

Accumulated Depreciation as of March 31, 2025

Carrying value as of March 31, 2025

Carrying value as of March 31, 2024

Property, plant & equipment

Gross carrying value as of March 31, 2023

Additions during the year

Deletions during the year

Gross carrying value as of March 31, 2024

Accumulated Depreciation as of March 31, 2023

Depreciation

Accumulated Depreciation on deletions

Accumulated Depreciation as of March 31, 2024

Carrying value as of March 31, 2024

Carrying value as of March 31, 2023

	Land	Buildings	Effluent treatment plant	Plant & machinery	Office furniture & equipment	Computer	Vehicles	Total
	12.29	38.84	103.25	3,361.00	20.14	15.45	86.30	3,637.27
	-	-	-	198.86	-	0.96	10.07	209.89
	-	-	-	-	-	-	12.89	12.89
	12.29	38.84	103.25	3,559.86	20.14	16.41	83.48	3,834.27
	-	33.78	56.02	1,164.84	14.73	12.84	59.80	1,342.01
	-	0.49	3.12	118.69	1.78	1.15	7.96	133.19
	-	-	-	-	-	-	3.70	3.70
	-	34.27	59.14	1,283.53	16.51	13.99	64.06	1,471.50
	12.29	4.57	44.11	2,276.33	3.63	2.42	19.42	2,362.77
	12.29	5.06	47.23	2,196.16	5.41	2.61	26.50	2,295.26
	Land	Buildings	Effluent treatment plant	Plant & machinery	Office furniture & equipment	Computer	Vehicles	Total
	12.29	38.84	103.25	3,267.54	20.14	13.65	98.47	3,554.18
	-	-	-	93.46	-	1.80	-	95.26
	-	-	-	-	-	-	12.17	12.17
	12.29	38.84	103.25	3,361.00	20.14	15.45	86.30	3,637.27
	-	33.29	52.90	1,052.55	12.80	11.58	63.12	1,226.24
	-	0.49	3.12	112.29	1.93	1.26	8.24	127.33
	-	-	-	-	-	-	11.56	11.56
	-	33.78	56.02	1,164.84	14.73	12.84	59.80	1,342.01
	12.29	5.06	47.23	2,196.16	5.41	2.61	26.50	2,295.26
	12.29	5.55	50.35	2,214.99	7.34	2.07	35.35	2,327.94

(Amounts in INR Lakhs, unless otherwise stated)

4 Non current financial assets	As at 31 March 2025	As at 31 March 2024
Investment carried at fair value through profit or loss		
Quoted, fully paid up		
Equity shares of Union Bank of India *	0.26	0.31
Unquoted, fully paid up		
Equity shares of Gulshan Mercantile Urban Co-Operative Bank Ltd.	0.63	0.63
Total	0.89	0.94
*Disclosure of investment	As at 31 March 2025	As at 31 March 2024
Aggregate amount of quoted investments	0.22	0.22
Aggregate market value of quoted investments	0.26	0.13
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
5 Non Current Other Financial assets	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Security deposits	53.01	53.01
Total	53.01	53.01
6 Inventories	As at 31 March 2025	As at 31 March 2024
Raw materials	605.08	336.17
Work-in-progress	7.37	7.54
Finished goods	57.90	105.18
Stores and spare parts	178.00	185.00
Packing material	6.15	7.40
Chemicals	19.51	58.00
Fuel	3.54	3.47
	877.55	702.76
7 Trade receivables	As at 31 March 2025	As at 31 March 2024
Unsecured		
(i) Undisputed - considered good	1,375.29	1,078.90
(ii) Undisputed - which have significant increase in credit risk	-	-
(iii) Undisputed - credit impaired	-	-
(iv) Disputed - considered good	3.46	3.46
(v) Disputed - which have significant increase in credit risk	-	-
(vi) Disputed - credit impaired	-	-
Total	1,378.75	1,082.36

* Please refer Note 39 Related Party disclosure

Note: 7A

Particulars	Outstanding for following periods from due date of payment						31.03.2025
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed - considered good	-	1,270.13	40.47	21.39	8.27	35.03	1,375.29
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	3.46	3.46
(v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed - credit impaired	-	-	-	-	-	-	-
Total	-	1,270.13	40.47	21.39	8.27	38.49	1,378.75

Note: 7B

Particulars	Outstanding for following periods from due date of payment						31.03.2024
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed - considered good	-	969.72	41.00	33.14	25.38	9.66	1,078.90
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	3.46	3.46
(v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed - credit impaired	-	-	-	-	-	-	-
Total	-	969.72	41.00	33.14	25.38	13.12	1,082.36

8 Cash and cash equivalents

	<u>As at 31</u> <u>March 2025</u>	<u>As at 31</u> <u>March 2024</u>
Cash on hand	6.47	2.39
Balance with bank	0.04	0.19
	<u>6.51</u>	<u>2.58</u>

9 Bank balances other than cash and cash equivalents

	<u>As at 31</u> <u>March 2025</u>	<u>As at 31</u> <u>March 2024</u>
Margin money deposited*	54.37	22.04
	<u>54.37</u>	<u>22.04</u>

* Margin money held with banks for F.Y. 2024-25 Rs. 13.25 lakhs against U.P. Pollution Control Board and Rs. 41.12 lakhs against letter of credit and bank guarantee and for F.Y. 2023-24 Rs. 2.77 lakhs against pollution and Rs. 19.27 lakhs against letter of credit and bank guarantee.

10 Other current assets

	<u>As at 31</u> <u>March 2025</u>	<u>As at 31</u> <u>March 2024</u>
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	5.75	3.60
Advances to suppliers	1.99	5.23
Others	3.81	4.73
Total	<u>11.55</u>	<u>13.56</u>

11 Current tax assets (net)

	<u>As at 31</u> <u>March 2025</u>	<u>As at 31</u> <u>March 2024</u>
Income tax recoverable	3.59	5.62
Total	<u>3.59</u>	<u>5.62</u>

(Amounts in INR Lakhs, unless otherwise stated)

12 Share capital

Authorised share capital

Equity shares of INR 10 each

As at 31March 2024

Increase during the year

As at 31March 2025

Number of shares	Amount
40,00,000	400.00
-	-
40,00,000	400.00

Issued share capital

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

As at 31March 2024

Shares issued during the year

As at 31March 2025

Number of shares	Amount
38,55,000	385.50
-	-
38,55,000	385.50

Terms/rights attached to equity shares

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

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

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

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

Name of the shareholder	As at 31March 2025		As at 31March 2024	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity shares of INR 10 each				
Shri Arjun Kumar Agarwal	2,49,100	6.46%	2,49,100	6.46%
Shri Amit Agarwal	7,05,700	18.31%	7,05,700	18.31%
Smt. Archana Agarwal	1,96,700	5.10%	1,96,700	5.10%

12 B Details of shareholders of promoters in the Company

Name of the shareholder	As at 31March 2025		As at 31March 2024		% Change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Equity shares of INR 10 each					
Shri Arjun Kumar Agarwal	2,49,100	6.46%	2,49,100	6.46%	-
Smt. Archana Agarwal	1,96,700	5.10%	1,96,700	5.10%	-
Shri Abhinav Aggarwal	1,11,700	2.90%	1,11,700	2.90%	-
Arjun Agarwal & Sons	80,000	2.08%	80,000	2.08%	-

	<u>As at 31</u> <u>March 2025</u>	<u>As at 31</u> <u>March 2024</u>
13 Other equity		
13 Security premium		
Opening balance	112.00	112.00
Addition/Reduction during the year	-	-
Closing balance	<u>112.00</u>	<u>112.00</u>
13 General reserve		
Opening balance	39.01	39.01
Addition/Reduction during the year	-	-
Closing balance	<u>39.01</u>	<u>39.01</u>
13 Equity component of financial instruments		
Opening balance	20.15	20.15
Addition/Reduction during the year	-	-
Closing balance	<u>20.15</u>	<u>20.15</u>
13 Retained earning		
Statement of Profit & Loss		
Opening balance	580.90	641.60
Profit for the year	19.37	(60.70)
Closing balance	<u>600.27</u>	<u>580.90</u>
Grand Total	<u>771.43</u>	<u>752.06</u>

(Amounts in INR Lakhs, unless otherwise stated)

14 Non-current borrowings	As at 31 March 2025	As at 31 March 2024
Secured		
Term loans from banks	302.34	346.34
	(a) 302.34	346.34
Unsecured		
From directors and their relatives	159.42	158.82
From body corporate	10.00	-
	(b) 169.42	158.82
Total	(a+b) 471.76	505.16

Notes:**Term Loan from Banks****Security:**

Term loans from UBI are secured by way of equitable mortgage of land & building and hypothecation of plant & machinery and personal guarantee by Directors of the company. Following are the details of loans.

From Union Bank of India (Original loan Amount 68.64 lakhs)

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

From Union Bank of India (Original loan Amount 112.50 lakhs)

At the rate of 10.25% p.a (Previous year 9.90% p.a.) Repayable in 59 Monthly installments of 1.87 lakhs each and last installment of Rs. 2.17 lakhs starting from April 2023.

From Union Bank of India (Original loan Amount 425 lakhs)

At the rate of 10.30% p.a. (Previous year 9.90% p.a.) Repayable in 72 Monthly installments of 5.91 lakhs each starting from April 2023.

From Union Bank of India (for term loan of Rs. 97.50 lakhs)

At the rate of 10.25% p.a. Repayable in 60 monthly installment of Rs. 1.63 lakhs each starting from April 2025.

Vehicle Loan**Security:**

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

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

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

15 Provisions	As at 31 March 2025	As at 31 March 2024
Provision for gratuity (Refer note 31)	44.93	35.53
Total	44.93	35.53

(Amounts in INR Lakhs, unless otherwise stated)

16 Deferred tax liabilities (net)

		As at 31 March 2025	As at 31 March 2024
Deferred tax liabilities			
Property, plant & equipment: Impact of differences between tax depreciation charged as per Financial Reporting	(a)	332.09	335.79
		332.09	335.79
Deferred tax assets			
Impact of gratuity expenditure charged to the statement of profit & loss in current year but allowed for tax purposes on payment basis	(b)	147.15	145.88
		147.15	145.88
MAT Credit Entitlement			
MAT credit entitlement	(c)	117.59	114.74
		117.59	114.74
Total	(a-b-c)	67.35	75.17

Income Tax

The major components of income tax expense for the years ended March 31, 2025 and March 31, 2024 are:

Statement of profit and loss:

Profit or loss section

		As at 31 March 2025	As at 31 March 2024
Current income tax:			
Current tax		2.86	-
Income tax expense relating to earlier year		1.14	8.33
Less: MAT credit reverse		(2.86)	-
Deferred tax:			
Relating to origination and reversal of temporary differences		(4.19)	(20.33)
Income tax expense reported in the statement of profit or loss		(3.05)	(12.00)

OCI section

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

		As at 31 March 2025	As at 31 March 2024
Net loss/(gain) on remeasurements of defined benefit plans		0.78	(0.61)
Income tax charged to OCI		0.78	(0.61)

		As at 31 March 2025	As at 31 March 2024
Accounting profit before tax		18.34	(74.30)
Add: Loss on sale of property, plant & equipment		3.19	-
Less: Adjustment for allowance and disallowance		61.90	-
Profit before tax		(40.37)	(74.30)
Non deductible income for tax purposes:			
Taxable Profit		(40.37)	(74.30)
At India's statutory income tax rate of 15.60% (31 March 2024: 27.82%)		2.86	-
Non deductible expenses for tax purposes:			
Depreciation expenses (net)		-	-
Gratuity		-	-
Other non deductible expenses		-	-
Adjustments in respect of current income tax of earlier years		1.14	8.33
MAT credit Entitlement		(2.86)	-
Deferred tax expenses reported in the statement of profit and loss*		(4.19)	(20.33)
At the effective income tax rate		(3.05)	(12.00)
Income tax expense reported in the statement of profit and loss		2.86	-
Deferred tax expenses reported in the statement of profit and loss		(4.19)	(20.33)
Current income tax of earlier years		1.14	8.33
Less: MAT credit entitlement		(2.86)	-
		(3.05)	(12.00)

17 Current borrowings

	As at 31 March 2025	As at 31 March 2024
Secured		
Working capital loan from bank*	837.67	662.22
Current maturities of long term debt	134.15	158.85
Total	971.82	821.07

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

18 Trade payables

	As at 31 March 2025	As at 31 March 2024
Trade Payable*		
(i) MSME	-	-
(ii) Others	1,784.91	1,349.10
(iii) Disputed dues-MSME	-	-
(iv) Disputed dues-Others	-	-
Total	1,784.91	1,349.10

* Please refer Note 39 Related Party disclosure

Note: 18A

Particulars	Outstanding for following periods from due date of payment					31.03.2025
	Not due	Less than 1 year	1-2 year	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	1,764.98	6.04	-	13.89	1,784.91
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	-	1,764.98	6.04	-	13.89	1,784.91

Note: 18B

Particulars	Outstanding for following periods from due date of payment					31.03.2024
	Not due	Less than 1 year	1-2 year	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	1,329.10	6.11	-	13.89	1,349.10
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	-	1,329.10	6.11	-	13.89	1,349.10

19 Other current financial liabilities

	As at 31 March 2025	As at 31 March 2024
Salaries & wages payable	54.24	38.51
Cheque payable	45.89	48.25
Other payable	69.70	78.72
Total	169.83	165.48

Note :-

There are no amount due for payment to the Investor Education Fund under section 125 of the Companies Act, 2013 as at the year end.

20 Other current liabilities

	As at 31 March 2025	As at 31 March 2024
Advance from customers	0.01	2.19
Statutory dues	53.53	61.10
Total	53.54	63.29

21 Provisions

	As at 31 March 2025	As at 31 March 2024
Provision for gratuity (Refer note 31)	27.92	25.77
Total	27.92	25.77

(Amounts in INR Lakhs, unless otherwise stated)

22 Revenue from operations

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of products		
Manufacturing	8,618.52	7,679.87
Trading	-	30.48
Other operating income		
Sale of scrap	0.32	0.11
Total	8,618.84	7,710.46

A. Contract balances

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Trade receivables (Refer Note No. 7)	1,378.75	1,082.36
Contract liabilities		
Advances from customers (Refer Note No. 20)	0.01	2.19

B. Reconciliation of revenue recognised with contract price:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue as per contracted price	8,618.84	7,710.46
Total	8,618.84	7,710.46

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Advances from customers (Refer Note No. 20)	0.01	2.19

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

23 Other income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income		
- on fixed deposit with banks	4.38	5.37
Dividend received	0.11	0.11
Unclaimed balance written back	-	53.55
Other income	-	0.18
Total	4.49	59.21

24 Cost of raw material and components consumed	For the year ended 31 March 2025	For the year ended 31 March 2024
Cost of raw materials (Waste paper)	5,625.06	4,800.33
Other components consumed		
Chemicals	620.40	574.62
Packing material	107.93	113.77
Stores & spares	326.24	220.58
Power & fuel	1,104.67	1,325.43
Repairs - plant & machinery	44.38	35.84
ETP running expenses	19.21	32.93
Total	7,847.89	7,103.50
25 Purchase of stock-in-trade	For the year ended 31 March 2025	For the year ended 31 March 2024
Waste Paper	-	39.45
Total	-	39.45
26 (Increase)/decrease in inventories of finished goods and work-in-progress	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening stock		
Work-in-progress	7.54	9.08
Finished goods	105.19	76.56
Total (a)	112.73	85.64
Closing stock		
Work-in-progress	7.38	7.54
Finished goods	57.91	105.19
Total (b)	65.29	112.73
Total (a) - (b)	47.44	(27.09)
27 Employee benefits expense	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries, wages and bonus	230.83	197.00
Director salary	12.00	12.00
Contribution to provident and other funds	13.45	10.79
Gratuity	11.67	11.02
Labour & staff welfare	0.26	0.57
Total	268.21	231.38
28 Finance costs	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest expense on:		
- term loans	49.24	56.75
- bank borrowings	70.74	73.17
- unsecured borrowings	15.67	19.55
- processing fees	3.71	2.45
Total	139.36	151.92
Less: Amount included in capital work in progress	3.06	-
	136.30	151.92

29 Other expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024
Printing & stationery	0.56	0.67
Postage expenses	0.79	0.89
Telephone expenses	2.85	4.01
Insurance charges	3.97	3.92
Legal expenses	-	0.11
Professional charges	5.89	5.31
Bank charges	7.46	6.21
Rates & taxes	6.38	2.91
Payment to auditors	1.50	1.50
Repair to building	4.33	3.82
Security service charges	12.26	10.76
Travelling Expenses	-	1.20
Vehicle running & maintenance	5.98	3.23
Charity & donation	-	0.11
Fine & penalty	-	10.00
Loss on sale of property, plant & equipment	3.19	0.11
Loss on fair valuation of investment	0.06	-
Miscellaneous expenses	2.21	3.87
Advertisement	0.35	0.34
Rebate & discount	0.64	0.43
Sales promotion expenses	0.25	-
Commission on sales	31.90	70.10
Freight outward	81.39	87.98
Total	171.96	217.48

Detail of Payment to Auditors

	For the year ended 31 March 2025	For the year ended 31 March 2024
As auditor:		
Audit fee	1.25	1.25
Tax audit fee	0.25	0.25
Total	1.50	1.50

30 Earnings per share (EPS)

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

Net profit/(loss) for calculation of basic EPS	21.39	(62.30)
Weighted average number of equity shares in calculating basic EPS	38,55,000	38,55,000
Basic earnings/(loss) per share	0.55	(1.62)
Net profit/(loss) for calculation of diluted EPS	21.39	(62.30)
Weighted average number of equity shares for calculating diluted EPS	38,55,000	38,55,000
Diluted earnings/(loss) per share	-	-
	No. of shares	No. of shares
Weighted average number of equity shares in calculating basic EPS	38,55,000	38,55,000
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS	38,55,000	38,55,000

(Amounts in INR Lakhs, unless otherwise stated)

31 Employee benefit obligations

a) Defined contribution plan

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

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

Particulars	2024-25	2023-24
Contribution to provident & other fund	13.45	10.79
Total	13.45	10.79

b) Defined benefit plan

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

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

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

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

Statement of profit and Loss

	For the year ended 31 March 2025	For the year ended 31 March 2024
Net employees benefit expense recognised in employee cost		
Current service cost	8.30	7.80
Interest cost on benefit obligation	3.36	3.22
Net benefit expense recognised in profit & loss	11.66	11.02

Balance sheet

Benefit asset/(liability)	As at 31 March 2025	As at 31 March 2024
Present value of unfunded obligation	(72.85)	(61.30)
Fair value of plan assets	-	-
Net liability	(72.85)	(61.30)

Changes in the present value of the defined benefit obligation

	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening defined benefit obligation	61.30	52.49
Current service cost	8.30	7.80
Interest cost	3.36	3.22
Past service cost	-	-
Benefit paid	(2.91)	-
Actuarial (gains)/ losses on obligation	2.80	(2.21)
Closing defined benefit obligation	72.85	61.30

Closing defined benefit obligation

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

The principal assumptions used in determining gratuity obligation

	For the year ended 31 March 2025	For the year ended 31 March 2024
Discount rate	6.70%	6.95%
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) From 18 to 25 years	5.00%	5.00%
b) From 26 to 35 years	3.00%	3.00%
c) From 36 to 45 years	2.00%	2.00%
d) From 46 to 60 years	1.00%	1.00%

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

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

Particulars	Change in assumptions	For the year ended 31 March 2025	For the year ended 31 March 2024
Defined benefit obligation based on current assumptions		72.85	61.30
Discount rate	+0.50%	(2.66)	(2.25)
	-0.50%	2.45	2.07
Salary escalation	+0.50%	1.59	(1.20)
	-0.50%	(1.50)	1.31
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

Maturity Profile	For the year ended 31 March 2025	For the year ended 31 March 2024
Within next 12 months	27.92	25.77
Between 2 and 5 years	13.34	8.25
Between 5 and 10 years	18.14	14.75

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.

32 Financial instruments-fair values and accounting classification

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

Financial assets	As at 31March 2025		As at 31March 2024	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Investment	0.89	-	0.94	-
Security deposits	53.01	-	53.01	-
Trade receivables	1,378.75	-	1,082.36	-
Cash and cash equivalents	6.51	-	2.58	-
Bank Balance other than cash & cash equivalent	54.37	-	22.04	-
Total	1,493.53	-	1,160.93	-
Financial liabilities				
Term loans (Secured)	302.34	-	346.34	-
Loans from directors & relative (Unsecured)	159.42	-	158.82	-
Loans from body corporate (Unsecured)	10.00	-	-	-
Short-term borrowings	837.67	-	662.22	-
Current maturities of long term debt	134.15	-	158.85	-
Trade payables	1,784.91	-	1,349.10	-
Salaries & wages payable	54.24	-	38.51	-
Cheque payable	45.89	-	48.25	-
Other payable	69.70	-	78.72	-
Total	3,398.32	-	2,840.81	-

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/liabilities as at period end

Particulars	Level of the Fair Value	As at 31March 2025		As at 31March 2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets not measured at fair value					
Measured at amortised cost					
Financial assets (current)					
Investment	Level 3	0.89	0.89	0.94	0.94
Security deposits	Level 3	53.01	53.01	53.01	53.01
Trade receivable	Level 3	1,378.75	1,378.75	1,082.36	1,082.36
Cash and cash equivalents	Level 3	6.51	6.51	2.58	2.58
Bank balance other than cash and cash equivalent	Level 3	54.37	54.37	22.04	22.04
Total		1,493.53	1,493.53	1,160.93	1,160.93
Financial liabilities not measured at fair value					
Measured at amortised cost					
Term loans (Secured)	Level 3	302.34	302.34	346.34	346.34
Loans from directors & relatives (Unsecured)	Level 3	159.42	159.42	158.82	158.82
Loans from body corporate (Unsecured)	Level 3	10.00	10.00	-	-
Total (a)		471.76	471.76	505.16	505.16
Short term borrowings	Level 3	837.67	837.67	662.22	662.22
Current maturities of long term debt	Level 3	134.15	134.15	158.85	158.85
Total (b)		971.82	971.82	821.07	821.07
Trade payables	Level 3	1,784.91	1,784.91	1,349.10	1,349.10
Total (c)		1,784.91	1,784.91	1,349.10	1,349.10
Financial liabilities (Current) Others					
Salaries & wages payable	Level 3	54.24	54.24	38.51	38.51
Cheque payable	Level 3	45.89	45.89	48.25	48.25
Other payable	Level 3	69.70	69.70	78.72	78.72
Total (d)		169.83	169.83	165.48	165.48
Total (a+b+c+d)		3,398.32	3,398.32	2,840.81	2,840.81

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 2025 and 31 March 2024.

33 Financial Risk Management objectives and policies

Financial risk factors

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

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

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

Credit risk

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

Provision for expected credit losses

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

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

For the year ended 31 March 2025

Particulars	Estimated gross carrying	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivables	1,378.75	-	-	1,378.75
Cash and cash equivalents	6.51	-	-	6.51

For the year ended 31 March 2024

Particulars	Estimated gross carrying	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	1,082.36	-	-	1,082.36
Cash and cash equivalents	2.58	-	-	2.58

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 2025	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings					
Term loans (Secured)	-	-	302.34	-	302.34
Loans from director & relatives (Unsecured)	-	-	-	159.42	159.42
Loans from body corporate (Unsecured)	-	10.00	-	-	10.00
Short term borrowings					
Working capital loan from bank	-	837.67	-	-	837.67
Other financial liabilities					
Current maturities of long term borrowings'	-	134.15	-	-	134.15
Trade payables					
Trade payables	-	1,784.91	-	-	1,784.91

For the year ended 31 March 2024	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings					
Term loans (Secured)	-	-	346.34	-	346.34
Loans from directors & relatives (Unsecured)	-	-	-	158.82	158.82
Loans from body corporate (Unsecured)	-	-	-	-	-
Short term borrowings					
Working capital loan from bank	-	662.22	-	-	662.22
Other financial liabilities					
Current maturities of long term borrowings'	-	158.85	-	-	158.85
Trade payables					
Trade payables	-	1349.10	-	-	1,349.10

34 Market Risk

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

(a) Foreign currency risk exposure:

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

Particulars	As at 31 March 2025	As at 31 March 2024
	USD	USD
Financial assets		
Trade receivables	-	-
Net exposure to foreign currency risk (assets)	-	-
Financial liabilities		
Trade payables	1.61	0.52
Net exposure to foreign currency risk (liability)	(1.61)	(0.52)

(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.

Particulars	Impact on Profit after Tax	
	For the year ended 31 March 2025	For the year ended 31 March 2024
USD Sensitivity		
INR/USD -Increase by 5% (31 March 2024-5%)	0.00	(0.00)
INR/USD -Decrease by 5% (31 March 2024-5%)	(0.00)	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 March 2025	As at 31 March 2024
Variable rate borrowings		
Term loan from banks	302.34	346.34
Total	302.34	346.34

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

	Based on the intimation received by the company from its suppliers regarding their status under the Micro small and Medium Enterprises Development Act, 2006, the relevant information is provided here below :		
S. No.	PARTICULARS	As at 31 March 2025	As at 31 March 2024
A.	Amounts due to Micro, Small and Medium enterprises:		
	(i) Principal Amount	-	-
	(ii) Interest due on above	-	-
B.	(i) Principal amount paid after due date or appointed day during the year	-	-
	(ii) Interest paid during the year on (i) above	-	-
C.	Interest due & payable (but not paid) on principal amounts paid during the year after the due date or appointed day.	-	-
D.	Total Interest accrued and remaining unpaid:	-	-
E.	Further interest in respect of defaults of earlier year due and payable in current year upto the date when actually paid.	-	-

39 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. Ayushi Gupta	India	Company Secretary	Key Management Personnel
Shri Girish Kumar Aggarwal	India	Investing	Key Management Personnel
Shri Arjun Kumar	India	Investing	Relative of Key Management Personnel
Shri Sunil Garg	India	Investing	Relative of Key Management Personnel
Smt. Saraswati Devi	India	Investing	Relative of Key Management Personnel
Smt. Archana Agarwal	India	Salary	Relative of Key Management Personnel
Shri Avin Agarwal	India	Salary	Relative of Key Management Personnel
Smt. Pooja Agarwal	India	Salary	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
Smt. Somya Garg	India	Salary	Relative of Key Management Personnel
Naman Singhal	India	Salary	Relative of Key Management Personnel
Jyoti Singhal	India	Salary	Relative of Key Management Personnel

Companies/firms controlled by directors/relatives

ACS Papers Pvt. Ltd., Delhi
 ACS Papers Pvt. Ltd., Muzaffarnagar
 Aviana Enterprises
 Ginny Enterprises
 Singhal Traders

Related parties transaction and balance

Nature of the related party transactions	Key Management Personnel		Companies controlled by Directors / Relatives	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured Loans repayment	-	-	13.00	-
Unsecured Loans received	-	-	-	-
Interest paid	5.30	8.85	7.21	7.51
Salary paid	22.20	21.55	56.40	47.40
Sale	-	-	898.43	830.83
Purchase	-	-	4,093.97	2,882.87
Closing Balance				
Unsecured Loan	25.81	60.83	91.73	89.98
Trade receivable	-	-	162.63	196.22
Trade payable	-	-	933.48	818.16
Other payable	1.05	1.72	11.42	8.27

40 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

(Other than financial instruments; post employment benefits; deferred

Within India

Outside India

	<u>As at 31 March 2025</u>	<u>As at 31 March 2024</u>
	-	-
	-	-

41 Capital management**(a) Risk management**

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

Consistent with others in the industry, the company monitors capital on the basis of the followings gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)

divided by

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

The company's gearing ratio were as follows:

Particular

	<u>As at 31 March 2025</u>	<u>As at 31 March 2024</u>
Net debt	1,437.07	1,323.65
Total equity	1,156.93	1,137.56
Net debt to equity ratio	124.21%	116.36%

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.

42 Other Statutory Information

- (i) The title deeds of all the immovable properties disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (ii) 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.
- (iii) 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.

(e) Inventory Turnover Ratio (Times)	Sales / Average Inventory	10.91	9.13	19.50%	--
(f) Trade Receivable Turnover Ratio (Times)	Net Credit Sales / Average Trade Receivables	7.00	7.13	-1.82%	--
(g) Trade Payable Turnover Ratio (Times)	Net Credit Purchase/Average Trade Payables	4.62	4.28	7.94%	--
(h) Net Capital Turnover Ratio (Times)	Sales / Working Capital	(12.76)	(12.94)	-1.39%	--
(i) Net Profit Ratio (%)	Net Profit (PAT)/Sales	0.25%	-0.81%	-130.86%	Due to increase in profit during the year
(j) Return on Capital Employed (%)	EBIT / Average Capital Employed	5.99%	2.92%	105.14%	Due to increase in profit during the year
(k) Return on Investment (%)	Income on Investment / Investment	12.46%	11.71%	6.40%	--

44 Other disclosures

- (a) In the opinion of the Board of Directors, trades receivables, other current financial assets and other current assets have value on realisation in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.
- (b) Balances of trade receivables, trade payable and advances as at 31st March, 2025 are subject to confirmation.
- (c) Audit trail feature, as mandated by the Companies (Accounts) Rules, 2014 (as amended) with effect from April 01, 2023, has been enabled in the accounting software used by the Company, and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirement for record retention.
- (d) Previous year figures have been re-arranged and re-grouped wherever necessary as to make them comparable. Figures have been rounded off to nearest lakhs as per the provisions of schedule III of companies act 2013.

Material 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: 30.05.2025
UDIN: 25077650BMJGRL2827

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

Sd/-
CFO
(Chirag Garg)
PAN : AJYPG1223A

For and on behalf of the Board of Directors

Sd/-
Director
(Sunil Kumar Garg)
DIN- 09534044

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

SHAKUMBHRI PULP AND PAPER MILLS LIMITED

4.5 KM BHOPA ROAD MUZAFFARNAGAR

UTTAR PRADESH UP 251001 IN