

SHAKUMBHRI PULP AND PAPER MILLS LIMITED

REG. OFF. 4.5 KMBHOPA ROAD MUZAFFARNAGAR UTTAR PRADESH 251001

CIN: L21012UP1986PLC007671

Ph. No.-7895512368 website: shakumbhripulp.com

GSTIN: 09AABCS9947E1ZZ

E-mail: shakumbhri@yahoo.com

,shakumbhripaper@gmail.com

To,

02/09/2022

Metropolitan Stock Exchange of India Limited,
Vibgyor Towers, 4th floor, Plot No C 62, G - Block,
Opp. Trident Hotel, BandraKurla Complex, Bandra (E),
Mumbai – 400 098, India

Subject: Submission of 34th Annual Report of Company

Ref: Regulation 34 of SEBI (Listing Obligation & Disclosure Requirement), Regulation, 2015

Dear Sir/Madam,

This is to inform you that 34th Annual General Meeting of the Shakumbhri Pulp & Paper Mills Limited (the Company) will be held on Friday, 30th September 2022 at 01.30 P.M. at registered office of the company at 4.5 KM, Bhopa Road, Muzaffarnagar, Uttar Pradesh- 251001.

In this regard, we enclosed herewith the 34th Annual Report of the company.

This is for your information and records.

Thanking You,

Yours Faithfully,
For Shakumbhri Pulp & Paper Mills Limited

Girish Kumar Agarwal
Whole Time Director
DIN: 06457199

Encl: as above

The cover features a light gray background with a large, white, circular graphic element in the center. This circle has a subtle, pixelated or dithered border. Swirling green and white ribbons, resembling paper or fabric, curve around the edges of the page, framing the central circle. The text is centered within the white circle.

2021-22

ANNUAL REPORT

**SHAKUMBHRI PULP AND PAPER
MILLS LIMITED**

MANAGEMENT

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Ms. AYUSHI GUPTA

CHIEF FINANCIAL OFFICER

Mr. CHIRAG GARG

STATUTORY AUDITOR

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

BANKERS

UNION BANK OF INDIA

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

REGISTRAR AND SHARE TRANSFER AGENT

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

CORPORATE IDENTIFICATION NUMBER

L21012UP1986PLC007671

REGISTERED OFFICE ADDRESS

4.5 KMBHOPA ROAD MUZAFFARNAGAR UTTAR PRADESH UP 251001 IN

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Notice is hereby given that the 34th Annual General Meeting of the shareholders of **M/S SHAKUMBHRI PULP AND PAPER MILLS LIMITED** will be held on Friday, the 30th day of September, 2022 at 1:30 P.M. at registered office of the company – 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 Balance Sheet as at 31st March 2022 and Profit & Loss Account for the year ended on the date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sanjeev Kumar Sangal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Amit Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Arjun Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri Girish Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
6. **Re Appointment of Statutory Auditor of the Company.**

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

“RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, M/s Raj Viyom & Co., Chartered Accountants, Muzaffarnagar, (Firm Registration number **002011C**) be and is hereby reappointed as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirty nine Annual General Meeting, at a remuneration as may be mutually agreed to, between the Board of Directors and Statutory Auditor plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.”

RESOLVED FURTHER THAT Mr. Girish Kumar Agarwal (DIN: 06457199), Whole Time Director of the company be and is hereby authorised to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E Forms with Registrar of Companies.”

SPECIAL BUSINESS:

7. **Regularization of Mr. Sunil Kumar Garg, Additional director as director of the company.**

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

“RESOLVED THAT pursuant to provisions of Section 152 read with Section 161 and other applicable provisions of the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Sunil Kumar Garg (DIN- 0009534044), who was appointed as an Additional Director (in the capacity of Non Executive Professional Director) w.e.f. 11th March, 2022, be and is hereby appointed as Non- Executive Professional Director of the company whose term shall be liable to retire by rotation.”

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

Sd/-
AYUSHI GUPTA
(COMPANY SECRETARY)

DATED: 12/08/2022
PLACE: Muzaffarnagar

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 6 of the accompanying Notice dated 12th August, 2022.

Item No. 6

M/s. Raj Viyom & Co., Chartered Accountants, (Firm Registration number **002011C**) were appointed as statutory auditors of the Company for a term of five consecutive years to hold office until the conclusion of 34th Annual General Meeting of the Company to be held in the calendar year 2022. Based on the recommendations of the audit committee, the Board of Directors, at its meeting held on 12th August, 2022, approved the reappointment of M/s Raj Viyom & Co, Chartered Accountants as the statutory auditors of the Company to hold office for a further term of 5 years i.e. from the conclusion of the ensuing AGM until the conclusion of the 39th AGM to be held in the year 2027. The appointment is subject to approval of the shareholders of the Company. The proposed remuneration to be paid for audit services for the financial year ending March 31, 2023, is 150,000/- (Rupees One Lac Fifty Thousand only) plus applicable taxes and out-of-pocket expenses. Besides the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the audit committee.

The Board of Directors and the audit committee shall approve revisions to the remuneration of the statutory auditors for the remaining part of the tenure. The Remuneration to be paid to the Statutory Auditor for the remaining term i.e. for the F.Y. 2023-24 to F.Y. 2026-27 shall be mutually agreed between the Board of Directors and the Statutory Auditors, from time to time. The Board of Directors, in consultation with the audit committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors.

Considering the evaluation of the performance, experience and expertise of M/s Raj Viyom & Co. and based on the recommendation of the audit committee, it is proposed to appoint them as statutory auditors of the Company for a term of five consecutive years till the conclusion of the 39th AGM of the Company.

Brief profile of M/s Raj Viyom & Co.

M/s Raj Viyom & Co. was constituted in 01.04.1985 and registered with the Institute of Chartered Accountants of India with Registration No. 002011C. The registered office of the Firm is in Muzaffarnagar, Uttar Pradesh. M/s Raj Viyom & Co., Chartered Accountant firm is having experience of 37 years. The firm is catering to various clients in diverse sectors. They are giving service in the Area of Accountancy, Audit, Taxation, Financial consultancy etc. The Firm has been Peer reviewed.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The Board recommends the resolution set forth in item no. 6 for the approval of members.

Item No. 7

Mr. Sunil Kumar Garg (DIN- 0009534044), was appointed as an Additional Director (in the capacity of Non Executive Professional Director) w.e.f. 11th March, 2022. As per the provisions of Section 161 of Companies Act, 2013, he shall hold the office of Additional Director upto the date of next Annual General Meeting of the company. Pursuant to the provisions of Section 152 of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 12th August, 2022, approve and recommend the appointment of Mr. Sunil Kumar Garg (DIN- 0009534044) as a Non-Executive Professional Director of the Company, whose term shall be liable to retire by rotation.

The brief profile and other details of Mr. Sunil Kumar Garg required as per Regulation 36(2) of the Listing Regulations and Secretarial Standard - 2 are provided in Annexure to this Notice.

Further, Sunil Kumar Garg is not disqualified to act as Director of the Company. He has also given a declaration that he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, appointment of Directors shall be approved by the members of the Company.

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

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

IMPORTANT NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A 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 Of signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.
3. Details under Listing Regulations and Revised Secretarial Standards - 2 on General Meetings, in respect of the Directors seeking appointment/re-appointment at the General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023, and linking PAN with Aadhaar by March 31, 2022 vide its circular dated November 3, 2021 and December 15, 2021. 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, IstFloor ,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 24.09.2022 to 30.09.2022 (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, IstFloor ,Okhla Industrial Area, Phase - I
New Delhi-110 020.

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://shakumbhripulp.com>, for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
11. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection during the Annual General Meeting.

12. Voting through electronic means

a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd.

b. The instructions for e-voting are as under:

- (i) The voting period begins on 27th September 2022, 10:00 A.M. and ends on 29th September 2022, 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 23rd September 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date can attend the meeting; however, they would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

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

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

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

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

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

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

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

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

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

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

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

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

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

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 022-23058738 and 022-23058542/43.

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

- (xvii) Facility for voting by way of polling shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
- (xviii) Mrs. ShaillyGoel, Practicing Company secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process and casting vote through the Poll during the meeting in a fair and transparent manner.
- (xix) The Scrutinizer shall, immediately after the conclusion of the voting at the general meeting, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting as well as ballot forms in the presence of at least two (2) witnesses not in the employment of the Company and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of AGM, who shall then countersign and declare the result of the voting forthwith.
- (xx) The Results shall be declared after receiving the Consolidated Scrutinizer's Report from the Scrutinizer. The result declared shall be placed on the Company's website [www.https://shakumbhripulp.com](https://shakumbhripulp.com) and on the website of CDSL and communicated to the Stock Exchanges.
- (xxi) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

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

Sd/-
AYUSHI GUPTA
(COMPANY SECRETARY)

DATED: 12/08/2022
PLACE: Muzaffarnagar

SHAKUMBHRI PULP AND PAPER MILLS LIMITED

Annexure- Details of Proposed Directors

Sr. No.	Name of Directors	Arjun Kumar Agarwal	Sanjeev Singhal	Girish Kumar Aggarwal	Amit Agarwal	Sunil Kumar Garg
1	Director Identification Number (DIN)	2614019	954385	6457199	1336763	9534044
2	Date of Birth	04.10.1965	24.05.1963	14.02.1960	01.07.1974	01.05.1967
3	Permanent Account Number (PAN)	ACJPA7822R	ALUPS5340Q	AHBPA9708M	ACCPA1463F	AASPG9890J
4	Date of Appointment on the Board	01.06.2009	01.06.2009	01/02/2013	01/02/2013	11/03/2022
5	Experience in specific functional area	27 Years	28 Years	32 Years	20 Years	30 years
6	Expertise in specific functional area	Shri Arjun Kumar Agarwal has good accounting and financial knowledge.	Shri Sanjeev Singhal is experienced person having good administrative skill.	Shri Girish Kumar Agarwal has good marketing and administrative skill.	Shri Amit Agarwal is an experienced person having good marketing skill.	Mr. Sunil Kumar Garg h is an experienced person. He is a practicing advocate.
7	No. of equity shares held in the Company (as on 31st March, 2022)	2,49,100 shares	42,150 shares	62,500 shares	7,05,700 shares	90,000 shares
8	Qualification	Graduate	Graduate	Graduate	Graduate	LL.B, Graduate
9	List of other Directorships	NIL	NIL	NIL	NEERAJ PAPER MARKETING LIMITED	NIL
					BINDAL PULP AND PAPERS PRIVATE LIMITED	
					BINDAL INDUSTRIES LIMITED	
					BINDAL ROLLING MILLS LIMITED	
					BRINA GOPAL TRADERS PVT.LTD.	
10	Membership/Chairman of Committees of the other Companies	NIL	NIL	NIL	Member - Audit Committee and Nomination and Remuneration Committee of Neeraj Paper Marketing Limited Chairman - Stakeholder Relationship Committee of Neeraj Paper Marketing Limited	NIL
11	Relationships, if any, between Directors inter se	-	-	-	-	-

**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 34th Annual General Meeting of the Company, to be held on the Friday, 30th September, 2022 at 4.5 KM, Bhopa Road, Muzaffarnagar, Uttar Pradesh- 251001 at 1:30p.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 Balance Sheet as at 31 st March, 2022 and Profit & Loss Account for the year ended on the date and the report of the Directors and Auditors thereon.		
2.	Re-appointment of Shri Sanjeev Kumar Sangal, who retires by rotation and being eligible offers himself for re-appointment.		
3.	Re-appointment of Shri Amit Agarwal, who retires by rotation and being eligible offers himself for re-appointment.		
4.	Re-appointment of Shri Arjun Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.		
5.	Re-appointment of Shri Girish Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.		
6.	Re-appointment of Statutory Auditor of the Company .		
7.	Regularization of Mr. Sunil Kumar Garg, Additional director as director of the company.		

Signed thisday of..... 2022

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

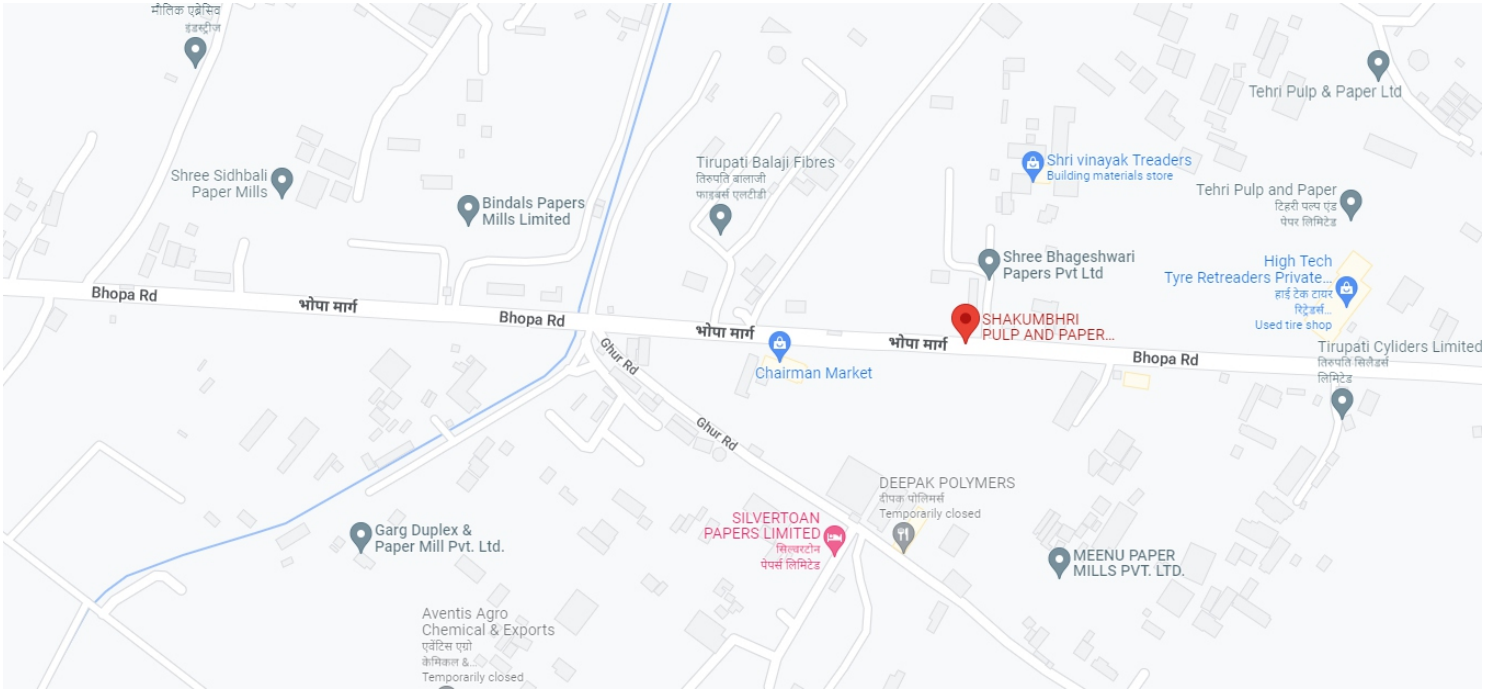
Please fill Attendance Slip and hand it over at the entrance of the meeting hall

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 34th Annual General Meeting of the Company, to be held on the Friday, 30th September, 2022 at 1:30 p.m. at 4.5 KM, Bhopa Road, Muzaffarnagar, Uttar Pradesh- 251001.

Signature of Member / Proxy

Route Map for Venue of AGM



DIRECTORS' REPORT
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March, 2022

Dear Members,

Your directors have pleasure in presenting you their 34th 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 2022.

FINANCIAL RESULTS

(Amount in Lakhs)

	31.03. 2022	31.03. 2021
Net Sale/Income from Operations	10816.31	7414.40
Other Income	91.60	27.71
Total Income	10907. 91	7442.11
Profit before Finance Charges, Depreciation & Tax	407.66	423.35
Finance Charges	82.93	102.17
Depreciation & Amortization	94.78	92.85
Profit Before Tax	229.95	228.33
Tax : 1. Current tax	50.90	39.65
2. Deffered tax	6.19	55.52
3.MAT Credit Entitlement/Utilization	17.69	(37.43)
Profit After Tax	155.17	170.59
Paid-Up Share Capital	385.50	385.50
Reserve & Surplus	877.20	718.36
Transfer to General Reserves	-	-

DIVIDEND

As company required funds for business and growth, your Directors do not recommend any Dividend for the financial year 2021-2022.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

During the Financial year 2021-22, the company achieved better performance than previous year. Turnover for the Financial year ended 31.03.2022 is Rs. 10816.31Lacs as compared to Rs. 7414.40Lacs in the last year. The Net profit after Tax is Rs.155.17Lacs as compared to Rs. 170.59 Lacs in the last year. Your Directors are optimistic about company's business and hopeful of more better performance with increased revenue in next year.

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

FUTUREPROSPECTS

As per a report by IPMA on the paper industry, India's Exports of paper & paperboard in the first nine months of FY2021-22 have already overtaken record exports achieved in the entire FY2020-21.

Meanwhile, the paper industry has wholeheartedly welcomed the recent announcement of the government in Union Budget 2022-23 on the need for faster environmental clearance as part of its larger goal of 'ease of doing business', and legislative changes to promote agroforestry and private forestry to increase green cover in the country.

"A single window portal, PARIVESH, for all green clearances was launched in 2018. It has been instrumental in reducing the time required for approvals significantly. The scope of this portal will now be expanded, to provide information to the applicants. Based on the location of units, information about specific approvals will be provided. It will enable application for all four approvals through a single form, and tracking of the process through Centralised Processing Centre-Green (CPC-Green). The policies and required legislative changes to promote agroforestry and private forestry will be brought in," said Finance Minister NirmalaSitharaman while presenting the budget.

New innovations and trends are constantly emerging in the paper industry. The novel coronavirus has brought a focus on cleanliness creating new opportunities for tissue and toilet papers. Within the past year, the e-commerce boom has created a structural change in consumer habits. With the increase in online shopping, there has been a significant surge in corrugated and containerboard demand. According to a recent report by rating agency CRISIL, a strong revival in consumer spending amid the waning impact of the COVID-19 pandemic will help the paper packaging industry bounce back with a revenue growth of 15 percent this fiscal.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR:

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

SHARECAPITAL

The paid up equity share capital as on 31/03/2022 was Rs.385,50,000/. Further the company has not bought back any of its securities, has not issued any Sweat Equity Shares, has not provided any Stock Option Scheme to the employees and no Bonus Shares were issued during the year under review.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under Review, Mr. Ayush Agrarwal, Whole Time director of the company has resigned from the directorship of the company w.e.f 30/06/2021. Mr. Girish Kumar Agarwal has been appointed as Whole time Director of the company in the Board Meeting held on 30/06/2021 which was approved by the shareholders of the company in the Annual General Meeting of the company.

Further, Mr. Sunil Kumar Garg was appointed as additional director on the Board of the company w.e.f. 11/03/2022. He shall hold the office of Additional Director upto the date of next Annual General Meeting of the company. Pursuant to the recommendation of Nomination and Remuneration Committee, the Board has approved and recommended his appointment as Non-Executive Professional Director on the Board of the company for the shareholder's approval in the forthcoming Annual General Meeting. Accordingly, special resolution for his appointment is included in the Notice of ensuing AGM for approval of members of the Company.

The company has received the declarations from all the Independent directors confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Listing Regulations. The Board is of opinion that all the Independent directors of the company possess requisite qualification, experience and expertise in the paper industry, finance, business management and other operational aspects and they hold the highest standards of integrity.

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

BOARD EVALUATION

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

REMUNERATION POLICY

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

1. Criteria of selection of Non Executive Directors

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

- I. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies

Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

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

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

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

Remuneration for the Managing Director or Whole Time Director

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

Remuneration Policy for the Senior Management Employees

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

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

MEETINGS OF BOARD OF DIRECTORS:

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

The dates of board meetings are as follows:

30/06/2021, 13/08/2021, 12/11/2021, 14/02/2022 and 08/03/2022.

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

WHISTLE BLOWER POLICY

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

COMMITTEES OF THE BOARD

a) AUDIT COMMITTEE

As on 31/03/2022, the Audit committee comprises of the following directors:

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

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

b) NOMINATION AND REMUNERATION COMMITTEE

As on 31/03/2022, the Nomination and Remuneration Committee comprises of the following directors:

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

CORPORATE SOCIAL RESPONSIBILITY

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

AUDITORS:

M/S RAJ VIYOM& CO., Chartered Accountants, Muzaffarnagar were appointed as Statutory Auditor for a term of five consecutive years to hold office until the conclusion of 34th Annual General Meeting of the Company to be held in the calendar year 2022. Their tenure is expiring at the forthcoming Annual General Meeting. Based on the recommendation of Audit Committee, the Board of Directors in their meeting held on 12th August, 2022, considered and approved the reappointment of M/s Raj Viyom& Co., Chartered Accountant as Statutory Auditor of the company for a further term of 5 years i.e. from the conclusion of the ensuing AGM until the conclusion of the 39th AGM to be held in the year 2027 subject to the approval of shareholders of the company in the forthcoming Annual General Meeting of the company. They have confirmed their eligibility to the effect that their appointment, if approved, would be within the prescribed limits under the Act and that they are not disqualified for appointment. 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, 2022.

SECRETARIAL AUDITOR

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

COST AUDITOR

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

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 31/03/2021 & the same has been uploaded on the website of the Company under the link <https://shakumbhripulp.com/annual-return>.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

MANAGERIAL REMUNERATION AND OTHER DISCLOSURES:

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

PARTICULARS OF EMPLOYEES

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

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

DEPOSITS:

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

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

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

(A) Conservation of Energy:

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

(B) Technology absorption:

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

(C) Foreign exchange earnings and Outgo:

There is no Foreign exchange earnings of the company during the financial year. However, there was outflow of Rs. 386,00,002.65/- during the year.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS:

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

RISK MANAGEMENT POLICY

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

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

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

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

INTERNAL COMPLAINT COMMITTEE

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

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

COMPLIANCE WITH SECRETARIAL STANDARD:

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

INDUSTRIAL RELATIONS:

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

ACKNOWLEDGMENTS

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

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

DATED: 12/08/2022
PLACE: Muzaffarnagar

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

Sd/-
ARJUN KUMAR
DIRECTOR
DIN : 02614019

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

Paper consumption in India is likely to witness 6 to 7 per cent annual growth and will reach 30 million tonnes by FY 2026-27, largely driven by emphasis on education and literacy coupled with growth in organised retail, according to industry body IPMA. The paper Industry holds immense potential for growth in India as the per capita consumption globally is one of the lowest, the Indian Paper Manufacturers Association (IPMA) said in a statement. "Around 15 per cent of the world population stays in India but consumes only 5 per cent of the total paper produced in the world," the statement said. The emphasis on education and literacy coupled with growth in organised retail and demand for better quality paper are the major drivers of growth.

Moreover, there has been continued demand for quality packaging of FMCG products, pharmaceuticals, textiles, organised retail, booming e-commerce, and other segments, it said. According to industry body IPMA, paper consumption in India is projected to grow by 6-7 per cent per annum in the next five years so as to reach 30 million tonnes by the year FY27, making it the fastest growing paper market in the world. Paper Industry in the country has undergone a transformation of sorts in the last few years. The industry has gone up the sustainability curve and has become far more technologically advanced. "In the last five to seven years, an amount of over Rs 25,000 crore has been invested in new efficient capacities and induction of clean and green technologies," IPMA President A S Mehta.

The estimated turnover of the industry is Rs 70,000 crore with domestic market size of Rs 80,000 crore. Indian Agro & Recycled Paper Mills Association (IARPMA) President Pramod Agarwal said during COVID, while writing and printing paper witnessed demand contraction, the paper packaging industry fared well as the pharma sector, FMCG and growth in e-commerce played a major role in driving growth in the paper sector.

As per a report by IPMA on the paper industry, India's Exports of paper & paperboard in the first nine months of FY2021-22 have already overtaken record exports achieved in the entire FY2020-21.

Meanwhile, the paper industry has wholeheartedly welcomed the recent announcement of the government in Union Budget 2022-23 on the need for faster environmental clearance as part of its larger goal of 'ease of doing business', and legislative changes to promote agro forestry and private forestry to increase green cover in the country.

"A single window portal, PARIVESH, for all green clearances was launched in 2018. It has been instrumental in reducing the time required for approvals significantly. The scope of this portal will now be expanded, to provide information to the applicants. Based on the location of units, information about specific approvals will be provided. It will enable application for all four approvals through a single form, and tracking of the process through Centralised Processing Centre-Green (CPC-Green). The policies and required legislative changes to promote agro forestry and private forestry will be brought in," said Finance Minister Nirmala Sitharaman while presenting the budget.

Mr. A.S. Mehta, President, Indian Paper Manufacturers Association (IPMA) and President & Executive Director, JK Paper Ltd. is optimistic about this development. "Policies and legislative changes to promote agro forestry will certainly provide a fillip to the efforts of the paper industry," he said.

New innovations and trends are constantly emerging in the paper industry. The novel coronavirus has brought a focus on cleanliness creating new opportunities for tissue and toilet papers. Within the past year, the e-commerce boom has created a structural change in consumer habits. With the increase in online shopping, there has been a significant surge in corrugated and containerboard demand. According to a recent report by rating agency CRISIL, a strong revival in consumer spending amid the waning impact of the COVID-19 pandemic will help the paper packaging industry bounce back with a revenue growth of 15 percent this fiscal.

Talking about the key trends driving the growth of the paper industry, Mr. Rohit Pandit, Secretary-General, IPMA said "As the economy picks up after two difficult years, we expect demand for better quality packaging of FMCG products, booming e-commerce, rising healthcare spending, growth in pharma, packaged foods, and textile sectors, etc. to lead to increased demand for paperboard/packaging paper. The reopening of educational institutions across the country should revive the demand for the writing & printing segment. Implementation of the National Education Policy (NEP) 2020 in the coming months should also significantly contribute to the demand for writing & printing paper. Hopefully, with the pandemic situation improving, demand for all paper grades will show a positive trend and surpass the pre-COVID levels during this year."

Mr. Vadiraj Kulkarni, Chief Executive, ITC Ltd. – Paperboards & Specialty Papers Division feels that the demand in the paper industry will be based on the impact of current/new virus variants. "Companies will focus a lot on cost management, given the highest inflation increase seen in commodities and fuels. The shift from single-use plastics to sustainable materials like fiber will accelerate, given the increasing regulations on plastic waste and commitment by brand owners," he added.

Meanwhile, the paper machinery manufacturers and suppliers see an opportunity and are gearing themselves to meet the rising demands of paper mills in the near future. "Our main focus is to seep into all corners of the Indian packaging industry starting from 60 TPD machines, bringing close to them, knowledge and technology, thereby tap every opportunity that the market presents itself – be it capacity or quality enhancement,"

said Mr. Ranajoy Chowdhury, Managing Director, Bellmer India Pvt. Ltd.

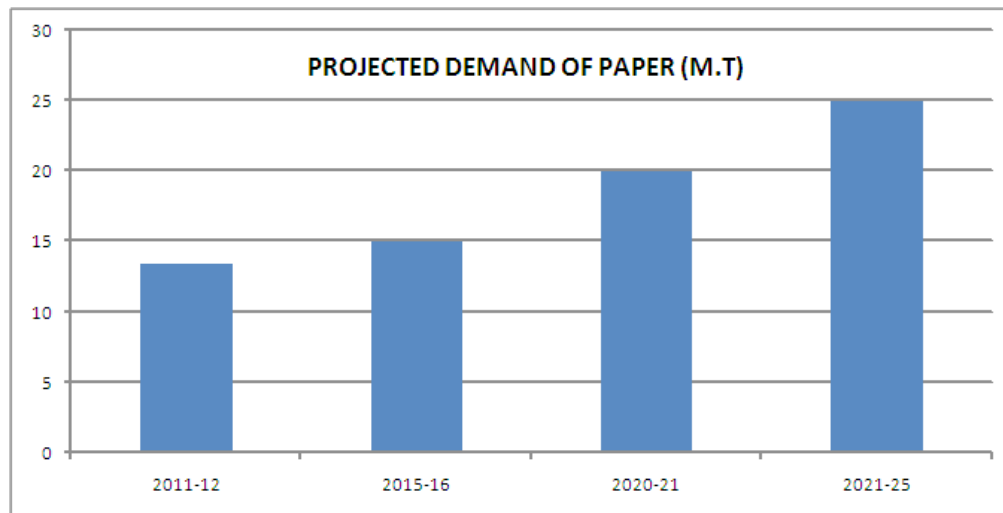
As we step into 2022, the Paper Mart magazine initiates a detailed feature to gain insights on the strategies adopted by the paper industry for the year ahead, by interacting with paper mills, traders, associations, and other stakeholders.

SCOPE AND DEMAND OF PAPER INDUSTRY IN INDIA

The Indian Paper Industry accounts for about 1.6% of the world's production of paper and Paperboard. Paper in India is expected to see an average growth of 7 per cent during the next year according to prediction by the Indian Pulp and Paper Technical Association. "The sector is expected to grow 7 per cent per annum. From the current about Rs 35,000 cr. size, the turnover of the industry is likely to touch 60,000 mark by 2025," said M B S Nair, president, IPPTA. Currently, the Indian industry is accounts to about 2.5 per cent of the global production of paper.

The mills use a variety of raw material viz. wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk, etc.; approximately 35% are based on chemical pulp, 44% on recycled fibre and 21% on agro-residues. The per capita consumption of India stands at only 9.3 kg compared to China's 42 kg, Indonesia's 22 kg, Malaysia's 25 kg and the US' 312 kg. Studies have shown that the growth of paper consumption changes from linear to exponential trends once the GDP growth rate crosses the double digit mark. Analysts often draw comparisons between the growth seen in bottled drinking water and tissue paper industries. Even if one assumes an average 9% GDP growth rate in the medium term, linear extrapolation suggests that by 2025, the country will consume over 24 million tons of paper.

The industry employs 0.37 million people directly and 1.37 million indirectly. The major players of the industry are located in Andhra Pradesh, Tamil Nadu, Maharashtra, Punjab, Madhya Pradesh and Gujarat. In terms of numbers, Gujarat tops the tally with 130 units, followed by U.P (115), Maharashtra (112) and Tamil Nadu (88). Paper consumption is poised for a big leap forward in sync with the economic growth and is estimated to touch 13.95 million tons by 2015-16.



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.

SEGMENT -WISE /PRODUCT WISE PERFORMANCE

Company is engaged in Manufacturing of Kraft paper. During the year 2021-22, turnover of Kraft Paper contributed 100% in the gross turnover of the Company.

OUTLOOK

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

RISKS AND CONCERN

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

INTERNAL CONTROL SYSTEM AND ADEQUACY

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

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

HUMAN RESOURCES

The company continuously works on the development of the employees at various levels. The management makes sure that the employee morale and dedication remains high and that they contribute their fullest and best to the organization. The recreational activities like seminars/vacations are planned for the employees at regular intervals. As on 31/03/2022, the Company has 72 employees. Industrial relations are cordial and satisfactory.

KEY FINANCIAL RATIOS

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

Nature of Ratios	For year ended 31.03.2021	For year ended 31.03.2022	Changes %	Explanation for Changes more than 25%
Debtors Turnover	6.09	6.85	12.41	Not Applicable
Inventory Turnover	11.43	15.62	36.64	Due to increase in turnover
Interest Coverage Ratio	3.23	3.77	16.72	Not Applicable
Current Ratio	0.89	0.95	7.64	Not Applicable
Debt Equity Ratio	0.78	0.71	-10.00	Not Applicable
Operating Profit Margin%	4.46	4.22	5.38	Not Applicable
Net Profit Margin%	2.30	1.43	-37.65	Due to decrease in Net profit margin and increase in turnover

CHANGES IN RETURN ON NET WORTH

The return on net worth for the financial year 2020-21 and for the financial year 2021-22, it is 0.16 and 0.12 respectively. The change in return on net worth as compared to the immediately previous financial year is (-25%) and reason for change in the above is due to decrease in profits during the FY 2021-22.

CAUTIONARY STATEMENT

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

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

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

Sd/-
ARJUN KUMAR
DIRECTOR
DIN : 02614019

DATED: 12/08/2022
PLACE: Muzaffarnagar

Annexure I
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Shakumbhri Pulp and Paper Mills Limited

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

Based on our verification of the **Shakumbhri Pulp and Paper Mills Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Shakumbhri Pulp and Paper Mills Limited** for the financial year ended on **31st March, 2022** according to the provisions of:

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

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

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

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

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

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

We further report that:

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

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

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

We further report that during the audit period there has not been any such activity having a major bearing on the Company's affairs in pursuance of the above referred laws rules, regulations, guidelines etc.

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

Sd/-

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

**UDIN: F008769D000761609
Peer Review Certificate No. -1634/2021**

Date: 8th August, 2022

Place: New Delhi

'ANNEXURE A'

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

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

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

For Shailly Goel & Co.
Practicing Company Secretaries

Sd/-

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

Date: 8th August, 2022
Place: New Delhi

UDIN: F008769D000761609
Peer Review Certificate No. -1634/2021

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

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

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

There were no contracts or arrangements or transactions entered during the year ended March 31, 2022, which were not an arm's length basis.

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

Name of Related Party	Nature of Relationship	Nature of Transaction	Duration of Transaction	Amount (in Lacs)
Shri Ayush Agarwal*	Whole time Director	Interest Paid	01.04.2021 to 31.03.2022	3.79
Shri Anil Kumar	Relative of Director	Interest Paid	01.04.2021 to 31.03.2022	0.48
		Remuneration paid		12.00
Shri Arjun Kumar Agarwal	Director	Unsecured Loans Received	01.04.2021 to 31.03.2022	10.00
		Interest Paid		2.27
Girish Kumar Agarwal	Whole time Director	Interest Paid	01.04.2021 to 31.03.2022	3.83
		Director Remuneration		6.00
Saraswati Devi	Relative of Director	Interest Paid	01.04.2021 to 31.03.2022	2.47
Surbhi	Relative of Director		01.04.2021 to 31.03.2022	
		Unsecured Loans Repaid		0.76
ACS Papers India Pvt.Ltd.	Director's relative is director	Purchases	01.04.2021 to 31.03.2022	1970.06
		Sales		1328.48
Aviana Enterprises	Director's relative is Proprietor	Purchases	01.04.2021 to 31.03.2022	3496.80
Bindlas Mechandise	Director's relative is Proprietor	Purchases	01.04.2021 to 31.03.2022	839.63
Vas Enterprises	Director's relative is Proprietor	Purchases	01.04.2021 to 31.03.2022	2.38
Girish Kumar & Sons HUF	Director is Karta	Purchases	01.04.2021 to 31.03.2022	104.43
Abhinav agarwal	Relative of Director	Remuneration paid	01.04.2021 to 31.03.2022	11.40
Avin Agarwal	Relative of Director	Remuneration paid	01.04.2021 to 31.03.2022	9.60
Ayushi Gupta	Company Secretary	Remuneration paid	01.04.2021 to 31.03.2022	2.64
Vikhyat Agarwal	Relative of Director	Remuneration paid	01.04.2021 to 31.03.2022	4.80
Sunil Garg	Director	Unsecured Loan Received	01.04.2021 to 31.03.2022	50.00

Name of Related Party	Nature of Relationship	Nature of Transaction	Duration of Transaction	Amount (in Lacs)
Archana Agarwal	Relative of Director	Remuneration paid	01.04.2021 to 31.03.2022	9.60
Puja Agarwal	Relative of Director	Remuneration paid	01.04.2021 to 31.03.2022	6.00
Chirag Garg	CFO	Remuneration paid	01.04.2021 to 31.03.2022	6.00
Amrishi Agarwal	Relative of Director	Remuneration paid	01.04.2021 to 31.03.2022	1.20
Somya Garg	Relative of KMP	Remuneration paid	01.04.2021 to 31.03.2022	5.10

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

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

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

Sd/-
ARJUN KUMAR
DIRECTOR
DIN : 02614019

DATED: 12/08/2022
PLACE: Muzaffarnagar

Annexure III to Board report

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

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-22	Director's Name	Ratio to median remuneration (As on 31/03/2022)
		Girish Kumar Agarwal #	8.77:1
(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 2021-22 compared to 2020-21.	Director's/CFO/CS name	Percentage increase in remuneration
		Girish Kumar Agarwal, Whole Time Director #	100%
		Chirag Garg, CFO	No Change
		Ayushi Gupta, CS	No Change
(iii)	Percentage increase in the median remuneration of employees in the financial year 2021-22 compared to 2020-21.*	5.56%	
(iv)	Number of permanent employees on the rolls of the company**	Ason 31.03.2022	Ason 31.03.2021
		72	72
(v)	Average percentile increase in salaries of Employees other than managerial personnel in financial year 2021-22 compared to 2020-21***	18.86%	
	Average percentile increase in managerial remuneration financial year 2021-22 compared to 2020-21	Nil	
	Justification for increase	Increase was made as per normal industry standards	

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

Mr. Girish Kumar Agarwal has been given salary w.e.f 01/10/2021.

* Remuneration of employees as on 31/03/2022 and 31/03/2021.

** Total employees excludes directors of the company.

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

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

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

Sd/-
ARJUN KUMAR
DIRECTOR
DIN : 02614019

DATED: 12/08/2022
PLACE: Muzaffarnagar

S.NO.	NAME	DESIGNATION	TOTAL REMUNERATION DRAWN IN 2021-22	NATURE OF EMPLOYMENT	QUALIFICATIONS & EXPERIENCE	LAST EMPLOYMENT	AGE (in Years)	COMMENCEMENT OF EMPLOYMENT	PERCENTAGE OF EQUITY SHARES(%)	RELATION WITH DIRECTOR
1	ANIL KUMAR	STORE MANAGER	1200000	PERMANENT	GRADUATE	N.A	60	1/12/2016	0	Father
2	ABHINAV AGARWAL	ADMINISTRATIVE MANAGER	1140000	PERMANENT	GRADUATE	N.A	32	1/4/2014	2.9	Son
3	SMT ARCHANA AGARWAL	HR MANAGER	960000	PERMANENT	GRADUATE	N.A	55	1/12/2016	5.1	Wife
4	AVIN AGARWAL	PURCHASE MANAGER	600000	PERMANENT	GRADUATE	N.A	35	1/12/2016	1.03	Son
5	CHIRAG GARG	C.F.O	600000	PERMANENT	GRADUATE	N.A	35	1/5/2014	0	N.A
6	SURESH PAL SINGH	GENERAL MANAGER	600000	PERMANENT	GRADUATE & DIPLOMA PAPER TECH	ANAND TISSUE LID, MEERUT	72	16/2/2015	0	N.A
7	PUJA AGARWAL	MANAGER	600000	PERMANENT	GRADUATE	N.A	34	5/2/2020	0	Son's wife
8	Girish Kumar Aggarwal	Whole Time Director	600000	PERMANENT	B Tech	N.A	62	2/1/2013	1.62	Director
9	SOMYA GARG	ADMINISTRATIVE MANAGER	510000	PERMANENT	GRADUATE	N.A	38	1/4/2016	0	N.A
10	VIKHYAT AGARWAL	MANAGER	480000	PERMANENT	POST GRADUATE	N.A	36	6/18/2018	0.01	N.A

By the order of the Board

FOR SHAKUMBHRI PULP & PAPER MILLS LIMITED

Sd/-

GIRISH KUMAR AGARWAL
WHOLE TIME DIRECTOR
DIN : 06457199

Sd/-

ARJUN KUMAR
DIRECTOR
DIN : 02614019

DATED: 12/08/2022

PLACE: Muzaffarnagar

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

We have audited the accompanying standalone financial statements of **SHAKUMBHRI PULP & PAPER MILLS LIMITED, MUZAFFARNAGAR** ("the Company") which comprise the Balance sheet as at **31 March 2022**, 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 2022**, 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 2022**. 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 2021-22, 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, 2022 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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company with reference to these the standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- g. With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year as in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) The company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 36 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.

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

Sd/-
CA Raj Kumar Sharma
Partner

Membership No.077650
UDIN: 22077650ALWNIH7447

Dated: 30.05.2022
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 2022. 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 inventory has been physical verified at reasonable intervals by the management during the year and in our opinion the coverage and procedure of such verification is appropriate. As explained to us, no discrepancy of 10% or more in the aggregate for each class of inventory were noticed on physical verification of stocks by the management as compared to book records.
- (b) The company has not been sanctioned during any point of time of the year, working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- (iii) The Company has not made investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans or guarantees/made any investments within the meaning of Section 185 and 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) According to the records of company and information and explanation given to us, the company is regular in depositing undisputed statutory dues including, provident fund employees' state insurance, income-tax, duty of customs, goods and service tax and any other statutory dues with the appropriate authorities during the year. There is no undisputed amounts payable, as at 31.03.2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, duty of customs, goods and service tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, as income during the year. Accordingly the requirement on clause 3(viii) of the order is not applicable to the company.
- (ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to financial institution, banks during the year.
- (b) According to the information and explanations given to us, the company is not declared willful defaulter by any bank or financial institution or other lender during the year.
- (c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been

utilized for long term purposes.

- (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) In our opinion and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instrument).
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) According to information and explanations given to us, no fraud by the company or on the company has been noticed or reported during the year.
- (b) According to information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to information and explanations given to us, no whistle-blower complaints had been received by the company during the year.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order is not applicable on the Company.
- (xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) (a) According to information and explanations given to us, the company has an internal audit system commensurate with the size and the nature of its business.
- (b) The reports of internal auditors for the period under audit were considered by us.
- (xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) (a) According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) In our opinion and according to the information and explanations given to us, the Group does not have any CIC as part of the Group.
- (xvii) In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) According to the information and explanations provided to us, there has been no resignation of the statutory auditors during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, the provision of section 135 are not applicable on the company hence, the provisions of clause 3(xx) of the Order is not applicable to the Company.

(xxi) According to the information and explanations given to us, the company is not required to prepare Consolidate financial statement hence, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

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

Sd/-
CA Raj Kumar Sharma
Partner
Membership No.077650
UDIN: 22077650ALWNIH7447

Dated: 30.05.2022
Place: MUZAFFARNAGAR

ANNEXURE B TO THE AUDITORS' REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SHAKUMBHRI PULP & PAPER MILLS LIMITED, MUZAFFARNAGAR** ('the company') as of 31 March 2022 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 2022, 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: 22077650ALWNIH7447

Dated: 30.05.2022
Place: MUZAFFARNAGAR

Shakumbhri Pulp And Paper Mills Limited**Balance Sheet as at 31 March 2022**

(Amounts in INR Lakhs, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	1,637.95	1,693.74
Capital work in progress	4	256.03	-
Financial assets			
Investment in financial assets	5	0.71	0.70
Other financial assets	6	37.54	37.54
Other non-current assets	7	26.13	35.25
Total non-current assets		1,958.36	1,767.23
Current assets			
Inventories	8	862.55	522.69
Financial assets			
Trade receivables	9	1,784.76	1,373.51
Cash and cash equivalents	10	3.27	19.94
Bank balances other than cash and cash equivalents	11	49.16	0.80
Other current assets	12	15.17	11.29
Total current assets		2,714.91	1,928.23
Total assets		4,673.27	3,695.46
Equity and liabilities			
Equity			
Equity share capital	13	385.50	385.50
Other equity	14	877.20	718.37
Total equity		1,262.70	1,103.87
Non-current liabilities			
Financial liabilities			
Borrowings	15	399.35	279.07
Provisions	16	37.51	34.96
Deferred tax liabilities (net)	17	124.79	99.63
Total non-current liabilities		561.65	413.66
Current liabilities			
Financial liabilities			
Borrowings	18	491.41	586.11
Trade payables	19	-	-
Total outstanding dues of micro enterprises and small enterprises		2,001.77	1,391.17
Total outstanding dues of creditors other than micro enterprises and small enterprises		238.98	89.27
Other current financial liabilities	20	97.50	88.34
Other current liabilities	21	10.93	7.91
Provisions	22	8.33	15.13
Current tax liability (net)	23	2,848.92	2,177.93
Total current liabilities		3,410.57	2,591.59
Total liabilities		4,673.27	3,695.46

Summary of significant accounting policies

1-2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For RAJ VIYOM & CO.,

ICAI Firm Registration No.: 002011C

Chartered Accountants,

Sd/-

CA Raj Kumar Sharma

Partner

Membership No.: 077650

Place: Muzaffarnagar

Date: 30.05.2022

UDIN:22077650ALWNIH7447

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

Sd/-

Whole Time Director
(Girish Kumar Aggarwal)
DIN- 06457199

Sd/-

Director
(Arjun Kumar)
DIN- 02614019

Sd/-

CFO
(Chirag Garg)
PAN : AJYPG1223A

Sd/-

Company Secretary
(Ayushi Gupta)
PAN : ASQPG9580K

Shakumbhri Pulp And Paper Mills Limited			
Statement of Profit and Loss for the year ended 31 March 2022			
(Amounts in INR Lakhs, unless otherwise stated)			
	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income:			
Revenue from operations	24	10,816.31	7,414.40
Other income	25	91.60	27.71
Total income		10,907.91	7,442.11
Expenses:			
Cost of material consumed	26	9,686.86	6,583.03
Purchase of traded goods	27	328.40	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(4.72)	(1.88)
Employee benefits expense	29	218.52	203.47
Depreciation and amortization expense	3	94.78	92.85
Finance costs	30	82.93	102.17
Other expenses	31	271.19	234.14
Total expenses		10,677.96	7,213.78
Profit before exceptional items and tax		229.95	228.33
Exceptional items		-	-
Profit before tax		229.95	228.33
Tax expense			
Current tax		50.90	39.65
Less: MAT credit entitlement		17.69	(37.43)
Deferred tax		6.19	55.52
Profit for the year		155.17	170.59
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plan		4.96	3.74
Income tax effect		(1.29)	(0.97)
Other comprehensive income		3.67	2.77
Total comprehensive income		158.84	173.36
Earnings per equity share of face value of ₹ 10 each :			
	32		
Basic (in ₹)		4.03	4.43
Diluted (in ₹)		4.03	4.43
Summary of significant accounting policies	1-2		
The accompanying notes are an integral part of the financial statements			
As per our report of even date			
For RAJ VIYOM & CO.,	Sd/-	Sd/-	
ICAI Firm Registration No.: 002011C	Whole Time Director	Director	
Chartered Accountants,	(Girish Kumar Aggarwal)	(Arjun Kumar)	
	DIN- 06457199	DIN- 02614019	
Sd/-			
CA Raj Kumar Sharma			
Partner			
Membership No.: 077650	Sd/-	Sd/-	
	CFO	Company Secretary	
Place: Muzaffarnagar	(Chirag Garg)	(Ayushi Gupta)	
Date: 30.05.2022	PAN : AJYPG1223A	PAN : ASQPG9580K	
UDIN:22077650ALWNIH7447			

Shakumbhri Pulp And Paper Mills Limited
Statement of Changes in Equity for the year ended 31 March 2022
(Amounts in INR Lakhs, unless otherwise stated)

A Equity share capital (Refer Note 13)

(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 14)

Particulars	Security premium		General reserve		Equity component of financial instruments		Retained earning		Total other equity	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
	(refer note 14.1)		(refer note 14.2)		(refer note 14.3)		(refer note 14.4)		(refer note 14)	
Opening balance	112.00	112.00	39.01	39.01	20.15	20.15	547.20	373.85	718.36	545.01
Addition/reduction during the year	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	155.17	170.59	155.17	170.59
Other comprehensive income	-	-	-	-	-	-	3.67	2.77	3.67	2.77
Total Comprehensive Income	-	-	-	-	-	-	158.84	173.36	158.84	173.36
Closing balance	112.00	112.00	39.01	39.01	20.15	20.15	706.04	547.21	877.20	718.37

Summary of significant accounting policies 1-2

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

Sd/-
Director
(Arjun Kumar)
DIN- 02614019

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

Place: Muzaffarnagar
Date: 30.05.2022
UDIN:22077650ALWNIH7447

Sd/-
CFO
(Chirag Garg)
PAN : AJYPG1223A

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

Shakumbhri Pulp And Paper Mills Limited
Statement of Cash Flows for the year ended 31 March 2022
(Amounts in INR, unless otherwise stated)

Particulars	For the year ended <u>31 March 2022</u>	For the year ended <u>31 March 2021</u>
Profit before tax	229.95	228.33
Adjustments for:		
Depreciation and amortization	94.78	92.85
Gain/(loss) on fair valuation of investments	(0.01)	(0.01)
Profit on sale of vehicle	-	(0.56)
Interest income	(2.07)	(2.44)
Dividend income	(0.08)	-
Unclaimed balance written back	-	(24.70)
Interest expenses	85.78	102.17
Operating profit before working capital changes	408.35	395.64
Movement in working capital		
(Increase)/decrease in trade receivables	(411.25)	(313.31)
(Increase)/decrease in inventories	(339.86)	252.08
(Increase)/decrease in other non current financial assets	(0.01)	(0.01)
(Increase)/decrease in bank balance other than cash and cash equivalent	(48.36)	-
(Increase)/decrease in other current assets	(3.88)	54.21
(Increase)/decrease in other non-current assets	9.11	(12.27)
Increase/(decrease) in trade payables	610.60	(154.77)
Increase/(decrease) in other current financial liabilities	149.71	(43.96)
Increase/(decrease) in other current liabilities	9.16	(10.92)
Increase/(decrease) in current tax liability (net)	(6.80)	12.67
Increase/(decrease) in long term provisions	25.20	(3.60)
Increase/(decrease) in short term provisions	3.02	4.07
Cash generated from/(used in) operations	404.99	179.83
Direct taxes paid (net of refunds)	(68.59)	(2.26)
Net cash generated from/(used in) operating activities	336.40	177.57
Cash flow from investing activities		
Purchase of property, plant & equipment including CWIP and capital advances	(295.02)	(55.72)
Proceeds from sale of property, plant & equipment	-	7.56
Dividend received	0.08	-
Interest received	2.07	2.44
Net cash (used in)/generated from investing activities	(292.87)	(45.72)
Cash flow from financing activities		
Proceeds of long-term borrowings	120.28	2.13
Repayment/Proceeds from short-term borrowings	(94.70)	(27.60)
Interest paid	(85.78)	(104.10)
Net cash (used in)/generated from financing activities	(60.20)	(129.57)
Net (decrease) / increase in cash and cash equivalents	(16.67)	2.28
Cash and cash equivalents at the beginning of the year	19.94	17.66
Cash and cash equivalents at the end of the year	3.27	19.94
Components of cash and cash equivalents		
Cash and cheques on hand	3.19	18.60
Balances with banks:		
- On current accounts	0.08	1.34
(refer note 10)	3.27	19.94

Notes:

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

As per our report of even date

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

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

Sd/-
Director
(Arjun Kumar)
DIN- 02614019

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

Sd/-
CFO
(Chirag Garg)
PAN : AJYPG1223A

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

Place: Muzaffarnagar
Date: 30.05.2022

UDIN:22077650ALWNIH7447

Shakumbhri Pulp And Paper Mills Limited

(Amounts in INR Lakhs, unless otherwise stated)

Background

Shakumbhri Pulp & Paper Mills Limited is a company domiciled in India, incorporated on 06 February 1986 with its registered office situated at 4.5 K.M., Bhopa Road, Muzaffarnagar U.P, the company has been incorporated under Indian Companies Act and its equity shares are listed on the Metropolitan Stock Exchange of India." The financial statements are approved for issuance by the company's Board of Directors on 30.05.2022"

Note 1: Significant Accounting Policies

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

(a) Basis of preparation**(i) Compliance with Ind AS**

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

(ii) Historical Cost Convention

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

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

(b) Use of Estimates

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

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

(c) Segment Reporting

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

(d) Foreign Currency Transactions and Translations

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

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

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

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

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

Financial Assets

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

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

Derecognition of financial assets

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

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

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

Financial Liabilities

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

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

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

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

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

De-recognition of financial liability

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

Offsetting financial instruments

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

(f) Trade and other payables

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

(g) Cash Flow statements

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

(h) Cash and Cash Equivalents

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

(i) Share capital

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

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

(j) Revenue recognition**Sale of goods**

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

Interest income

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

Dividend income

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

Variable consideration

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

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

Contract balances**Trade receivables**

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

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

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

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

Cost to obtain a contract

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

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

Financing components

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

(k) Provisions, contingent liabilities and assets

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

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

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

(l) Earning Per Share

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

(m) Taxation

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

(i) Current Income Tax

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

(ii) Deferred Tax

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

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

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

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

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

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

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

(n) Trade Receivables

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

(o) Inventories

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

(p) Property, plant and equipment

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

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

Useful life of assets are as follows:

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

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

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

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

(q) Borrowings

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

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

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

(r) Borrowing costs

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

- defined benefit plan viz. gratuity; and
- defined contribution plans such as provident fund.

(a) Defined benefit plan

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

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

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

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

(b) Defined contribution plans

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

(t) Impact of Covid-19

The company has evaluated the impact of Corona Virus (COVID-19) on the operations and future economic activity of the company and based on its review and current indicators and future economic prospectus, there is no significant impact on the business of the company on its operations.

(u) Rounding of amounts

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

Note 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

Estimation of current tax expense and payable – **Note 23**

Estimation of defined benefit obligation – **Note 32**

Recognition of deferred tax liabilities – **Note 17**

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

Recent accounting developments

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 - Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 - Property, Plant and Equipment (PPE)

The amendments mainly prohibit an entity from deducting from the cost of property, plant & equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

The company does not expect the amendments to have any impact in its recognition of its property, plant & equipment in its financial statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that the 'Cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Financial Instruments

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

Ind AS 106 - Exploration for and Evaluation of Mineral Resources

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Shakumbhri Pulp And Paper Mills Limited

(Amounts in INR Lakhs, unless otherwise stated)

3 Property, plant & equipment

	Land	Buildings	Effluent treatment plant	Plant & machinery	Office furniture & equipment	Computer	Vehicles	Total
Gross carrying value as of March 31, 2021	12.29	38.84	96.75	2,462.50	12.82	10.50	111.93	2,745.63
Additions during the year	-	-	-	32.46	3.86	2.67	-	38.99
Deletions during the year	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2022	12.29	38.84	96.75	2,494.96	16.68	13.17	111.93	2,784.62
Accumulated Depreciation as of March 31, 2021	-	31.20	46.99	878.09	9.44	8.52	77.65	1,051.89
Depreciation	-	1.60	2.87	82.17	1.29	1.74	5.11	94.78
Accumulated Depreciation on deletions	-	-	-	-	-	-	-	-
Accumulated Depreciation as of March 31, 2022	-	32.80	49.86	960.26	10.73	10.26	82.76	1,146.67
Carrying value as of March 31, 2022	12.29	6.04	46.89	1,534.70	5.95	2.91	29.17	1,637.95
Carrying value as of March 31, 2021	12.29	7.64	49.76	1,584.41	3.38	1.98	34.28	1,693.74
Property, plant & equipment								
	Land	Buildings	Effluent treatment plant	Plant & machinery	Office furniture & equipment	Computer	Vehicles	Total
Gross carrying value as of March 31, 2020	12.29	38.84	96.75	2,416.95	10.78	10.26	138.04	2,723.91
Additions during the year	-	-	-	45.55	2.04	0.24	7.89	55.72
Deletions during the year	-	-	-	-	-	-	34.01	34.01
Gross carrying value as of March 31, 2021	12.29	38.84	96.75	2,462.50	12.82	10.50	111.92	2,745.62
Accumulated Depreciation as of March 31, 2020	-	30.71	44.12	799.03	8.83	6.70	96.65	986.04
Depreciation	-	0.49	2.87	79.06	0.61	1.82	8.00	92.85
Accumulated Depreciation on deletions	-	-	-	-	-	-	27.01	27.01
Accumulated Depreciation as of March 31, 2021	-	31.20	46.99	878.09	9.44	8.52	77.64	1,051.88
Carrying value as of March 31, 2021	12.29	7.64	49.76	1,584.41	3.38	1.98	34.28	1,693.74
Carrying value as of March 31, 2020	12.29	8.13	52.63	1,617.92	1.95	3.56	41.39	1,737.87

Note:
 1 Term loans from UBI are secured by way of equitable mortgage of land & building and hypothecation of Plant & Machinery and personal guarantee by Directors of the Company.-
 Refer Note-15

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

	<u>As at 31</u> <u>March 2022</u>	<u>As at 31</u> <u>March 2021</u>			
4 Capital work in progress					
Capital work in progress	256.03	-			
Total	<u>256.03</u>	<u>-</u>			
Note : 4A					
	Amount in CWIP for a period of				
	Less than 1	1-2 years	2-3 years	More than 3	31.03.2022
	year			years	
Particulars					
Project in progress	256.03	-	-	-	256.03
Project Temporarily Suspended	-	-	-	-	-
Total	<u>256.03</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256.03</u>
Note : 4B					
	Amount in CWIP for a period of				
	Less than 1	1-2 years	2-3 years	More than 3	31.03.2021
	year			years	
Particulars					
Project in progress	-	-	-	-	-
Project Temporarily Suspended	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5 Non current financial assets					
	<u>As at 31</u> <u>March 2022</u>	<u>As at 31</u> <u>March 2021</u>			
Investment carried at fair value through profit or loss					
Quoted					
Equity shares of Union Bank of India *	0.08	0.07			
Unquoted					
Equity shares of Gulshan Mercantile	0.63	0.63			
Total	<u>0.71</u>	<u>0.70</u>			
*Disclosure of investment					
	<u>As at 31</u> <u>March 2022</u>	<u>As at 31</u> <u>March 2021</u>			
Aggregate amount of quoted investments	0.22	0.22			
Aggregate market value of quoted investments	0.07	0.06			
Aggregate amount of unquoted investments	-	-			
Aggregate amount of impairment in value of investments	-	-			
6 Non Current Other Financial assets					
Unsecured good					
Security deposite	37.54	37.54			
Total	<u>37.54</u>	<u>37.54</u>			
7 Other non current assets (Unsecured, considered good unless otherwise stated)					
Capital advance	26.13	28.48			
Balances with Government authorities	-	6.77			
Total	<u>26.13</u>	<u>35.25</u>			
8 Inventories	<u>As at 31</u> <u>March 2022</u>	<u>As at 31</u> <u>March 2021</u>			
Raw materials	553.79	297.83			
Work-in-process	12.83	7.76			
Finished goods	66.60	67.45			
Stores and spare parts	127.00	111.50			
Others*	102.33	38.15			
	<u>862.55</u>	<u>522.69</u>			

*Others include Chemicals, Packing Material & Fuel

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

	<u>As at 31 March 2022</u>	<u>As at 31 March 2021</u>
9 Trade receivables		
Unsecured		
(i) Undisputed - considered good	1,781.30	1,370.05
(ii) Undisputed - which have significant increase in credit risk	-	-
(iii) Undisputed - credit impaired	-	-
(i) Disputed - considered good	-	-
(ii) Disputed - which have significant increase in credit risk	3.46	3.46
(iii) Disputed - credit impaired	-	-
Total	<u>1,784.76</u>	<u>1,373.51</u>

* Please refer Note 36 Related Party disclosure

Note: 9A

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

Note: 9B

Particulars	Outstanding for following periods from due date of payment						31.03.2021
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed - considered good	-	1,264.38	56.61	42.24	6.82	-	1,370.05
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(i) Disputed - considered good	-	-	-	-	-	-	-
(ii) Disputed - which have significant increase in credit risk	-	-	-	-	-	3.46	3.46
(iii) Disputed - credit impaired	-	-	-	-	-	-	-

	<u>As at 31 March 2022</u>	<u>As at 31 March 2021</u>
10 Cash and cash equivalents		
Cash on hand	2.11	8.60
Cheque on hand	1.08	10.00
Balance with bank	0.08	1.34
	<u>3.27</u>	<u>19.94</u>

	<u>As at 31 March 2022</u>	<u>As at 31 March 2021</u>
11 Bank balances other than cash and cash equivalents		
Margin money deposited*	49.16	0.80
	<u>49.16</u>	<u>0.80</u>

* Margin money held with banks for F.Y. 2021-22 Rs. 0.80 lakhs against pollution and Rs. 48.36 against letter of credit and bank guarantee and for F.Y. 2020-21 Rs. 0.80 lakhs against pollution.

	<u>As at 31 March 2022</u>	<u>As at 31 March 2021</u>
12 Other current assets (Unsecured, considered good unless otherwise stated)		
Prepaid expenses	2.95	2.73
Advances to suppliers	10.46	2.34
Others	1.76	6.22
Total	<u>15.17</u>	<u>11.29</u>

(Amounts in INR Lakhs, unless otherwise stated)

13 Share capital**Authorised share capital****Equity shares of INR 10 each**

As at 31 March 2021

Increase during the year

As at 31 March 2022

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

Issued share capital**Equity shares of INR 10 each issued, subscribed and fully paid up**

As at 31 March 2021

Shares issued during the year

As at 31 March 2022

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

Terms/rights attached to equity shares

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

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

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

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

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number (lakhs)	% Holding	Number (lakhs)	% Holding
Equity shares of INR 10 each				
Shri Arjun Kumar Agarwal	2.49	6.46%	2.49	6.46%
Shri Amit Bindal	7.06	18.31%	7.06	18.31%
Smt. Archana Agarwal	1.97	5.11%	1.97	5.11%

13 B Details of shareholders of promoters in the Company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021		% Change during the year
	Number (lakhs)	% Holding	Number (lakhs)	% Holding	
Equity shares of INR 10 each					
Shri Arjun Kumar Agarwal	2.49	6.46%	2.49	6.46%	-
Smt. Archana Agarwal	1.97	5.11%	1.97	5.11%	-
Shri Abhinav Aggarwal	1.12	2.91%	1.12	2.91%	-
M/s Arjun Agarwal & Sons	0.80	2.08%	0.80	2.08%	-

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

(Amounts in INR Lakhs, unless otherwise stated)

14 Other equity	As at 31 March 2022	As at 31 March 2021
14.1 Security premium		
Opening balance	112.00	112.00
Addition/Reduction during the year	-	-
Closing balance	112.00	112.00
14.2 General reserve		
Opening balance	39.01	39.01
Addition/Reduction during the year	-	-
Closing balance	39.01	39.01
14.3 Equity component of financial instruments		
Opening balance	20.15	20.15
Addition/Reduction during the year	-	-
Closing balance	20.15	20.15
14.4 Retained earning		
Statement of Profit & Loss		
Opening balance	547.20	373.85
Profit for the year	158.84	173.36
Closing balance	706.04	547.21
Grand Total	877.20	718.37

(Amounts in INR Lakhs, unless otherwise stated)

15 Long term borrowings	As at 31 March 2022	As at 31 March 2021
(Secured)		
Term loans from banks	245.24	195.76
	(a) 245.24	195.76
(Unsecured)		
From directors and their relatives	154.11	83.31
	(b) 154.11	83.31
Total long-term borrowings	(a+b) 399.35	279.07

Notes:

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

Term Loan from Banks**Security:**

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

Other information:**From Union Bank of India (Original loan Amount 49.00 lacs)**

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

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

At the rate of 7.50 % p.a. (Previous year 11.85 % p.a.) Repayable in 60 Monthly installments of 4.16 lacs each starting from April 2019.

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

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

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

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

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

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

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

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

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

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

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

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

Security:

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

16 Provisions

	As at 31 March 2022	As at 31 March 2021
Provision for gratuity (Refer note 32)	37.51	34.96
Total	37.51	34.96

(Amounts in INR Lakhs, unless otherwise stated)

17 Deferred tax liabilities (net)

	<u>As at 31</u> <u>March 2022</u>	<u>As at 31</u> <u>March 2021</u>
Deferred tax liabilities		
Property, plant & equipment: Impact of differences between tax depreciation charged as per Financial Reporting	(a) 235.14	227.45
Compound financial instruments	11.69	11.69
	<u>246.83</u>	<u>239.14</u>
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	11.30	11.09
	<u>11.30</u>	<u>11.09</u>
MAT Credit Entitlement		
MAT credit entitlement	(c) 110.74	128.42
	<u>110.74</u>	<u>128.42</u>
Total	(a-b-c) 124.79	99.63

Income Tax

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

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

	<u>As at 31</u> <u>March 2022</u>	<u>As at 31</u> <u>March 2021</u>
Current income tax:		
Current income tax charge	50.90	39.65
Less: MAT credit entitlement	17.69	(37.43)
Deferred tax:		
Relating to origination and reversal of temporary differences	6.19	55.52
Income tax expense reported in the statement of profit or loss	74.78	57.74

OCI section

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

	<u>As at 31</u> <u>March 2022</u>	<u>As at 31</u> <u>March 2021</u>
Net loss/(gain) on remeasurements of defined benefit plans	(1.29)	(0.97)
Income tax charged to OCI	(1.29)	(0.97)

	<u>As at 31</u> <u>March 2022</u>	<u>As at 31</u> <u>March 2021</u>
Accounting profit before tax	229.95	228.33
Non deductible income for tax purposes:		
Taxable Profit	229.95	228.33
Add: 1/5 of Equity component of compound financial instruments	-	4.03
At India's statutory income tax rate of 27.82% (31 March 2021: 16.692%)	63.97	38.79
Non deductible expenses for tax purposes:		
Depreciation expenses (net)	(10.41)	-
Gratuity	2.93	-
Other non deductible expenses	0.25	-
Adjustments in respect of current income tax of earlier years	11.85	0.86
MAT credit Entitlement	-	(37.43)
Deferred tax expenses reported in the statement of profit and loss*	6.19	55.52
At the effective income tax rate	74.78	57.74
Income tax expense reported in the statement of profit and loss	56.74	38.79
Deferred tax expenses reported in the statement of profit and loss	6.19	55.52
Current income tax of earlier years	11.85	0.86
Less: MAT credit entitlement	-	(37.43)
	<u>74.78</u>	<u>57.74</u>

(Amounts in INR Lakhs, unless otherwise stated)

18 Short term borrowings

	As at 31 March 2022	As at 31 March 2021
Secured		
Working capital loan from bank*	400.33	464.47
Current maturities of long term debt	91.08	121.64
Total	491.41	586.11

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

19 Trade payables

	As at 31 March 2022	As at 31 March 2021
Trade Payable		
(i) MSME	-	-
(ii) Others	2,001.77	1,391.17
(iii) Disputed dues-MSME	-	-
(iv) Disputed dues-Others	-	-
Total	2,001.77	1,391.17

Note: 9A

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

Note: 9B

Particulars	Outstanding for following periods from due date of					31.03.2021
	Not due	Less than 1 year	1-2 year	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	1,221.34	43.37	23.11	103.36	1,391.18
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-

20 Other current financial liabilities

	As at 31 March 2022	As at 31 March 2021
Interest accrued and due on borrowings	-	0.51
Salaries & wages payable	60.62	34.25
Cheque payable	113.37	29.65
Other payable	64.99	24.86
Total	238.98	89.27

21 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advance from customers	13.18	16.24
Statutory dues (including provident fund, esi, gst, tax deducted at source and tax collected at source)	84.32	72.10
Total	97.50	88.34

22 Provisions

	As at 31 March 2022	As at 31 March 2021
Provision for gratuity (Refer note 32)	10.93	7.91
Total	10.93	7.91

23 Current tax liability (net)

	As at 31 March 2022	As at 31 March 2021
Income tax	8.33	15.13
Total	8.33	15.13

(Amounts in INR Lakhs, unless otherwise stated)

24 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products		
Manufacturing	10,486.72	7,279.01
Trading	329.59	135.39
Total	10,816.31	7,414.40

A. Contract balances

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

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables *	1,784.76	1,373.51
Contract liabilities		
Advances from customers (Refer Note no 21)	13.18	16.24

B. Reconciliation of revenue recognised with contract price:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue as per contracted price	10,816.31	7,414.40
Total	10,816.31	7,414.40

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

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers (Refer Note no 21)	13.18	16.24

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.

25 Other income

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income		
- on fixed deposit with banks	2.07	2.44
Dividend received	0.08	-
Unclaimed balance written back	87.89	24.70
Profit on sale of property, plant & equipment	-	0.56
Other income	1.56	0.01
Total	91.60	27.71

26 Cost of raw material and components consumed

	For the year ended 31 March 2022	For the year ended 31 March 2021
Cost of raw materials (Waste paper)	6,917.27	4,514.88
Other components consumed		
Chemicals	531.76	311.84
Packing material	158.00	108.28
Stores & spares	286.66	200.93
Power & fuel	1,709.06	1,390.49
Repairs - plant & machinery	63.19	35.26
ETP running expenses	20.92	21.35
Total	9,686.86	6,583.03

(Amounts in INR Lakhs, unless otherwise stated)

27 Purchase of traded goods	For the year ended 31 March 2022	For the year ended 31 March 2021
Waste Paper	328.40	-
Total	328.40	-
28 (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening stock		
Finished goods	67.45	66.44
Stock in process	7.76	7.39
Scrap	16.50	16.00
Total (a)	91.71	89.83
Closing stock		
Finished goods	66.60	67.45
Stock in process	12.83	7.76
Scrap	17.00	16.50
Total (b)	96.43	91.71
Total (a) - (b)	(4.72)	(1.88)
29 Employee benefits expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	194.99	183.00
Contribution to provident and other funds	13.00	10.61
Gratuity	10.53	9.86
Total	218.52	203.47
30 Finance costs	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on:		
- term loans	29.76	35.54
- bank borrowings & others	43.17	52.16
- unsecured borrowings	12.85	14.47
Total	85.78	102.17
Less: Amount included in capital work in progress	2.85	-
	82.93	102.17

(Amounts in INR Lakhs, unless otherwise stated)

31 Other expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Printing & stationery	0.34	0.38
Communication expenses	2.79	3.09
Insurance charges	3.24	2.08
Legal expenses	0.36	0.98
Professional charges	4.77	2.82
Bank charges	3.99	4.42
Rates & taxes	11.46	10.60
Payment to auditors	1.50	1.50
Security service charges	8.60	7.27
Vehicle running & maintenance	22.99	11.76
Irrecoverable advance written off	1.26	-
General expenses	2.32	3.54
Bad debts	2.00	-
Sales promotion expenses	1.20	-
Commission on sales	79.16	82.41
Freight outward & loading charges	125.21	103.29
Total	271.19	234.14

Detail of Payment to Auditors

	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
Audit fee	1.25	1.25
Tax audit fee	0.25	0.25
Total	1.50	1.50

32 Earnings per share (EPS)

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit/(loss) for calculation of basic EPS	155.17	170.59
Weighted average number of equity shares in calculating basic EPS	38.55	38.55
Basic earnings/(loss) per share	4.03	4.43
Net profit/(loss) for calculation of diluted EPS	155.17	170.59
Weighted average number of equity shares for calculating diluted EPS	38.55	38.55
Diluted earnings/(loss) per share	4.03	4.43
	No. of shares	No. of shares
Weighted average number of equity shares in calculating basic EPS	38.55	38.55
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS	38.55	38.55

Shakumbhri Pulp And Paper Mills Limited

(Amounts in INR Lakhs, unless otherwise stated)

33 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- 28)

Particulars	2021-22	2020-21
Contribution to provident & other fund	13.00	10.61
Total	13.00	10.61

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 2022	For the year ended 31 March 2021
Net employees benefit expense recognised in employee cost		
Current service cost	7.85	7.56
Interest cost on benefit obligation	2.69	2.30
Net benefit expense recognised in profit & loss	10.54	9.86

Balance sheet

	As at 31 March 2022	As at 31 March 2021
Benefit asset/(liability)		
Present value of unfunded obligation	(48.44)	(42.87)
Fair value of plan assets	-	-
Net liability	(48.44)	(42.87)

Changes in the present value of the defined benefit obligation

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening defined benefit obligation	42.87	36.75
Current service cost	7.85	7.56
Interest cost	2.69	2.30
Past service cost	-	-
Benefit paid	-	-
Actuarial (gains)/ losses on obligation	(4.96)	(3.74)
Closing defined benefit obligation	48.44	42.87

Shakumbhri Pulp And Paper Mills Limited

(Amounts in INR Lakhs, unless otherwise stated)

Closing defined benefit obligation

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

The principal assumptions used in determining gratuity obligation

	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate	7.25%	6.90%
Salary escalation	8.00%	8.00%
Rate of employee turnover	2.00%	2.00%
Retirement age	60 Years	
Mortality table	100% of IALM (2012-2014)	
Average withdrawal rate	Withdrawal Rate	Withdrawal Rate
a) Upto 25 years	5.00%	5.00%
b) From 26 to 35 years	3.00%	3.00%
b) From 36 to 45 years	2.00%	2.00%
c) Above 45 years	1.00%	1.00%

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

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

Particulars	Change in assumptions	For the year ended 31 March 2022	For the year ended 31 March 2021
Defined benefit obligation based on current assumptions		48.44	42.87
Discount rate	+0.50%	1.96	1.86
	-0.50%	(2.13)	(2.03)
Salary escalation	+0.50%	(1.58)	(1.32)
	-0.50%	1.33	1.45
Employee Turnover	+1%	-	-
	-1%	-	-

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

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

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

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

Projected plan cash flows:

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

Shakumbhri Pulp And Paper Mills Limited (Amounts in INR Lakhs, unless otherwise stated)				
	For the year ended 31 March 2022		For the year ended 31 March 2021	
<u>Maturity Profile</u>				
Within next 12 months	10.93		7.91	
Between 2 and 5 years	13.20		8.55	
Between 5 and 10 years	17.57		18.95	
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				
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.				
34 Financial instruments-fair values and accounting classification				
Set out below, are the fair values of the financial instruments of the Company, including their accounting classification;				
Financial assets	As at 31 March 2022		As at 31 March 2021	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Investment	0.71	-	0.70	-
Security deposits	37.54	-	37.54	-
Trade receivables	1,784.76	-	1,373.51	-
Cash and cash equivalents	3.27	-	19.94	-
Bank Balance other than cash & cash equivalent	49.16	-	0.80	-
Total	1,875.44	-	1,432.49	-
Financial liabilities				
Term loans (Secured)	245.24	-	195.76	-
Loans from directors & relative (Unsecured)	154.11	-	83.31	-
Short-term borrowings	400.33	-	464.47	-
Current maturities of long term debt	91.08	-	121.64	-
Trade payables	2,001.77	-	1,391.17	-
Interest accrued and due on borrowings	-	-	0.51	-
Salaries & wages payable	60.62	-	34.25	-
Cheque payable	113.37	-	29.65	-
Other payable	64.99	-	24.86	-
Total	3,131.51	-	2,345.62	-

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

Financial Instruments-Fair value hierarchy

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

- i) Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities
- ii) Level 2 Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the financial asset or financial liabilities.
- iii) Level 3 Inputs are unobservable input for the assets or liability reflecting the significant modifications to observable related market data or company's assumptions about pricing by market participants.

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

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

Particulars	Level of the Fair Value	As at 31 March 2022		As at 31 March 2021	
		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	0.71	0.71	0.70	0.70
Security deposits	Level 3	37.54	37.54	37.54	37.54
Trade receivable	Level 3	1,784.76	1,784.76	1,373.51	1,373.51
Financial liabilities not measured at fair value					
Measured at amortised cost					
Cash and cash equivalents	Level 3	3.27	3.27	19.94	19.94
Bank balance other than cash and cash equivalent	Level 3	49.16	49.16	0.80	0.80
Total		1,875.44	1,875.44	1,432.49	1,432.49
Financial liabilities not measured at fair value					
Measured at amortised cost					
Term loans (Secured)	Level 3	245.24	245.24	195.76	195.76
Loans from directors & relatives (Unsecured)	Level 3	154.11	154.11	83.31	83.31
Total		399.35	399.35	279.07	279.07
Short term borrowings					
Current maturities of long term debt	Level 3	400.33	400.33	464.47	464.47
	Level 3	91.08	91.08	121.64	121.64
Trade payables					
	Level 3	2,001.77	2,001.77	1,391.17	1,391.17
Financial liabilities (Current) Others					
Interest accrued and due on borrowings	Level 3	-	-	0.51	0.51
Salaries & wages payable	Level 3	60.62	60.62	34.25	34.25
Cheque payable	Level 3	113.37	113.37	29.65	29.65
Other payable	Level 3	64.99	64.99	24.86	24.86
Total		3,131.51	3,131.51	2,345.62	2,345.62

Shakumbhri Pulp And Paper Mills Limited

(Amounts in INR Lakhs, unless otherwise stated)

Notes:

- i) Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short term maturities of their instrument.
- ii) Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities have fair value that approximate to their carrying amounts due to their short-term nature.
- iii) There are no transfer between Level 1, Level 2, and Level 3 during the year ended 31 March 2022 and 31 March 2021.

35 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 2022

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

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

For the year ended 31 March 2021

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

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 2022	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings					
Term loans (Secured)	-	-	245.24	-	245.24
Loans from director & relatives (Unsecured)	-	-	-	154.11	154.11
Short term borrowings					
Working capital loan from bank	-	400.33	-	-	400.33
Other financial liabilities					
Current maturities of long term borrowings'	-	91.08	-	-	91.08
Interest accrued and due on borrowings	-	-	-	-	-
Trade payables					
Trade payables	-	2,001.77	-	-	2,001.77

For the year ended 31 March 2021	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings					
Term loans (Secured)	-	-	195.76	-	195.76
Loans from directors & relatives (Unsecured)	-	-	-	83.31	83.31
Short term borrowings					
Working capital loan from bank	-	464.47	-	-	464.47
Other financial liabilities					
Current maturities of long term borrowings'	-	121.64	-	-	121.64
Interest accrued and due on borrowings	-	0.51	-	-	0.51
Trade payables					
Trade payables	-	1391.17	-	-	1,391.17

36 Market Risk

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

Shakumbhri Pulp And Paper Mills Limited

(Amounts in INR Lakhs, unless otherwise stated)

(a) Foreign currency risk exposure:

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

Particulars	As at 31 March 2022	As at 31 March 2021
	USD	USD
Financial assets		
Trade receivables	-	-
Net exposure to foreign currency risk (assets)	-	-
Financial liabilities		
Trade payables	-	-
Net exposure to foreign currency risk (liability)	-	-

(b) Sensitivity

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

	Impact on Profit after Tax	
	For the year ended 31 March 2022	For the year ended 31 March 2021
USD Sensitivity		
INR/USD -Increase by 5% (31 March 2019-5%)	-	-
INR/USD -Decrease by 5% (31 March 2018-5%)	-	-

(c) Interest rate risk exposure:

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

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings		
Term loan from banks	245.24	195.76
Total	245.24	195.76

(d) Sensitivity

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

Particular	Impact on profit after tax	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest rates – increase by 50 basis points*	1.79	0.39
Interest rates – decrease by 50 basis points*	(1.79)	(0.39)
Total		

* Holding all other variable constant

Shakumbhri Pulp And Paper Mills Limited

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

Contingent liabilities

Commercial tax

	As at 31 March 2022	As at 31 March 2021
	-	3.85

Commitment

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	155.54	45.62
--	--------	-------

38 Value of Imports (C.I.F.) Value in respect of

Particulars

(a) Raw materials

(b) Stores & spare parts

(c) Plant & machinery

Expenditure in foreign currency

Remittance in foreign currency

Earning in foreign currency

	As at 31.03.2022	As at 31.03.2021
(a) Raw materials	326.58	196.35
(b) Stores & spare parts	-	-
(c) Plant & machinery	-	-
Expenditure in foreign currency	-	-
Remittance in foreign currency	-	-
Earning in foreign currency	-	-

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Amount	PERCENTAGE	Amount	PERCENTAGE
1. Raw Material				
Indigenous	6,485.22	93.75%	4,349.08	96.33%
Imported	432.05	6.25%	165.80	3.67%
Total Rs.	6,917.27	100.00%	4,514.88	100.00%
2. Stores & Spares (Indigenous)	286.66	100.00%	200.93	100.00%
3. Chemical (Indigenous)	531.76	100.00%	311.84	100.00%
4. Packing Material (Indigenous)	158.00	100.00%	108.28	100.00%

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

The bifurcation of the total outstanding dues of Micro & Small enterprises under MSMED Act, 2006 and other than Micro & Small enterprises undertakings as well as the name Micro & Small enterprises, undertaking to whom the company owes a sum of exceeding rupees one lacs and which is outstanding for more than thirty days, are not disclosed in the Balance Sheet as suppliers have not indicated their status on their documents/papers whether they are Micro & Small scale undertaking or not hence it is not possible for the company to disclose the said information in respect of trade creditors.

Shakumbhri Pulp And Paper Mills Limited
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41 Related Party Disclosure

Related Parties names and relationship

Name of Party	Principal Place of Operation	Principal Activities	Relation
Shri Ayush Agarwal	India	Investing	Key Management Personnel
Shri Chirag Garg	India	Investing	Key Management Personnel
Smt. Ayushi Gupta	India	Company Secretary	Key Management Personnel
Shri Girish Kumar Aggarwal	India	Investing	Key Management Personnel
Shri Arjun Kumar	India	Investing	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
Smt. Disha Agarwal	India	Investing	Relative of Key Management Personnel
Smt. Saraswati Devi	India	Investing	Relative of Key Management Personnel
Shri Anil Kumar	India	Investing	Relative of Key Management Personnel
Smt. Surbhi	India	Investing	Relative of Key Management Personnel
Shri Sunil Garg	India	Investing	Relative of Key Management Personnel
Shri Vikhyat Agarwal	India	Salary	Relative of Key Management Personnel
Shri Abhinav Agarwal	India	Salary	Relative of Key Management Personnel
Shri Ambrish Agarwal	India	Salary	Relative of Key Management Personnel

Companies/firms controlled by directors/relatives

ACS Papers Pvt. Ltd., Delhi
 ACS Papers Pvt. Ltd., Muzaffarnagar
 Aviana Enterprises
 Ginny Enterprises
 Bindlas Merchandise
 Vas Enterprises Pvt. Ltd.
 Girish Kumar & Sons (HUF)

Shakumbhri Pulp And Paper Mills Limited
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Related parties transaction and balance

Name of the Related Parties and Relationship	Key Management personnel		Companies controlled by Directors / Relatives	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Unsecured Loans repayment	-	-	0.76	17.03
Unsecured Loans received	10.00	8.00	50.00	-
Interest paid	9.89	9.92	2.95	4.55
Salary paid	14.64	31.97	45.60	48.78
Sale	-	-	1,328.48	857.98
Purchase	-	-	6,413.31	3,112.02
Closing Balance				
Unsecured Loan	71.89	52.98	82.22	30.33
Trade receivable	-	-	290.12	-
Trade payable	-	-	1,102.38	470.50
Other payable	4.65	0.45	19.92	12.36

42 Segment Reporting

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

Details of Revenue from Single Customer more than 10%

There is no revenue from single customer which exceeds the 10% of the total revenue of the company for the FY 2021-22

Non Current Assets	As at March 31, 2022	As at March 31, 2021
(Other than financial instruments; post employment benefits; deferred tax assets; and right arising under insurance contracts)		
Within India	26.13	35.25
Outside India	-	-

43 Capital management

(a) Risk management

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

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

Shakumbhri Pulp And Paper Mills Limited

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

The company's gearing ratio were as follows:

Particular	As at 31 March 2022	As at 31 March 2021
Net debt	887.49	967.39
Total equity	1,262.70	1103.87
Net debt to equity ratio	70%	88%

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.

44 Other Statutory Information

- (i) The title deeds of all the immovable properties disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.
- (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.
- (iv) The company has disclosed capital work in progress as on 31.03.2022.
- (v) The Company does not have any intangible assets under development during the current and previous year reporting period.
- (vi) The Company does not hold any Benami Property and hence there were no proceedings initiated or pending against the Company for holding any benami property under the Benami Property Transactions Act, 1988 and the Rules made there under.
- (vii) The company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (viii) The company is not declared willful defaulter by any bank or financial institution or other lender during the year.
- (ix) Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

	31.03.2022	31.03.2021
(a) Transactions other than shareholding with struck off Companies	NIL	NIL
(b) On the basis of information available, details of shares held by struck off company (Face value of ₹ 10) are as under:-		

Name of the Struck off Company	Nature of Transaction with Struck-off company	No. of Shares 31.03.2022	No. of Shares 31.03.2021
Opel Engineers And Fabricators Pvt.Ltd.	Share held by struck off company	30000	30000
Roopam Fabrics Pvt Ltd	Share held by struck off company	30000	30000
Shree Jee Wireless Private Limited	Share held by struck off company	30000	30000
Jagdamba Cement Company Private Limited	Share held by struck off company	20000	20000

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

Shakumbhri Pulp And Paper Mills Limited

(Amounts in INR Lakhs, unless otherwise stated)

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

45 Financial Ratio Analysis

Type of Ratios	Formula	31.03.2022	31.03.2021	Variance	Reason for variance
		Ratio	Ratio		
(a) Current Ratio	Current Assets / Current Liabilities	0.95	0.89	7.64%	
(b) Debt Equity Ratio	Total Debt / Shareholders' Equity	0.71	0.78	-10.00%	
(c) Debt Service Coverage Ratio	EBITDA / (Interest + Installments)	1.80	3.59	-49.82%	Decrease in ratio due to higher repayment and lower profitability led to reduction in debt service available
(d) Return on Equity Ratio	PAT / Equity Shareholders' Fund	12.29%	15.45%	-20.49%	
(e) Inventory Turnover Ratio	Sales / Average Inventory	15.62	11.43	36.64%	Increase in ratio due to increase in turnover
(f) Trade Receivable Turnover Ratio	Net Credit Sales / Average Trade Receivables	6.85	6.09	12.41%	
(g) Trade Payable Turnover Ratio	Net Credit Purchase/Average Trade Payables	5.81	4.17	39.30%	Increase in ratio due to increase in purchase cost and reduction in average payment period
(h) Net Capital Turnover Ratio	Sales / Working Capital	(80.71)	(29.69)	171.83%	Due to increase in turnover and increase in working capital
(i) Net Profit Ratio	Net Profit (PAT)/Sales	1.43%	2.30%	-37.65%	Decrease in ratio due to decrease in profit margin and increase the turnover
(j) Return on Capital Employed	EBIT / Capital Employed	13.73%	15.98%	-14.04%	
(k) Return on Investment	Income on Invesement / Investment	10.68%	0.00%	100.00%	Increase in ratio due to non receipt of dividend in previous year.

Shakumbhri Pulp And Paper Mills Limited
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46 Notes to accounts

- (a) Balances of trade receivables, trade payable and advances as at 31st March, 2022 are subject to confirmation.
(b) Previous year figures have been re-arranged and re-grouped wherever necessary.

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

As per our report of even date

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

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

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

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

Sd/-
Director
(Arjun Kumar)
DIN- 02614019

Place: Muzaffarnagar
Date: 30.05.2022
UDIN:22077650ALWNIH7447

Sd/-
CFO
(Chirag Garg)
PAN : AJYPG1223A

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

SHAKUMBHRI PULP AND PAPER MILLS LIMITED

4.5 KM BHOPA ROAD MUZAFFARNAGAR

UTTAR PRADESH UP 251001 IN