

**INDEPENDENT AUDITOR'S REPORT**

**To The Members of Naini Papers Limited**

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of Naini Papers Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2025 and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) 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 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 (ICAI) 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 opinion on financial statements.

**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 obtained at the date of this auditor's report is information included in the Director's Report, Chairman's statement, but does not include the Ind AS financial statements and our auditor's report thereon.
- Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### **Responsibilities of management and Those Charged with Governance for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements, 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 Ind AS Financial Statements**

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





**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, to the extent applicable.
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 purposes 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, the 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these 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 other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No. 3.37 to the Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

The Company is maintaining the audit trail feature throughout the year in the accounting software used for recording financial transactions. The audit trail functionality, where applicable, has been appropriately configured and consistently retained,

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software(s) for the period for which the audit trail feature was operating.



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In accordance with the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, relating to the preservation of the audit trail, the Company has also retained the audit trail for the previous financial year, as required under the said Rule.

**For Nangia & Co. LLP**  
**Chartered Accountants**  
**ICAI FRN 002391C/N500069**

*Prateek Agrawal*

**Prateek Agrawal**  
Partner  
Membership No. 402826



Signed at Gurugram on August 18, 2025  
UDIN: 25402826BMJBHS1722

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

[Refer to in our separate report of even date]

Annexure referred to under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of **Naini Papers Limited** on the financial statements for the year ended on March 31, 2025 and based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, we report that:

- I In respect of the Company's Property, Plant and Equipment and Intangible Assets
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have not been physically verified by the management during the year, hence, we are unable to comment on the discrepancies, if any.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in Note No. 3.01 to the financial statements are held in the name of the company except immovable properties as indicated in the below mentioned cases: as at March 31, 2025 for which title deeds were not available with the Company and hence we are unable to comment on the same.

Description of Property	Gross carrying Value (in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of the company
Freehold Land	519.33	Naini Tissues Limited	No	01-04-2020	Merger
Land on Lease	7.14	Naini Tissues Limited	No	01-04-2020	Merger
Building	1418.03	Naini Tissues Limited	No	01-04-2020	Merger
Building	29.72	Naini Tissues Limited	No	01-04-2020	Merger
Land	24.77	Deshraj Singh, Thakri Singh, Jhandu Singh, Mahaveer Singh, Rajveer Singh	No	26-03-2024	Regulatory Process in Progress



Description of Property	Gross carrying Value (in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of the company
Land	37.55	Gurmeet Singh	No	20-07-2018	Regulatory Process in Progress
Land	7.15	Chote Singh	No	30-04-2019	Regulatory Process in Progress
Land	20.44	Naubat Singh	No	03-09-2019	Regulatory Process in Progress
Land	2.59	Sharad Kumar	No	13-02-2019	Regulatory Process in Progress

- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- (e) As confirmed by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- II (a) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations and there are no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the monthly returns or statements filed by the company with such banks are in agreement with the books of account of the company – Refer Note No. 3.52 to the Ind AS financial statements.
- III According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has not made any investments provided guarantee or security or granted any advance in the nature of loan, secured or unsecured to Company, Firm, limited liability partnership or any other parties during the year. Accordingly, the requirement to report on clause 3(iii)(a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.



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The Company has however granted unsecured loans to its employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loan to its employees are as per the table given below:

Particulars	Nature of Transactions	Aggregate amount of Loan granted / investment made during the year (In Lakhs)	Balances outstanding as at Balance Sheet date of these cases (In Lakhs)
Loan to Employees	Loan as per Company Policy	1990.13	821.53

The terms and conditions of loans granted by the Company to its employees, are prejudicial to the Company's interest on account of the fact that the Company has granted unsecured loans to its employees, however, the Company does not have any formal policy in place governing the grant of such loans and the loan provided without obtaining requisite approvals as required under section 186 of the Companies Act 2013 and the loans have been granted without charging any interest from the employees which is not as per prevailing yield of government security closest to the tenor of the loan.

IV According to the information and explanation given to us and as per record examination by us, the Company has given loans to Directors / to a Company as disclosed in Note No. 3.06 to the financial statements in which the Director is interested and which is not in compliance with section 185 of the Companies Act, 2013 and the details are tabulated below:

S. No.	Name of party to whom Company advanced any loan or loan represented by a book debt or given any guarantee or provided any security in connection with any loan taken by him or such other person.	Nature of non-compliance	Maximum Amount outstanding during the year (In Lakhs)	Rs.	Balance as at Balance sheet date (In Rs. Lakhs)	Remarks, if any
1	Mayank Agarwal - Director	Loan to Director/ Shareholder and is not in accordance with the scheme approved by members in special resolution	10.00		10.00	Loan given in 2019
2	Preeti Agarwal - Shareholder of the company and Sister of Director	Loan to Relative of Director/ Shareholder and is not in accordance with the scheme approved by members in special resolution	22.65		22.65	Loan given in 2013



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S. No.	Name of party to whom Company advanced any loan or loan represented by a book debt or given any guarantee or provided any security in connection with any loan taken by him or such other person.	Nature of non-compliance	Maximum Amount outstanding during the year		Balance as at Balance sheet date		Remarks, if any
			(In Lakhs)	Rs.	(In Lakhs)	Rs.	
3	Monika Agarwal - Shareholder of the company and Sister of Director	Loan to Relative of Director / Shareholder and is not in accordance with the scheme approved by members in special resolution		6.25		-	Loan given in 2022
4	Ruchi Agarwal - Shareholder of the company and Sister of Director	Loan to Relative of Director / Shareholder and is not in accordance with the scheme approved by members in special resolution		0.82	0.82		Loan given in 2022

The Company has not made any investments and has not given any loans /guarantees/ provided security to which the provisions of section 186 apply and hence not commented upon.

- V The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- VI Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- VII In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of records, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. Although, there have been slight delay have been noticed in depositing the statutory liabilities in few months.



There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, the dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, except as below:

Nature of the Statute	Nature of the Dues	Amount (In Rs. Lakhs)	Amount Unpaid (In Rs. Lakhs)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	274.90	250.89	2011 - 2016	CESTAT
Value Added Tax Act, 2005	State Tax	11.90	9.43	2013 - 2015	Trade Tax Tribunal
CGST Act 2017	GST	7.79	7.04	2017 - 2018	Commissioner (Appeals)
CGST Act 2017	GST	55.99	50.92	2018 - 2019	Commissioner (Appeals)
CGST Act 2017	GST	203.75	203.75	2017-2018, 2018-2019, 2019-2020	Commissioner (Appeals)
Income Tax Act, 1961	Assessment Unit, Income Tax Department	245.00	245.00	2019-2020	Appellate Authorities
Income Tax Act, 1961	Assessment Unit, Income Tax Department	18.70	18.70	2019-2020	Appellate Authorities
Income Tax Act, 1961	Additional / Joint / Deputy / Assistant Commissioner of Income Tax	1.73	1.73	2011-12	Appellate Authorities
Income Tax Act, 1961	Additional / Joint / Deputy / Assistant Commissioner of Income Tax	8.65	8.65	2015-16	Appellate Authorities
Income Tax Act, 1961	ITAT	9.23	9.23	2016-17	Appellate Authorities
Income Tax Act, 1961	Income Tax	10.58	10.58	2017-2018, 2020-2021, 2008-2009	Appellate Authorities

Note: During the year/previous years, the Company has deposited INR 32.81 Lakhs under protest in for the cases under dispute and the same is appearing under Note No. 3.08 of the Financial Statement.



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- VIII As confirmed by the management, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- IX (a) As explained to us, the Company has not defaulted in repayment of loans and other borrowings and in repayment of interest thereon to any lender.
- (b) As confirmed by the management, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has applied term loans for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and based on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- X (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- XI (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- XII As explained, the Company is not a Nidhi company. Therefore, the provisions of para 3(xii) of the Order are not applicable to the Company.



- XIII In our opinion, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian accounting standards – Refer Note No. 3.42 to the Ind AS financial statements.
- XIV Based on the information and explanation provided to us and our audit procedures, in our opinion, the Company has an internal audit system which is not commensurate with the size of the Company and nature of its business.
- XV In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) (c) and (d) of the Order is not applicable.
- XVII No cash losses has been incurred by the Company in the current financial year as well as in the immediate financial year.
- XVIII The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- XIX On the basis of the financial ratios, ageing and expected dates of realisation 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.



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- (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note No. 3.49 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act.

**For Nangia & Co. LLP**  
**Chartered Accountants**  
**ICAI FRN 002391C/N500069**

*Prateek Agrawal*

**Prateek Agrawal**  
Partner  
Membership No. 402826



Signed at Gurugram on August 18, 2025  
UDIN: 25402826BMJBHS1722

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

[Refer to in our separate report of even date]

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 **Naini Papers Limited ("the Company")** as of March 31, 2025 in conjunction with our audit of 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. 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 as specified 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 was 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 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 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 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 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 March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Nangia & Co. LLP**  
**Chartered Accountants**  
**ICAI FRN 002391C/N500069**

*Prateek Agrawal*

**Prateek Agrawal**  
Partner,  
Membership No. 402826



Signed at Gurugram on August 18, 2025  
UDIN: 25402826BMJBHS1722

**NAINI PAPERS LIMITED**  
(CIN - U21090UR1995PLC033469)  
Balance Sheet as at 31st March, 2025

(Rs. In Lacs)

Particulars	Note No.	As at March 31st, 2025	As at March 31st, 2024
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipments	3.01	2,06,203.92	89,710.51
Right of Use Assets	3.01	200.37	56.46
Capital Work-in-Progress	3.02	9.84	20,454.04
Intangible Assets	3.03	159.71	219.52
Investment Properties	3.04	74.37	75.74
Financial Assets			
i. Loans	3.06	33.47	41.40
ii. Other Financial Assets	3.07	1,156.09	1,296.04
Other Non-Current Assets	3.08	1,318.77	14,819.20
<b>Total Non-Current Assets</b>		<b>2,09,156.54</b>	<b>1,26,672.91</b>
<b>Current Assets</b>			
Inventories	3.09	24,780.65	13,673.19
Biological Assets other than bearer plants	3.10	14.14	14.14
Financial Assets			
i. Investments	3.05	-	6,813.97
ii. Trade Receivables	3.11	3,707.93	5,169.87
iii. Cash and Cash Equivalents	3.12	2,437.41	2,010.55
iv. Bank Balance Other than Above	3.13	519.19	1,196.11
v. Loans	3.06	820.89	386.25
vi. Other Financial Assets	3.07	74.18	70.14
Current Tax Assets (net)	3.14	329.50	115.98
Other Current Assets	3.08	6,604.03	1,603.01
<b>ASSETS</b>		<b>39,287.92</b>	<b>31,053.21</b>
<b>Total Assets</b>		<b>2,48,444.46</b>	<b>1,57,726.12</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	3.15	3,822.23	3,822.23
Other Equity	3.16	1,38,334.09	1,29,737.51
		<b>1,42,156.32</b>	<b>1,33,559.74</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	3.17	53,670.27	40.16
i. Lease Liabilities	3.18	150.78	27.75
ii. Other Financial Liabilities	3.19	1,387.01	180.01
Provisions	3.20	807.61	589.09
Deferred Tax Liabilities (net)	3.21	15,330.94	12,960.06
Deferred Revenue	3.22	10,445.17	-
		<b>81,791.78</b>	<b>13,797.07</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	3.17	9,185.44	1,724.11
i. Lease Liabilities	3.18	37.20	3.87
ii. Trade Payables	3.23	-	-
Due to Micro and Small Enterprises		2,024.50	-
Due to other than MSME		9,280.01	4,026.67
iii. Other Financial Liabilities	3.19	3,651.09	4,427.89
Provisions	3.20	318.12	95.62
Current Tax Liabilities (net)	3.24	-	91.15
		<b>24,496.36</b>	<b>10,369.31</b>
<b>Total Equity and Liabilities</b>		<b>2,48,444.46</b>	<b>1,57,726.12</b>

Significant Accounting Policies

2

Notes Forming Part of the Financial Statements

3

The Accompanying Notes are an Integral Part of these Financial Statements.  
In terms of our attached report of even date.

For Nangia & CO. LLP  
Chartered Accountants,  
Firm Registration No. '002391C/N500069

*Prateek Agrawal*

Prateek Agrawal  
Partner  
Membership No. 402826



On behalf of the Board  
For Naini Papers Limited

*Naveen Agarwal*  
Naveen Agarwal  
(DIN - 00481943)  
Executive Director & CFO

*Mayank Agarwal*  
Mayank Agarwal  
(DIN-00505839)  
Executive Director

Place: Kashipur  
Date: August 18, 2025

*Pawan Agarwal*

Pawan Agarwal  
(DIN - 00481900)  
CMD & CEO

*Vivek Singh*  
Vivek Singh  
(M. No. A23721)  
Company Secretary

Place: Kashipur  
Date: August 18, 2025

**NAINI PAPERS LIMITED**  
(CIN- U21090UR1995PLC033469)  
Statement of Profit and Loss for the year ended 31st March, 2025

Particulars	Note No.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(Rs. In Lacs)			
<b>Incomes</b>			
Income from Operations	3.25	89,090.28	96,257.73
Other Income	3.26	297.79	1,271.06
<b>Total Incomes</b>		<b>89,388.07</b>	<b>97,528.79</b>
<b>Expenses</b>			
Cost of Material Consumed	3.27	45,330.60	42,708.63
Changes in Inventory of Work-in-Progress & Finished Goods	3.28	(2,207.56)	(139.71)
Power and Fuel	3.29	12,913.81	12,600.48
Employee Benefit Expenses	3.30	6,327.81	5,472.76
Finance Costs	3.31	237.43	32.84
Depreciation, amortization and impairment	3.01, 3.03, 3.04	5,806.90	5,000.23
Other Expenses	3.32	7,672.30	10,408.04
<b>Total Expenses</b>		<b>76,081.29</b>	<b>76,083.27</b>
<b>Profit Before Tax</b>		<b>13,306.78</b>	<b>21,445.52</b>
Tax Expenses:			
Current Tax (including MAT)	3.36	2,324.96	5,893.13
Earlier Year Tax	3.36	3.95	-
MAT Credit Entitled	3.36	(2,324.96)	-
Deferred Tax	3.36	4,699.48	1,627.52
<b>Total Tax Expenses</b>		<b>4,703.43</b>	<b>7,520.65</b>
<b>Profit/(Loss) for the Period from Continuing Operations</b>		<b>8,603.35</b>	<b>13,924.87</b>
<b>Other Comprehensive Incomes / (expenses) :</b>			
Items that will not be Classified to Profit or Loss :			
Remeasurement of Defined Benefit Plans		(10.41)	(42.74)
Income Tax Effect	3.36	3.64	14.94
<b>Other Comprehensive Income for the Period (Net of Tax)</b>		<b>(6.77)</b>	<b>(27.80)</b>
<b>Total Comprehensive Income for the Year</b>		<b>8,596.58</b>	<b>13,897.07</b>
Earning per Equity Share (Face Value Rs.10/= each)			
Basic (in Rs.)	3.40	22.51	36.43
Diluted (in Rs.)	3.40	22.51	36.43
Significant Accounting Policies	2		
Notes Forming Part of the Financial Statements	3		

The Accompanying Notes are an Integral Part of these Financial Statements,  
In terms of our attached report of even date.

For NANGIA & CO. LLP  
Chartered Accountants,  
Firm Registration No. '002391C/N500069

*Prateek Agrawal*

Prateek Agrawal  
Partner  
Membership No. 402826



On behalf of the Board  
For Naini Papers Limited

*Naveen Agarwal*  
Naveen Agarwal  
(DIN - 00481953)  
Executive Director & CFO

*Mayank Agarwal*  
Mayank Agarwal  
(DIN-00505839)  
Executive Director & COO

Place: Kashipur  
Date: August 18, 2025

*Pawan Agarwal*

Pawan Agarwal  
(DIN - 00481900)  
CMD & CEO

*Vivek Singh*  
Vivek Singh  
(M. No. A23721)  
Company Secretary

Place: Gurugram  
Date: August 18, 2025

**NAINI PAPERS LIMITED**  
**(CIN- U21090UR1995PLC033469)**  
**Statement of Changes in Equity**

(Rs. In Lacs)

**EQUITY SHARE CAPITAL**

Particulars	Balance at the Beginning of the Reporting Year	Changes During the Reporting Year	Balance at the End of the Reporting Year
For the year ended 31.03.2024	3,822.23	-	3,822.23
For the year ended 31.03.2025	3,822.23	-	3,822.23

**OTHER EQUITY**

Particulars	Reserve & Surplus			Other Comprehensive Income		Total
	General Reserve	Capital Reserve	Retained Earnings	Not Re-classifiable to Profit & Loss	Re-classifiable to Profit & Loss	
Opening as on 1st April, 2023	51,194.55	5,678.08	58,937.56	30.26	-	1,15,840.45
Add: Transferred from Statement of Profit and Loss	-	-	13,924.87	-	-	13,924.87
Other Comprehensive Income for the Year	-	-	-	(27.81)	-	(27.81)
<b>Balances as on 31st March, 2024</b>	<b>51,194.55</b>	<b>5,678.08</b>	<b>72,862.43</b>	<b>2.45</b>	<b>-</b>	<b>1,29,737.51</b>
Opening as on 1st April, 2024	51,194.55	5,678.08	72,862.43	2.45	-	1,29,737.51
Add: Transferred from Statement of Profit and Loss	-	-	8,603.35	-	-	8,603.35
Other Comprehensive Income for the Year	-	-	-	(6.77)	-	(6.77)
<b>Balances as on 31st March, 2025</b>	<b>51,194.55</b>	<b>5,678.08</b>	<b>81,465.78</b>	<b>(4.32)</b>	<b>-</b>	<b>1,38,334.09</b>

**Retained earnings:**

This represents the cumulative profits that the company has earned till date, less any transfers to General reserve and can be utilized in accordance with the provisions of the Companies Act, 2013.

**General reserve:**

This Reserve created by an appropriation from one component of Equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

**Capital reserve:**

This represents the excess of net assets purchased over consideration paid against the identifiable assets.

The National Company Law Tribunal, Prayagraj, vide order dated 15th February, 2021, approved the Scheme of Amalgamation of Naini Tissues Limited with the Company with effect from 1st April, 2020 (the appointed date). Accordingly, General Reserve of Rs.31100.00 Lacs, Retained Earnings of Rs.21573.46 Lac and Capital Reserve of Rs. 6418.24 Lac of transferor company as at 1st April, 2020 have been transferred to the respective reserves.

Further during the F.Y. 2020-21 the transferor company in order to ensure uniformity in accounting policies with transferee company, changed method of depreciation from WDV to SLM Method with retrospective effect and excess depreciation of Rs.6418.24 Lac provided up to 31.03.2020 was written back and credited to Capital Reserve Account. The shares held by transferor company in the transferee company were also cancelled and surplus of Rs.92.84 Lac credited to Capital Reserve Account. The transferee company issued shares to the shareholders of transferor company and excess amount of Rs. 833.00 Lac utilized / reduced from Capital Reserve Account.

**Other Comprehensive Income:**

Other Comprehensive Income is created in compliance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.

The accompanying notes are an integral part of these financial statements.

In terms of our attached report of even date.

For NANGIA & CO. LLP  
Chartered Accountants,  
Firm Registration No. '002391C/N500069

*Prateek Agrawal*

Prateek Agrawal  
Partner  
Membership No. 402826



On behalf of the Board  
For Naini Papers Limited

*Nayeen Agarwal*

Nayeen Agarwal  
(DIN - 00481953)  
Executive Director & CFO

*Mayank Agarwal*

Mayank Agarwal  
(DIN-00505839)  
Executive Director & COO

*Pawan Agarwal*

Pawan Agarwal  
(DIN - 00481900)  
CMD & CEO

*Vivek Singh*

Vivek Singh  
(M. No. A23721)  
Company Secretary

Place: Gurugram  
Date: August 18, 2025

Place: Kashipur  
Date: August 18, 2025

**NAINI PAPERS LIMITED**  
CIN- U21090UR1995PLC033469  
Cash Flow Statement for the year ended 31st March, 2025

(Rs. In Lacs)

Particulars	For the Year 2024-2025		For the Year 2023-2024	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax		13,306.78		21,445.52
Adjustments for				
Depreciation, amortization and impairment	5,806.90		5,000.23	
Liabilities written back	(42.93)		(5.47)	
Provision for Gratuity through OCI	(10.41)		(27.80)	
Compensation of Land on Compulsory Acquisition	-		(9.60)	
Loss / (Profit) on Sale of Investments	(84.83)		(761.99)	
Dividend and Interest Income	(142.25)		(245.86)	
Rent Receipts	-		(1.44)	
Advances written off	-		(0.58)	
Interest Cost on Lease	13.29		1.32	
Finance Costs	210.91		24.72	
<b>Operating Profit Before Working Capital Changes</b>		<b>5,750.68</b>		<b>3,973.53</b>
Changes in Working Capital:		<b>19,057.46</b>		<b>25,419.05</b>
Adjustments for (Increase) / Decrease in Operating Assets:				
(Increase) / decrease in trade receivables	1,461.94		746.63	
(Increase) / decrease in inventories	(11,107.45)		2,593.11	
(Increase) / decrease in other financial assets	(290.81)		106.28	
(Increase) / decrease in other assets	(5,214.54)		1,110.32	
(Increase) / decrease in Other Non Current Assets	14,177.35		(1,780.29)	
Increase / (decrease) in provisions	441.03		166.73	
Increase / (decrease) in other financial liabilities	7,868.84		(281.15)	
Increase / (decrease) in current liabilities	(91.17)		(168.79)	
<b>Cash Generated from Operations</b>		<b>7,245.19</b>		<b>2,492.84</b>
Income Tax Payment / refunds		<b>26,302.65</b>		<b>27,911.89</b>
<b>Net Cash From / (Used in) Operating Activities (A)</b>		<b>23,973.74</b>		<b>22,362.84</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Payment for Property, Plant & Equipments	(91,298.96)		(22,231.85)	
Addition in Right of Use Assets	(194.70)		(74.16)	
Biological Assets - other than bearer plants	-		(14.14)	
(Purchase) / Sale of Investments	6,898.80		(1,970.49)	
Proceed from Sale of Property, Plant & Equipment	-		22.61	
Rent Receipts	-		1.44	
Interest Received	142.25		245.86	
<b>Net Cash From / (Used in) Investing Activities (B)</b>		<b>(84,452.61)</b>		<b>(24,020.73)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Non current Borrowings	53,630.11		-	
Increase / (Decrease) in Current Borrowings	7,461.34		(8,897.24)	
Repayment of Lease Liabilities	38.48		(15.97)	
Interest Paid	(224.20)		(24.72)	
<b>Net Cash From / (Used in) Financing Activities (C)</b>		<b>60,905.73</b>		<b>(8,937.93)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>426.86</b>		<b>(10,595.82)</b>
Cash and Cash Equivalents (Opening Balances)		2,010.55		12,606.37
Cash and Cash Equivalents (Closing Balances)		2,437.41		2,010.55

The Accompanying Notes are an Integral Part of these Financial Statements.

In terms of our attached report of even date

For NANGIA & CO. LLP  
Chartered Accountants,  
Firm Registration No. '002391C/N500069

*Prateek Agrawal*

Prateek Agrawal  
Partner  
Membership No. 402826



On behalf of the Board  
For Naini Papers Limited

*Naveen Agarwal*  
Naveen Agarwal  
(DIN - 00481963)  
Executive Director & CFO

*Mayank Agarwal*  
Mayank Agarwal  
(DIN-00505839)  
Executive Director & COO

*Pawan Agarwal*

Pawan Agarwal  
(DIN - 00481900)  
CMD & CEO

*Vivek Singh*  
Vivek Singh  
(M. No. A23721)  
Company Secretary

Place: Gurugram  
Date: August 18, 2025

Place: Kashipur  
Date: August 18, 2025

1- COMPANY OVERVIEW AND BASIS OF PREPARATION:

**THE COMPANY INFORMATION:**

Naini Papers Limited (the 'Company'), is a public limited Company incorporated and domiciled in India with its registered office in Kashipur, Uttarakhand. The Company is engaged in the manufacturing of Writing & Printing Paper, Absorbent Kraft Paper, Copier Paper, Soda Ash, Caustic Soda Lye, Bleached Pulp and Super PCC. The Company has plant at 7th KM Stone, Moradabad Road, Kashipur, Uttarakhand. The Company is ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) and ISO 45001:2018 (OHSMS) Certified.

The functional and presentation currency of the Company is Indian Rupee which is the currency of the primary economic environment in which the Company operates. All amounts have been given in Rs. in lacs unless otherwise indicated. The financial statements for the year ended March 31, 2025 were approved by the Board of Directors and authorized for issue on 18th August, 2025.

2 - SIGNIFICANT ACCOUNTING POLICIES:

**a. Statement of Compliance:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

**b. Basis of Preparation:**

The financial statements have been prepared on accrual and going concern basis and under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values as per Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

**c. Use of estimates and critical accounting judgements:**

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities includes useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provisions for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

**d. Property, Plant and Equipment:**

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Property, plant and equipment are carried at cost, less accumulated depreciation and impairment. Cost of an item of property, plant and equipment is the cash price equivalent at the recognition date; if payment is deferred beyond normal credit terms, the difference between cash price equivalent and the total payment is recognized as interest over the period of credit. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets. Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Property, plant and equipment includes stand-by equipment and servicing equipment which are expected to be used for a period more than twelve months and meets the recognition criteria of plant, property and equipment.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

**Capital Work-in Progress:**

Capital work-in-progress comprises of tangible items in the course of construction for production or/and supply of goods or services or administrative purposes are carried at cost, less any accumulated impairment loss. At the point when an asset is capable of operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised



**Depreciation & Amortization:**

Depreciation on property, plant and equipment is provided to the extent of depreciable amount on pro-rata basis over the useful life of respective assets as prescribed under schedule-II to the Companies Act, 2013. The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on prospective basis.

- a. Freehold land is not depreciated.
- b. On straight-line method in respect of all assets
- c. Leased assets are amortized over the period of lease.

Addition to an asset, is depreciated over the remaining useful life of that asset, except when such addition retains a separate identity and is capable of being used after the asset is disposed of, such additions are depreciated independently over its own useful life.

Estimated useful life of the following assets is in line with useful life prescribed in schedule II of the Companies Act 2013. The useful lives of assets are as follows:-

SL	Asset Class	Useful Life as on 31st March 2025	Method
1	Factory Buildings	30	SLM
2	Plant & Machinery	25	SLM
3	Electrical Installation	15	SLM
4	Office Equipments	5	SLM
5	Furniture & Fittings	10	SLM
6	Vehicles	8	SLM
7	Computer & Computer Software	3	SLM

**Disposal of Assets:**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

**Investment Properties:**

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. All other repairs and maintenance costs are recognised in the statement of profit and loss. Depreciation is charged on a straight line basis over their estimated useful lives. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement

**e. Intangible Assets:**

Intangible assets are recognized, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

**f. Inventories:**

a Finished goods, stock-in-process, raw materials, stores, chemicals and spare parts are valued at lower of cost or net realizable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value is the price at which the inventories can be realized in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

b Valuation of inventory is done under weighted average cost formula.

c Inventories do not include items of spare parts which meets the recognition criteria of plant, property and equipment and be treated as such.

d Provisions are made to cover slow moving and obsolete items based on historical experience.

e Biological assets other than bearer plants which are matured and have market value are valued at fair value. Biological Assets which are immature are valued at cost.

**g. Cash and Cash Equivalents:**

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less

**h. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



**i. Financial Instruments:**

**Financial Assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at amortized cost, fair value through statement of profit and loss (FVTPL) and fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

**Trade Receivables**

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are initially recognized at transaction price, and subsequently measured at amortized cost by providing loss allowance at an amount equal to lifetime expected credit losses. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

The company recognizes loss allowance on trade receivable, which does not contain a significant financing component, using "simplified approach" at an amount equal to Lifetime Expected Credit Loss (ECL) considering the risk or probability that a credit loss may occur, even if the possibility of a credit loss occurring is very low, time value of money based on reasonable and supportable information that are available

Loss allowances on trade receivable are recognized in the Statement of Profit and Loss within other expenses.

**Debt Instruments**

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

**a. Measured at amortised cost:**

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

**b. Measured at fair value through other comprehensive income:**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**c. Measured at fair value through profit or loss:**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Liquid MF Debts Units are measured on initial recognition at FVTPL as these financial assets pass the contractual cash flow test as required by Ind AS 109- Financial Instruments, for being measured at amortised cost, hence, classified at FVTPL. Long Term MFs Debt Units have been measured at FVOCI.

**Equity Instruments**

All investments in equity instruments classified under financial assets are measured at fair value. The Company in respect of equity investments, which are not held for trading made an irrevocable selection based on its judgment to present in the other comprehensive income subsequent changes in the fair value (FVOCI) of such equity instrument.

The Company makes such selection on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.



#### Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

#### Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognizes 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognized in Statement of Profit and Loss.

#### Financial Liabilities and Equity Instruments:

##### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. While equity instruments are issued to extinguish all or part of a financial liability, those are recognized at the fair value of the equity instrument issued.

#### Financial Liabilities

##### Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest method.

##### Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

##### Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

##### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously

#### j. Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost

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 the obligation or a reliable estimate of the amount cannot be made.

#### k. Revenue Recognition:

Sales represents amounts received and receivable from the goods supplied to the customers. Sales are recognized when control of the goods has been transferred to the customer. Controls are transferred by satisfying the performance obligation of the contract. Revenue towards satisfaction of a performance obligation is measured at the transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of the goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Income from export incentives such as duty drawback and premium on sale of import licenses are recognized on accrual basis. Incentives are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Incentives are recorded at fair value where applicable. Duties and taxes waivers for capital assets purchased under Export Promotion Credit Guarantee (EPCG) schemes are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.



Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on a time proportionate method using underlying interest rates.

Insurance claims are recognized when there exists no significant uncertainty with regard to the amounts to be realized and the ultimate collection thereof.

**i. Government grants:**

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Government grants received is subject to any condition to be fulfilled by the Company, recognition of grant in the statement of profit and loss is made on a systematic basis in proportion to fulfilment of such condition. Total grants received less the amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income.

**m. Expenditure:**

Expenses are accounted on accrual basis.

**n. Employee Benefits:**

**Defined contribution plans**

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**Defined benefit plans**

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS)-19., 'Employee Benefits'. These liabilities are unfunded. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods

The Defined Benefit Plan can be short term or Long terms which are defined below.

**i. Short-term Employee Benefit**

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

**ii. Long-term Employee Benefit**

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

**o. Impairment of Non-Financial Assets:**

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognized in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized in the statement of profit and loss immediately.

**p. Extinguishment of financial liabilities with equity instrument:**

When any financial liability is extinguished in exchange of equity instruments; the difference if any, between the carrying amount of the financial liability extinguished and the fair value of equity instrument issued or exchanged (whether explicitly or constructively) is recognized in profit and loss statement in the period in which such extinguishment takes place.



**q. Income Taxes:**

Income tax expense for the year comprises of current tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to an item which is recognized directly in equity or in other comprehensive income.

**Current tax**

Current tax is the expected tax payable / receivable on the taxable income / loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

**Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognized as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

**r. Leases:**

**Company as Lessee:**

The Company's lease asset classes primarily consist of leases for Land and office space. At the inception of the contract, the Company assesses whether a contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For the purpose of identifying if a contract contains a lease, the Company assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and
- iii. the Company has the right to direct the use of the asset.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments.

**Short-term leases and leases of low value assets:**

The Company has elected not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value or where the balance non-cancellable period is less than 12 months. The lease payments associated with these low value leases or short term leases are recognised as an expense on a straight-line basis over the lease term.

**Company as Lessor:**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Contingent rents are recognised as revenue in the period in which they are earned.



**s. Foreign Currency Transactions and Translations:**

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognized in the Statement of Profit and Loss at the end of each reporting period.

In accordance with Ind AS 101, the Company has continued capitalization of exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of Accounting Standard 11, "The Effect of Changes in Foreign Exchange Rates" Accordingly, exchange differences arising from such long term foreign currency monetary items relating to the acquisition of a depreciable asset are added to or deducted from the cost of the depreciable capital asset. Other exchange differences are recognized as income or expenses in the Statement of Profit & Loss.

Monetary Assets and Liabilities in foreign currency that are outstanding at the year end are translated at the year end exchange rates and the resultant gain/loss is accounted for in the Statement of Profit & Loss.

**t. Derivatives and Hedge Accounting:**

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item. The Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

**u. Segment Reporting:**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

**v. Earnings Per Share:**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**w. Borrowing Costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Discounts or premiums and expenses on the issue of debt securities are amortized over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are written off as borrowing costs when paid.

**x. Fair value measurements:**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



**y. Critical Accounting Judgment and Key Sources of Estimation Uncertainty:**

The preparation of financial statements, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Any revision to such estimates is recognised in the period in which the same is determined. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

There are various legal, direct and indirect tax matters and other obligations including environmental, local and state levies, income tax rebates, availing input tax credits etc., which may impact the Company. Evaluation of uncertain liabilities and contingent liabilities and assets arising out of above matters require management judgment and assumptions, regarding the probability outflow or realization of economic resources and the timing and amount, or range of amounts, that may ultimately be determined. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts, or application of relevant judicial precedents.

**z. Recent Accounting Pronouncements:**

The Ministry of Corporate Affairs has vide Notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are either not applicable to the Company or not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**3 NOTES on ACCOUNTS****3.01 PROPERTY, PLANTS & EQUIPMENTS**

Assets	Gross Block				Accumulated Depreciation				(Rs. In Lacs) Net Block	
	Balance as at 01/04/2024	Acquisition	Sale / Disposal Adjustment	Balance as at 31/03/2025	Balance as at 01/04/2024	Depreciation for the Year	Sale / Disposal Adjustment	Balance as at 31/03/2025	AS at 31/03/2025	AS at 31/03/2024
<b>Tangible Assets</b>										
Freehold Land	1,982.18	607.80	-	2,589.98	-	-	-	-	2,589.98	1,982.18
Factory Buildings	5,479.72	8,860.51	-	14,340.23	825.51	193.50	-	1,019.01	13,321.22	4,654.21
Plant & Machinery	96,557.43	1,04,050.90	-	2,00,608.33	19,273.31	4,351.22	-	23,624.53	1,76,983.80	77,284.12
Electric Installation	7,448.97	8,262.70	-	15,711.67	2,368.23	873.04	-	3,241.27	12,470.40	5,080.74
Office Equipments	313.88	102.58	-	416.46	136.00	62.66	-	198.66	217.80	177.88
Furniture & Fittings	185.99	90.90	-	276.89	54.09	20.85	-	74.94	201.95	131.90
Computers	287.96	49.46	-	337.42	160.03	66.38	-	226.41	111.01	127.93
Vehicles	858.56	132.59	-	991.15	587.01	96.38	-	683.39	307.76	271.55
<b>Total</b>	<b>1,13,114.69</b>	<b>1,22,157.44</b>	<b>-</b>	<b>2,35,272.13</b>	<b>23,404.18</b>	<b>5,664.03</b>	<b>-</b>	<b>29,068.21</b>	<b>2,06,203.92</b>	<b>89,710.51</b>
<b>Right of Use Assets</b>										
Leasehold Land 1	7.14	-	-	7.14	1.19	0.09	-	1.28	5.86	5.95
Leasehold Premises	18.33	-	-	18.33	14.67	3.66	-	18.33	-	3.66
Leasehold Premises	-	188.30	-	188.30	-	28.24	-	28.24	160.06	-
Leasehold Land 2	55.83	6.40	-	62.23	8.98	18.80	-	27.78	34.45	46.85
<b>Total</b>	<b>81.30</b>	<b>194.70</b>	<b>-</b>	<b>276.00</b>	<b>24.84</b>	<b>50.79</b>	<b>-</b>	<b>75.63</b>	<b>200.37</b>	<b>56.46</b>

1 Additions during the year and capital work-in-progress includes borrowing cost capitalized Rs. 2,657.84 Lac (previous year Rs.Nil).

2 The Company has not revalued its property, plant and equipments since inception.

3 Property, Plant and Equipment have been pledged to secure borrowings of the Company.



Assets	Gross Block				Accumulated Depreciation				Net Block			
	Balance as at 01/04/2023	Acquisition	Adjustment *	Sale / Disposal Adjustment	Balance as at 31/03/2024	Balance as at 01/04/2023	Depreciation for the	Adjustment *	Sale / Disposal Adjustment	Balance as at 31/03/2024	AS at 31/03/2024	AS at 31/03/2023
<b>Tangible assets :</b>												
Free-hold Land	1,313.61	681.28	-	12.71	1,982.18	-	-	-	-	-	1,982.18	1,313.61
Factory Building	5,302.21	383.59	206.08	-	5,479.72	863.84	167.75	206.08	-	825.51	4,654.21	4,438.37
Plant & Machinery	95,730.84	3,632.41	2,805.82	-	96,557.43	18,317.16	3,761.97	2,805.82	-	19,273.31	77,284.12	77,413.68
Electric Installation	7,881.69	443.73	876.45	-	7,448.97	2,493.08	751.60	876.45	-	2,368.23	5,080.74	5,388.61
Office Equipment's	269.02	60.73	15.87	-	313.88	100.31	51.56	15.87	-	136.00	177.88	168.71
Furniture & Fittings	142.39	52.48	8.88	-	185.99	48.21	14.76	8.88	-	54.09	131.90	94.18
Computers	227.97	66.18	6.19	-	287.96	94.37	71.85	6.19	-	160.03	127.93	133.60
Vehicles	949.75	4.82	96.01	-	858.56	566.14	116.88	96.01	-	587.01	271.55	383.61
<b>Total</b>	<b>1,11,817.48</b>	<b>5,325.22</b>	<b>4,015.30</b>	<b>12.71</b>	<b>1,13,114.69</b>	<b>22,483.11</b>	<b>4,936.37</b>	<b>4,015.30</b>	<b>-</b>	<b>23,404.18</b>	<b>89,710.51</b>	<b>89,334.37</b>
<b>Right of Use Assets</b>												
Leasehold Land 1	7.14	-	-	-	7.14	1.10	0.09	-	-	1.19	5.95	6.04
Leasehold Land 2	-	55.83	-	-	55.83	-	8.98	-	-	8.98	46.85	-
Leasehold Premises	-	18.33	-	-	18.33	-	14.67	-	-	14.67	3.66	-
<b>Total</b>	<b>7.14</b>	<b>74.16</b>	<b>-</b>	<b>-</b>	<b>81.30</b>	<b>1.10</b>	<b>23.74</b>	<b>-</b>	<b>-</b>	<b>24.84</b>	<b>56.46</b>	<b>6.04</b>

During the financial year 2017-18, the Company adopted Indian Accounting Standards (Ind AS). As per Ind AS 101, paragraph D7AA, a first-time adopter may elect to continue with the carrying value of its property, plant and equipment (PPE) measured as per previous GAAP and use the same as its deemed cost on the date of transition to Ind AS (i.e., 1 April 2016 for the Company). Accordingly, the Company had elected to adopt the carrying value as deemed cost of its fixed assets. However, in the financial statements of FY 2017-18, and subsequent the gross block and accumulated depreciation continued to be presented based on previous GAAP instead of the reclassified presentation based on carrying value. Accordingly, in the current year (FY 2024-25), the Company has corrected this presentation of the fixed asset balances to reflect the carrying value as deemed cost in line with IND AS 101. An adjustment of ₹ 4,015.29 Lacs has been made, comprising:

Particulars	(Rs. In Lacs)
Reduction in Gross Block	4,015.29
Reduction in Accumulated Depreciation	4,015.29
<b>Net Adjustment</b>	<b>-</b>

Since this disclosure does not have any restatement/ reclassification impact on the total carrying amount of fixed assets, depreciation, or profit for any of the financial years, the same has not been separately disclosed as restated numbers.

During the current financial year, the Company has changed the method of depreciation for vehicles from the Written Down Value (WDV) method to the Straight Line Method (SLM). The Company was following the WDV method for vehicles and the SLM method for all other categories of Property, Plant and Equipment (PPE).

The change has been made to align the depreciation method of vehicles with that of other similar classes of assets and to better reflect the pattern in which the future economic benefits associated with these assets are expected to be consumed by the Company. This change is considered a change in accounting estimate in accordance with paragraph 34 of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The impact of this change on the financial results for the current year is as follows:

Particulars	(Rs. In Lacs)
Depreciation under WDV method (previous method)	109.15
Depreciation under SLM method (revised method)	96.37
<b>Decrease in depreciation expense</b>	<b>12.78</b>

The effect of this change has been recognised prospectively as required by Ind AS 8, and the carrying amount of the vehicles has been depreciated using the new method from the date of change.



## 3.02 CAPITAL WORK IN PROGRESS

Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01/04/2024	Acquisition	Capitalized	Balance as at 31/03/2025	Balance as at 01/04/2024	Depreciation for the Year	Disposal Adjustment	Balance as at 31/03/2025	AS at 31/03/2025	AS at 31/03/2024
Projects in Progress	20,454.04	1,00,693.72	1,21,137.92	9.84	-	-	-	-	9.84	20,454.04
<b>TOTAL</b>	<b>20,454.04</b>	<b>1,00,693.72</b>	<b>1,21,137.92</b>	<b>9.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.84</b>	<b>20,454.04</b>

## CAPITAL WORK IN PROGRESS AGEING SCHEDULE

SL	Particulars	Amount in CWIP for a period of 2024-25				TOTAL
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
i)	Project in Progress	9.84	-	-	-	9.84

Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01/04/2023	Acquisition	Capitalized	Balance as at 31/03/2024	Balance as at 01/04/2023	Depreciation for the Year	Disposal Adjustment	Balance as at 31/03/2024	AS at 31/03/2024	AS at 31/03/2023
Projects in Progress	3,872.55	20,812.07	4,230.58	20,454.04	-	-	-	-	20,454.04	3,872.55
<b>TOTAL</b>	<b>3,872.55</b>	<b>20,812.07</b>	<b>4,230.58</b>	<b>20,454.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,454.04</b>	<b>3,872.55</b>

## CAPITAL WORK IN PROGRESS AGEING SCHEDULE

SL	Particulars	Amount in CWIP for a period of 2023-24				TOTAL
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
i)	Project in Progress	18,609.92	1,844.12	-	-	20,454.04
ii)	Projects temporarily suspended	-	-	-	-	-

Capital work-in-progress includes machinery under installation, buildings under construction, construction/erection material in hand and other assets and also includes the following pre-operative expenses:

Particular	As at March 31, 2025	As at March 31, 2024
Amount Brought Forward from Previous Year	20,454.04	3,872.55
Add:		
Property, Plant and Equipment	89,705.05	20,760.48
Salary, Wages, Allowances, etc.	432.25	-
Travelling & Conveyance	32.24	-
Bank Charges	0.51	-
UP Front Fee on Term Loan	78.50	2.30
EPCG Licence Fee	10,445.17	-
Legal Charges	-	7.53
Technical & Professional Consultancy	-	41.76
	1,21,147.76	24,684.62
Less: Transferred/ Capitalized during the Year	1,21,137.92	4,230.58
Balance Carried Forward	9.84	20,454.04

## 3.03 INTANGIBLE ASSETS

Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01/04/2024	Acquisition	Sale / Disposal	Balance as at 31/03/2025	Balance as at 01/04/2024	Depreciation for the Year	Sale / Disposal	Balance as at 31/03/2025	AS at 31/03/2025	AS at 31/03/2024
Computer software	311.51	30.90	-	342.41	91.99	90.71	-	182.70	159.71	219.52
<b>Total</b>	<b>311.51</b>	<b>30.90</b>	<b>-</b>	<b>342.41</b>	<b>91.99</b>	<b>90.71</b>	<b>-</b>	<b>182.70</b>	<b>159.71</b>	<b>219.52</b>

Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01/04/2023	Acquisition	Sale / Disposal Adjustment	Balance as at 31/03/2024	Balance as at 01/04/2023	Depreciation for the Year	Sale / Disposal Adjustment	Balance as at 31/03/2024	AS at 31/03/2024	AS at 31/03/2023
Computer software	136.36	175.15	-	311.51	53.24	38.75	-	91.99	219.52	83.12
<b>Total</b>	<b>136.36</b>	<b>175.15</b>	<b>-</b>	<b>311.51</b>	<b>53.24</b>	<b>38.75</b>	<b>-</b>	<b>91.99</b>	<b>219.52</b>	<b>83.12</b>



3.04 INVESTMENT PROPERTIES	(Rs. In Lacs)	
	As at	
	March 31, 2025	March 31, 2024
Gross Carrying Value *	86.36	86.36
Additions	-	-
Sale / Adjustment	-	-
Closing Gross Carrying Value	86.36	86.36
Accumulated Depreciation	10.62	9.25
Depreciation for the Year	1.37	1.37
Closing Accumulated Depreciation	11.99	10.62
Net Carrying Value of Investment Properties	74.37	75.74
Rental Income		
Direct Operating Income from Properties that Generated Rental Income	-	1.44
Profit from Investment Properties before Depreciation	-	1.44
Depreciation	1.37	1.37
Profit from Investment Properties	(1.37)	0.07
Fair Value of the Investment Properties **	230.05	110.00

\* Investment Properties are free hold and title deeds are registered in the name of the Company except those of Naini Tissues Ltd acquired on merger and transfer to title deed is in progress.

\*\* Fair value of the Company's Investment Properties as at March 31, 2025 is 230.05 Lacs, have been arrived at on the basis of valuation carried out at the respective dates by an external, independent valuer. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted.

3.05 INVESTMENTS	(Rs. In Lacs)	
	As at	
	March 31, 2025	March 31, 2024
<b>CURRENT</b>		
Debt Funds (Unquoted / measured at Fair Value through Profit or Loss)		
Tata Money Market Fund Direct Plan (G)	-	6,813.97
Total Current Investments	-	6,813.97
Total Investments	-	6,813.97
Aggregate Value of unquoted Investments	-	6,813.97
Aggregate Provision for Diminution in Value of Investment	-	-

3.06 LOANS	(Rs. In Lacs)	
	As at	
	March 31, 2025	March 31, 2024
(At amortised Cost)		
<b>NON-CURRENT</b>		
Unsecured, considered good		
Loans and advances to employees	-	1.68
Loans to others*	33.47	39.72
Total Non Current Loans	33.47	41.40
<b>CURRENT</b>		
Unsecured, considered good		
Loans and advances to employees**	820.89	386.25
Total Current Loans	820.89	386.25
Total Loans	854.36	427.65

\*\* Includes Rs. 811.54 Lacs outstanding with Director / KMPs. (Previous year - Rs. 374.42 Lacs)

Loan to Others amounting to INR 33.47 Lacs outstanding as at 31st March 2025 comprises a loan of INR 10 Lacs granted by Naini Papers Limited to Mr. Mayank Agarwal, a director of the company (granted in 2019), a loan of INR 22.65 Lacs extended to Ms. Preeti Agarwal, a shareholder of the company (granted in 2013), and a loan of INR 0.82 Lacs provided to Ms. Ruchi Agarwal, also a shareholder (granted in 2022). These loans were extended without the passing of any Board Resolution or execution of formal loan agreements. However, during the financial year 2024-25, the company approved a loan scheme for the Managing Director and Whole-Time Directors through a special resolution passed at the Extraordinary General Meeting held on 21st March 2025. This resolution authorized the Board of Directors to regularize previously granted loans and to approve, sanction, and disburse loans to the Managing Director and Whole-Time Directors, with an option to delegate these powers to any one Director of the Company.



(Rs. in Lacs)

3.07 OTHER FINANCIAL ASSETS		As at	
		March 31, 2025	March 31, 2024
<b>(At amortised Cost)</b>			
<b>NON-CURRENT</b>			
Unsecured, considered good			
Security Deposits		1,104.89	1,094.84
Deferred Unamortised Processing Fees		-	150.00
Fixed deposit with banks with original maturity more than 12 months *		51.20	51.20
<b>Total Other Non-Current Financial Assets</b>		<b>1,156.09</b>	<b>1,296.04</b>
<b>CURRENT</b>			
Interest Accrued on Deposits		21.91	38.94
Export Incentive Receivable		52.27	31.20
<b>Total Other Current Financial Assets</b>		<b>74.18</b>	<b>70.14</b>
<b>Total Other Financial Assets</b>		<b>1,230.27</b>	<b>1,366.18</b>

\* Pledged with banks / Government Authorities as margin money / security deposit against LCs / Guarantees.

3.08 OTHER ASSETS			
<b>NON-CURRENT</b>			
<b>(Unsecured, considered good unless otherwise stated)</b>			
Capital Advances for Projects		1,208.91	14,715.17
Advances for Land purchase *		6.35	6.35
Advances for Flat purchase **		70.70	70.70
Deposit with tax authorities - under Litigation		32.81	26.98
<b>Total Other Financial Assets</b>		<b>1,318.77</b>	<b>14,819.20</b>

\* Advance for land purchase Rs.2.60 Lac to Mr. Mohd Navi on 06.11.2019 and Rs. 3.75 Lac to Ramgopal Choudhary on 03.01.2023 on execution of agreement to sale. The possession of property is acquired by company but registration of title deed is pending due to legal issues.

\*\* Advance of Rs.70.70 Lac for Flat purchase to Mr. K C Jain on 12.05.2015 on execution of agreement to sale. The possession of flat is acquired by company but registration of title deed is pending due to legal issues.

CURRENT ASSETS			
<b>(Unsecured, considered good unless otherwise stated)</b>			
Other Advances		1.75	10.07
Payment with Vendors (Advances for Supplies)		1,323.51	960.49
Prepaid Expenses		332.56	44.25
Indirect tax credits **		4,946.21	588.20
<b>Total other current assets</b>		<b>6,604.03</b>	<b>1,603.01</b>

\*\* Mainly includes unutilized tax credits and claims receivables from Indirect Tax Authorities.

3.09 INVENTORIES			
<b>(At lower of cost and net realisable value)</b>			
Raw Materials		14,703.26	8,184.27
Chemicals		1,421.58	935.38
Diesel and Fuel		1,897.50	2,144.01
Stores & Spares		2,231.46	1,054.33
Packing Material		204.48	156.65
Material In Transit		910.31	-
Agro Forestry		5.95	-
Finished Goods		2,148.67	1,015.69
Work in Process		1,257.44	182.86
<b>Total inventories</b>		<b>24,780.65</b>	<b>13,673.19</b>

\* The Company has availed working capital facilities and other non-fund based facilities viz. bank guarantees and letters of credit, and the same are secured by hypothecation of all inventories.



3.10 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS	(Rs. in Lacs)	
	As at	
	March 31, 2025	March 31, 2024
Current Assets		
Opening balance		
Expenses during the year	14.14	-
Consumption during the year	-	14.14
Closing balance	14.14	14.14
Reconciliation		
Current Assets		
Immature Crops *	-	-
<b>Total Biological Assets **</b>	<b>14.14</b>	<b>14.14</b>

\* Company had 40000 Eucalyptus seeds generated seedlings, 150000 packets Poplar seedlings and 138000 transplanted Poplar plants.

\*\* As per management, The value of biological asset has not been increased significantly from last year. Accordingly, The management are intending to record the Biological asset at cost. This decision has been taken after considering factors like climate, mortality rate and the current market scenario.

3.11 TRADE RECEIVABLES		
(At amortised cost)		
CURRENT		
Unsecured Considered Good	3,707.93	5,169.87
Considered Doubtful	-	-
<b>Total Trade Receivables</b>	<b>3,707.93</b>	<b>5,169.87</b>

TRADE RECEIVABLES AGEING SCHEDULE (Outstanding for following periods from due date of payment)		
Undisputed - considered Good		
a. Not Yet Due (30 Days)	3,223.36	3,746.68
b. Less than six months	425.41	1,423.19
c. 6 months - 1 year	59.16	-
d. 1 - 2 years	-	-
e. 2 - 3 years	-	-
f. More than 3 years	-	-
<b>Total Trade Receivables</b>	<b>3,707.93</b>	<b>5,169.87</b>

1 Trade Receivables are hypothecated to secure borrowings of the Company.

2 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.

3.12 CASH AND CASH EQUIVALENTS		
Balances with Banks		
Balances with Banks on Current Accounts	1,503.31	1,000.10
Debit Balances in Over Draft Accounts	780.83	1,003.92
Fixed Deposits with original maturity less than 3 months	120.60	-
Cash-in-Hand	32.67	6.53
<b>Total Cash and Cash Equivalents*</b>	<b>2,437.41</b>	<b>2,010.55</b>

\* For the purpose of statement of cash flows, the above has been considered as Cash & Cash Equivalents.

3.13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Fixed Deposits with Banks with Original Maturity more than 3 months but less than 12 months	519.19	1,196.11
<b>Total Bank Balances other than cash and cash equivalents</b>	<b>519.19</b>	<b>1,196.11</b>

3.14 CURRENT TAX ASSETS		
Advance Income Tax/ TDS (Net of Provision)	329.50	115.98
<b>NET CURRENT TAX ASSETS</b>	<b>329.50</b>	<b>115.98</b>

3.15 EQUITY SHARE CAPITAL		
A. Authorized		
3,85,00,000 Equity Share of Rs.10/- each		
Total	3,850.00	3,850.00
B. Issued, Subscribed and Paid-up		
3,82,22,300 Equity Share of Rs.10/- each fully Paid-Up	3,822.23	3,822.23
<b>Total Equity Share Capital</b>	<b>3,822.23</b>	<b>3,822.23</b>



## C. Shares held by promoters at the end of the year

## i) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	Balance at the Beginning of the Reporting Year	Changes During the Reporting Year	Balance at the End of the Reporting Year
For the year ended 31.03.2024 (No. of Shares)	3,82,22,300.00	-	3,82,22,300.00
For the year ended 31.03.2025 (No. of Shares)	3,82,22,300.00	-	3,82,22,300.00

## ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

Sl No.	Promoter Name	As at				% Change **
		March 31, 2025		March 31, 2024		
		No. of Shares	% of Holding	No. of Shares	% of Holding	
1	M/s Naini Capital Limited	1,25,64,148.00	32.87	1,25,64,148.00	32.87	-
2	Mr. Pawan Agarwal	27,33,871.00	7.15	27,33,871.00	7.15	-
3	Mrs. Madhu Agarwal	26,24,957.00	6.87	26,24,957.00	6.87	-
4	Mr. Pramod Kumar Agarwal*	21,42,664.00	5.61	21,42,664.00	5.61	-
5	Mr. Rahul Agarwal	20,27,174.00	5.30	20,27,174.00	5.30	-
6	Mr. Amod Kumar Agarwal	19,15,925.00	5.01	19,15,925.00	5.01	-
7	Mrs. Vijay Agarwal	14,61,943.00	3.82	14,61,943.00	3.82	-
8	Mrs. Vimal Agarwal	14,46,898.00	3.79	14,46,898.00	3.79	-
9	Mrs. Pooja Agarwal	13,37,065.00	3.50	13,37,065.00	3.50	-
10	Mr. Gaurav Agarwal	14,14,968.00	3.70	14,14,968.00	3.70	-
11	Mrs. Vinod Kumari	11,49,966.00	3.01	11,49,966.00	3.01	-
12	Mr. Naveen Agarwal	10,94,235.00	2.86	10,94,235.00	2.86	-
13	Mrs. Prachi Agarwal	10,67,192.00	2.79	10,67,192.00	2.79	-
14	Mrs. Rupali Agarwal	10,65,860.00	2.79	10,65,860.00	2.79	-
15	Mr. Mayank Agarwal	8,31,726.00	2.18	8,31,726.00	2.18	-
16	Pramod Kumar Agarwal (HUF)	5,09,687.00	1.33	5,09,687.00	1.33	-
17	Sumod Kumar Agarwal (HUF)	4,80,455.00	1.26	4,80,455.00	1.26	-
18	Srichand Agarwal (HUF) ****	4,33,200.00	1.13	4,33,200.00	1.13	-
19	Ms. Preeti Agarwal	2,98,516.00	0.78	2,98,516.00	0.78	-
20	Tula Ram Agarwal (HUF) ****	3,66,300.00	0.96	3,66,300.00	0.96	-
21	Mrs. Shalini Agarwal	3,63,500.00	0.95	3,63,500.00	0.95	-
22	Amod Kumar Agarwal (HUF)	3,37,900.00	0.88	3,37,900.00	0.88	-
23	Mrs. Richa Agarwal	2,00,000.00	0.52	2,00,000.00	0.52	-
24	Ms. Neeti Agarwal	1,17,200.00	0.31	1,17,200.00	0.31	-
25	Ms. Ruchi Agarwal	1,06,250.00	0.28	1,06,250.00	0.28	-
26	Ms. Anita Agarwal	62,900.00	0.16	62,900.00	0.16	-
27	Ms. Anu Agarwal	48,700.00	0.13	48,700.00	0.13	-
28	Ms. Monika Agarwal	10,300.00	0.03	10,300.00	0.03	-
29	Ms. Poonam Agarwal	8,800.00	0.02	8,800.00	0.02	-
	TOTAL	3,82,22,300.00	100.00	3,82,22,300.00	100.00	-

\*\* There is no change in promoters' share-holding during the year 2024-2025.

\* Mr. Pramod Kumar Agarwal, a shareholder of the Company, has demised. Transfer of the shares to the legal heir(s) is in process with legal authority

\*\*\* 51% Equity shares of the company are pledged against the credit facility obtained by the company.

\*\*\*\* Shares of Tula Ram Agarwal (HUF) and Srichand Agarwal (HUF) not yet dematerialised. Management is in process of dematerialised the same

## D. Details of share holding more than 5% shares

Name of Share holders	As at			
	March 31, 2025		March 31, 2024	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 M/s Naini Capital Limited	1,25,64,148.00	32.87	1,25,64,148.00	32.87
2 Mr. Pawan Agarwal	27,33,871.00	7.15	27,33,871.00	7.15
3 Mrs. Madhu Agarwal	26,24,957.00	6.87	26,24,957.00	6.87
4 Mr. Pramod Kumar Agarwal	21,42,664.00	5.61	21,42,664.00	5.61
5 Mr. Rahul Agarwal	20,27,174.00	5.30	20,27,174.00	5.30
6 Mr. Amod Kumar Agarwal	19,15,925.00	5.01	19,15,925.00	5.01



3.16 OTHER EQUITY	(Rs. in Lacs)	
	As at	
	March 31, 2025	March 31, 2024
Capital Reserve	5,678.08	5,678.08
General Reserve	51,194.55	51,194.55
Retained Earnings : Opening Balance	72,862.43	58,937.56
Add: Transferred from Profit & Loss a/c	8,603.35	13,924.87
Items of other comprehensive income (not Re-classifiable to Profit and Loss)	(4.32)	2.45
<b>Total Other Equity</b>	<b>1,38,334.09</b>	<b>1,29,737.51</b>

The National Company Law Tribunal, Prayagraj, vide order dated 15th February, 2021, approved the Scheme of Amalgamation of Naini Tissues Limited with the Company with effect from 1st April, 2020 (the appointed date). Accordingly, General Reserve of Rs.31100.00 Lacs, Retained Earnings of Rs.21573.46 Lac and Capital Reserve of Rs. 6418.24 Lac of transferor company as at 1st April, 2020 have been transferred to the respective reserves.

Further during the F.Y. 2020-21 the transferor company in order to ensure uniformity in accounting policies with transferee company, changed method of depreciation from WDV to SLM Method with retrospective effect and excess depreciation of Rs.6418.24 Lac provided up to 31.03.2020 was written back and credited to Capital Reserve Account. The shares held by transferor company in the transferee company were also cancelled and surplus of Rs.92.84 Lac credited to Capital Reserve Account. The transferee company issued shares to the shareholders of transferor company and excess amount of Rs. 833.00 Lac utilized / reduced from Capital Reserve Account.

**Retained earnings:**

This represents the cumulative profits that the company has earned till date, less any transfers to General reserve and can be utilized in accordance with the provisions of the Companies Act,

**General reserve:**

This Reserve created by an appropriation from one component of Equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

**Capital reserve:**

This represents the excess of net assets purchased over consideration paid against the identifiable assets.

**Other Comprehensive Income:**

Other Comprehensive Income is created in compliance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.

3.17 BORROWINGS		
<b>(At amortised cost)</b>		
<b>NON-CURRENT BORROWINGS</b>		
<b>Secured</b>		
Term loans from Banks (HDFC)	26,132.27	-
Term loans from Banks (Axis)	27,503.00	-
<b>Unsecured</b>		
From Director	35.00	35.00
From Others Corporate Bodies	-	5.16
<b>Total Non-Current Borrowings</b>	<b>53,670.27</b>	<b>40.16</b>
<b>CURRENT BORROWINGS</b>		
<b>Secured</b>		
Term loans from Banks (HDFC)	1,148.08	-
Term loans from Banks (Axis)	2,143.34	-
<b>Rupee Loan:</b>		
CC Limits from Bank	209.65	1,724.05
WCCL from Bank	5,670.87	-
<b>Unsecured</b>		
From Banks - Corporate Card	13.50	0.06
<b>Total Current Borrowings</b>	<b>9,185.44</b>	<b>1,724.11</b>
<b>Total Borrowings</b>	<b>62,855.71</b>	<b>1,764.27</b>

**Security against Loans:**

- 1 Short term borrowings (i.e. Cash Credit and Working Capital Demand Loan) are secured by hypothecation of present and future stock of materials, stock-in-progress, finished goods, stores and spares, book debts, outstanding money, claims receivable and further secured by way of second charge on all immovable and movable properties / fixed assets both present and future on a pari-passu basis.
- 2 Term loans from banks are secured by way of equitable mortgage created or to be created on all the present and future immovable properties including land, buildings, structures, all plant and equipment attached thereon of the Company related to the specific capital project completed / in progress and hypothecation of all the movable properties including movable machinery, spares, tools and accessories, etc., present and future, subject to prior charges created and / or to be created in favour of the Company's bankers on stocks of raw materials, semi finished and finished goods, consumable stores and other movable assets, as may be required for working capital requirements in the ordinary course of business. The mortgages and charges referred to above are pari-passu among the lenders.
- 3 Secured Loans are also guaranteed by the Promoters / Directors of the Company, it is also secured by pledge of equity share of the company.



**Terms of repayment of Non-current Borrowings:**

- 1 The Company has Secured Term Loan from banks which are repayable over a period of maximum seven years up to 2031 and carry interest rates which is linked to Repo rate with 2% p.a. The interest rates range from 8.75% to 9.00% per annum. For HDFC, the terms has been changed and it is repayable over a period upto 2032.

Particulars	As at	
	March 31, 2025	March 31, 2024
<b>HDFC Bank</b>		
Rupee Term Loan repayable in monthly instalments from Dec 2025 to May 2032	30,000.00	-
<b>Axis Bank</b>		
Rupee Term Loan repayable in monthly instalments from Oct 2025 to March 2031	30,000.00	-
<b>TOTAL</b>	<b>60,000.00</b>	<b>-</b>
<b>3.18 LEASE LIABILITIES</b>		
<b>NON-CURRENT</b>		
Lease Liabilities		
<b>Total Non-Current Lease Liabilities</b>	<b>150.78</b>	<b>27.75</b>
<b>CURRENT</b>		
Lease Liabilities		
<b>Total Current Lease Liabilities</b>	<b>37.20</b>	<b>3.87</b>
<b>Total Lease Liabilities</b>	<b>187.98</b>	<b>31.62</b>
<b>3.19 OTHER FINANCIAL LIABILITIES</b>		
(At amortised cost)		
<b>NON-CURRENT</b>		
Security Deposits from Dealers		
<b>Total Other Non Current Financial Liabilities</b>	<b>1,387.01</b>	<b>180.01</b>
<b>CURRENT</b>		
Advances from Customers / Dealers	160.63	135.86
Trade Payables (Projects)	2,336.93	1,316.06
Statutory Liabilities	232.96	1,234.72
GST / Duty Payable	19.80	50.72
Other Current Liabilities	900.77	1,690.53
<b>Total Other Current Financial Liabilities</b>	<b>3,651.09</b>	<b>4,427.89</b>
<b>3.20 PROVISIONS</b>		
<b>NON-CURRENT</b>		
Provisions for Gratuity	807.61	482.62
Provisions for Leave Encashment	-	106.47
<b>Total Non-Current Provisions</b>	<b>807.61</b>	<b>589.09</b>
<b>CURRENT</b>		
Provision for Gratuity	90.86	75.75
Provisions for Leave encashment	227.26	19.87
<b>Total Current Provisions</b>	<b>318.12</b>	<b>95.62</b>
<b>Total Provisions</b>	<b>1,125.73</b>	<b>684.71</b>
<b>Reconciliation of Provision:</b>		
Opening Balance	684.71	517.99
Additional Provision Recognized	573.69	242.39
Fair value Gain/(loss) and (reduction arising from payments)	(132.67)	(75.67)
<b>Closing balance</b>	<b>1,125.73</b>	<b>684.71</b>

Up to the financial year ended 31st March 2024, the Company determined the provision for gratuity and leave encashment through actuarial valuation for all employees, excluding the Managing Director (MD) and Whole-Time Directors (WTDs).

During the current financial year, the Company has changed its policy and has included the top management (MD and WTDs) in the actuarial valuation for the purpose of provisioning for gratuity and leave encashment. This change has been made to ensure consistency and comprehensive application of the defined benefit obligation accounting in accordance with Ind AS 19 – Employee Benefits.

This represents a prospective change in accounting policy and has been applied from the current financial year. The impact of this change has been duly accounted for in the financial statements for the year ended 31st March 2025.

There is no retrospective adjustment required in accordance with Ind AS 8, and the change has been recognised prospectively as the effect pertains to future obligations. The change in accounting estimate or policy applied prospectively under Ind AS 19 – Employee Benefits and Ind AS 8 are not considered as restatement.



		(Rs. in Lacs)		
3.21 DEFERRED TAX LIABILITIES		As at		
		March 31, 2025	March 31, 2024	
Deferred Tax Liabilities on Account of :				
Defined Benefits Plan recorded at FVTOCI		(2.78)	0.86	
Depreciation Differences / timing differences		21,976.65	13,229.72	
		<b>21,973.87</b>	<b>13,230.58</b>	
Deferred Tax Assets on Account of:				
Disallowances		4,317.97	270.52	
MAT Credit Balances		2,324.96	-	
		<b>6,642.93</b>	<b>270.52</b>	
<b>Net Deferred Tax Liabilities</b>		<b>15,330.94</b>	<b>12,960.06</b>	
Movement of Deferred tax (assets)/ liabilities		Opening Balance	For the Year ended March 31, 2025	
		31st March 2024	Recognised in profit and Loss	Recognised in OC Income
				Closing Balance
				31st March 2025
Deferred tax liabilities		13,229.72	8,746.93	-
Property, plant and equipments and intangible assets		0.86	-	(2.78)
Financial assets carried at fair value through OCI		<b>13,230.58</b>	<b>8,746.93</b>	<b>(3.64)</b>
				<b>21,973.87</b>
Less: Deferred tax assets				
Accrued expenses deductible on payment		270.52	4,047.45	-
MAT credit		-	2,324.96	-
		<b>270.52</b>	<b>6,372.41</b>	<b>-</b>
<b>Deferred tax liabilities (net)</b>		<b>12,960.06</b>	<b>2,374.52</b>	<b>(3.64)</b>
				<b>15,330.94</b>
3.22 DEFERRED REVENUE		As at		
		March 31, 2025	March 31, 2024	
Import Duty Savings (EPCG) Attributable to Pending Export Obligation		10,445.17	-	
<b>Total Deferred Revenue</b>		<b>10,445.17</b>	<b>-</b>	

i. Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Company is committed to export six times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognized are released to the statement of profit and loss based on fulfilment of related export obligations.

ii. During the year an amount of Rs.Nil (Previous year Rs. 225.73 Lac) was released to statement of Profit & Loss account on fulfilment of export obligation.

3.23 TRADE PAYABLES		As at	
(At amortised cost)		March 31, 2025	March 31, 2024
Trade Payables for Goods			
Suppliers' Credit		-	229.85
Due to Micro and Small Enterprises		2,024.50	-
Others Trade Payables		9,280.01	3,796.82
<b>Total Trade Payables</b>		<b>11,304.51</b>	<b>4,026.67</b>

TRADE PAYABLES AGEING SCHEDULE (Outstanding for following periods from due date of payment)			
a. Not Yet Due - MSME		2,024.50	-
Others			
a. Not Yet Due (Up to 3 months)		7,437.02	4,005.26
b. 3 month to 1 Year		1,840.97	21.41
c. 1 - 2 years		2.02	-
d. 2 - 3 years		-	-
e. More than 3 years		-	-
Disputed Dues:			
MSME		-	-
Others		-	-
<b>Total Trade Payables</b>		<b>11,304.51</b>	<b>4,026.67</b>

Trade payables represent liabilities for goods and services provided to the Company and are unpaid at the end of the financial year. The amounts are unsecured and usually paid within time limits as contracted. Trade payables are presented as current liabilities unless the payment is not due within 12 months after the reporting period.



**DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006 :**

	As at	
	March 31, 2025	March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year :		
- Principal amount due to micro and small enterprises	2,024.50	-
- Interest due on above	54.03	-
<b>Total</b>	<b>2,078.53</b>	<b>-</b>
The amount of interest accrued and remaining unpaid at the end of each accounting year	54.03	-

3.24 CURRENT TAX LIABILITIES (NET)		
<b>CURRENT</b>		
Provision for Taxation (Net of Advances)	-	91.15
<b>Total Current Tax Liabilities (Net)</b>	<b>-</b>	<b>91.15</b>

3.25 REVENUE FROM OPERATIONS		
	For the Year 2024-2025	For the Year 2023-2024
<b>Sales of Products :</b>		
Writing Printing Paper	66,241.56	76,328.57
Absorbent Kraft	14,190.80	14,506.07
Soda Ash	904.10	61.79
Bleached Pulp	7,286.94	4,781.69
	<b>88,623.40</b>	<b>95,678.12</b>
<b>Others Operating Revenues :</b>		
Sales of Scrap	36.39	75.60
Waste sludge	234.60	168.62
Sales of Services	0.20	0.15
Sales of Bagasse Pith and waste wood	109.33	283.76
Agro Forestry	43.05	-
	<b>423.57</b>	<b>528.13</b>
<b>Revenues from Operation</b>	<b>89,046.97</b>	<b>96,206.25</b>
<b>Others :</b>		
Export Incentive	43.31	51.48
	<b>43.31</b>	<b>51.48</b>
<b>Total Revenue from Operations</b>	<b>89,090.28</b>	<b>96,257.73</b>

Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	90,755.55	98,094.80
Less: Trade discounts, Volume Rebates etc	1,708.58	1,888.55
<b>Total Revenue from Operations</b>	<b>89,046.97</b>	<b>96,206.25</b>

3.26 OTHER INCOMES		
<b>Interest Income:</b>		
From Banks	70.66	170.09
From Others	71.58	75.77
<b>Other non-operating income:</b>		
Interest on Security Deposit Under Lease	-	0.43
Exchange Fluctuation	27.80	20.51
Rent Received	-	1.44
Excess tax provision written back	-	5.25
Miscellaneous Income	-	9.62
Duty Remission	27.61	-
Liabilities Written Back	15.31	0.23
Gain on Investment carried at fair value through P & L	84.83	761.99
EPCG benefits attributable to export obligation satisfied	-	225.73
<b>Total Other Incomes</b>	<b>297.79</b>	<b>1,271.06</b>



(Rs. in Lacs)

3.27 COST OF MATERIAL CONSUMED	For the Year 2024-2025	For the Year 2023-2024
Raw Material	31,398.68	30,411.33
Chemicals	12,425.66	10,894.66
Packing Material	1,506.26	1,402.64
<b>Total Cost of Material Consumed</b>	<b>45,330.60</b>	<b>42,708.63</b>

3.28 CHANGES IN INVENTORY OF WORK IN PROGRESS AND FINISHED GOODS	For the Year 2024-2025	For the Year 2023-2024
Inventories at the beginning of the year:		
Finished Goods	1,015.69	892.23
Work-in-Progress	182.86	166.61
Inventories at the end of the year:	1,198.55	1,058.84
Finished Goods	2,148.67	1,015.69
Work-in-Progress	1,257.44	182.86
<b>Net (Increase)/Decrease</b>	<b>(2,207.56)</b>	<b>(139.71)</b>

3.29 POWER AND FUEL	For the Year 2024-2025	For the Year 2023-2024
Grid Power	2,420.05	2,612.55
Diesel	21.37	483.40
Fuel for Boiler	10,472.39	9,504.53
<b>Total Power and Fuel</b>	<b>12,913.81</b>	<b>12,600.48</b>

3.30 EMPLOYEE BENEFIT EXPENSES	For the Year 2024-2025	For the Year 2023-2024
Salaries, Wages & Bonus	6,168.35	5,385.56
Contribution to Provident and Other Funds	118.60	70.19
Staff Welfare Expense	40.86	17.01
<b>Total Employee Benefit Expenses</b>	<b>6,327.81</b>	<b>5,472.76</b>

EMPLOYEE BENEFIT PLANS		
As per Ind AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:		
<b>[A] Defined Contribution Plan</b>		
Contribution to Defined Contribution Plan, recognized as expenses for the year are as under:		
Employer's contribution to Provident Fund /ESI Fund	118.60	70.19
Employer's contribution to Superannuation Fund	-	-
<b>[A] Defined Benefit Plan</b>		
Gratuity	414.53	103.88

The following table Setout of status of Gratuity Plan as required under IND AS-19 :

Particulars		
<b>Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligations :</b>		
Opening defined benefit obligation	558.36	374.74
Current Service cost	80.95	76.15
Interest Cost	39.64	27.73
Past Service Cost	293.94	-
Benefits paid	(84.84)	(18.42)
Actuarial losses/ (gain)	10.41	98.16
Obligations at the end of the period	<b>898.46</b>	<b>558.36</b>

Particulars	March 31, 2025	March 31, 2024
<b>Amount recognized in Balance Sheet</b>		
Present value of unfunded obligations	898.46	558.36
Net assets/(Liability)	898.46	558.36



Notes on Financial Statements for the Year ended 31st March, 2025

Particulars	(Rs. in Lacs)	
	March 31, 2025	March 31, 2024
Expenses recognized in statement of Profit & Loss Account		
Current service cost		
Interest Cost	80.95	76.15
Past Service Cost	39.64	27.73
Expected return on plan assets	293.94	-
Net Income/Expenses recognized in OCI	-	-
Amount included in Employee Benefit Expense	10.41	98.16
	414.53	103.88

Particulars	For the Year 2024-2025	For the Year 2023-2024
Financial assumptions at the valuation Date:		
Discounted rate		
Estimated rate of return on Plan Assets	6.60	7.10
Salary escalation over and above highest of salary in grade	N.A.	N.A.
	7.50%	7.50%

3.31 FINANCE COSTS	For the Year 2024-2025	For the Year 2023-2024
Interest on Working Capital Loans		
Interest on Lease Liabilities	142.28	10.11
Other Interest	13.29	1.32
Finance Charges	68.63	14.62
Total Finance costs	13.23	6.79
	237.43	32.84

The Company has capitalized interest Rs. 2,657.84 Lacs (previous year Rs.Nil Lacs) during the year to the related assets.

3.32 OTHER EXPENSES	For the Year 2024-2025	For the Year 2023-2024
<b>Manufacturing Expenses:</b>		
Consumption of Stores, Spares and Consumables	2,226.60	4,393.84
Material Feeding / Shifting Charges	558.46	201.29
Freight Inwards	14.76	37.74
Repair and Maintenance of Buildings	260.75	227.26
Repair and Maintenance of Plant & Machinery	539.81	701.06
ETP, Boiler and Noise Monitoring Expenses	832.59	999.85
Water Cess	423.83	422.67
Machinery Rent	13.14	-
Air Pollution Control & Bio Methanation Expenses	-	81.17
Cutting & Packing (Copier Paper)	163.61	143.12
Lab Testing & Safety Expenses	48.29	62.95
<b>Administrative Expenses:</b>		
Rates & Taxes	75.86	11.67
Insurance	159.20	139.52
Communication Charges	22.85	24.66
Travelling & Conveyance	53.26	53.41
Vehicle Running & Maintenance	104.26	79.13
Printing & Stationery	183.96	40.08
Audit Fees (Note No.3.38)	10.00	1.50
Other Repairs	-	0.80
Filing Fees	0.17	0.34
EPCG License Composition fee	0.69	-
Legal & Consultancy	123.57	21.34
Miscellaneous Expenses	149.71	77.29
CSR Expenses (Note No.3.49)	121.04	128.91
Accommodation Expenses	24.87	19.43
Advances Written off	-	0.58
<b>Selling Expenses:</b>		
Freight, Forwarding & Insurance	540.93	149.47
Rebate, Discount, Claims	720.35	778.06
Advertisement & Publicity	2.58	3.24
Business Promotion Expenses	73.51	177.64
Selling Commission	223.65	1,430.02
Total Other Expenses	7,672.30	10,408.04



(Rs. in Lacs)

3.33 CIF VALUE OF IMPORTS			
Particulars	For the Year 2024-2025		For the Year 2023-2024
Raw materials		2,527.77	740.90
Components & Spare parts		710.15	942.77
Capital Goods		47,846.66	1,074.49
<b>Total</b>		<b>51,084.58</b>	<b>2,758.16</b>

3.34 EARNINGS IN FOREIGN CURRENCY			
Particulars	For the Year 2024-2025		For the Year 2023-2024
Export on FOB Basis		1,944.88	2,185.00

3.35 EXPENDITURE IN FOREIGN CURRENCY			
Particulars	For the Year 2024-2025		For the Year 2023-2024
Travelling and others expenses		0.34	43.65
Others Services and Capex. Gross		48,196.42	34.05
<b>Total</b>		<b>48,196.76</b>	<b>77.70</b>

3.36 INCOME TAX			
A) Amounts Recognized in Statement of Profit and Loss			
Particulars	For the Year 2024-2025		For the Year 2023-2024
<b>Current Income Tax</b>			
- Current year		2,324.96	5,893.13
- Less: MAT Credit Entitled		(2,324.96)	-
Deferred Tax- Relating to Origination and Reversal of Temporary Differences		4,699.48	1,627.52
- Earlier Year Tax		3.95	-
<b>Income Tax Expense Reported in the Statement of Profit &amp; Loss</b>		<b>4,703.43</b>	<b>7,520.65</b>

B) Tax Recognized in Other Comprehensive Income			
Particulars	For the Year 2024-2025		For the Year 2023-2024
Tax on Notional gain on investment (FVTOCI)		-	-
Tax on Re-measurement Losses on Defined Benefit Plans (FVTOCI)		3.64	14.94
<b>TOTAL</b>		<b>3.64</b>	<b>14.94</b>

C) Reconciliation of Effective Tax Rate				
Particulars	For the Year 2024-2025		For the Year 2023-2024	
	Rate	Amount	Rate	Amount
Accounting Profit/(Loss) Before Income Tax		13,306.78		21,445.52
At Statutory Income Tax Rate	34.944	4,649.92	34.944	7,493.92
Earlier Year Tax		3.95		(7.50)
<b>Permanent Difference</b>				
CSR Expenses		42.30		45.05
Charity and Donation		7.16		1.83
Others		3.73		(3.88)
Deferred Tax on OCI		(3.64)		(14.94)
Net Current Tax		4,703.43		7,514.48
Interest on Tax		-		6.16
<b>Income Tax Expense/(Income) Reported in Statement of P&amp;L Account</b>		<b>4,703.43</b>		<b>7,520.64</b>
<b>Net Effective Tax</b>		<b>35.35%</b>		<b>35.07%</b>

The Taxation Law (Amendments) Act 2019 ('the Act'), provides an option to domestic companies to pay income-tax at a lower rate of 22% (plus applicable surcharge and cess) instead of the normal rate of 30% (plus applicable surcharge and cess) depending on the conditions specified in this behalf under section 115BAA of the Income Tax Act, 1961. A domestic company can avail of the lower tax rate only if it opts for not availing of certain exemptions or incentives specified in this behalf in the Act. There is no time limit prescribed under the above to choose the option of lower tax rate under section 115BAA, however, once chosen it is irreversible. The Company is having accumulated MAT credit to be availed / adjusted against future taxable profits. Based on the projections prepared by the management, including its plan for future capital expenditure for capacity enhancement, the company has determined that exercising the option of lower rate will be beneficial only in long term. Accordingly, the Company has not exercised this option during the period and continues to recognize the taxes on income for period ended March 31, 2025 as per the existing normal tax rate of 30% (plus applicable surcharge and cess). The Company has assessed that the net deferred tax liability as at March 31, 2025 would get reversed within the period for which Company is expected to continue to be in the existing tax regime. The Company will review the above position at each period end.



The Company is subject to tax assessments and on-going proceedings, which are pending before various Tax Authorities. Management periodically evaluates the positions taken in tax returns with respect to above matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such on-going proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities.

3.37 CONTINGENT LIABILITIES AND COMMITMENTS Particulars	(Rs. In Lacs) As at	
	March 31, 2025	March 31, 2024
<b>Contingent Liabilities &amp; Commitments</b>		
<b>a. Contingent Liabilities :</b>		
I. Claims against the company not acknowledged as debts (net of advances);		
a. Income tax matters, pending decisions on various appeals	293.89	293.89
b. Excise Duty matters (under appeals)	274.90	274.90
c. Value Added Tax matters (under appeals)	11.90	11.90
d. Goods and Service Tax (under appeals)	267.53	268.50
e. Labour Laws matters (Labour Court)	-	-
II. Other money for which the Company is contingently liable;		
a. Bank guarantees outstanding (Net of Margin) BG Rs. 55.30 Lac-Margin Rs. 55.30 Lac (Last Year Rs.32.20 Lac- Margin Rs.26.45 Lac)	55.31	5.75
b. Outstanding liabilities against LCs (Net of Margin)	-	878.33
c. Outstanding liabilities against Capex LCs issued for Rs. 5067.20 LC Rs. (Last Year Rs. 42712.00 Lac)	5,067.20	42,712.00
d. EPCG Obligation	16,605.37	16,605.37
<b>b. Commitments :</b>		
I. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advance)	250.90	58,753.13

## Notes:

- Contingent liabilities disclosed above represent possible obligations that has arisen from past events and where the likelihood of an outflow of resources depends upon occurrence or non-occurrence of uncertain future event(s).
- In addition, the company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations and financial conditions.
- The Company is in the process of closing the respective EPCG license as acquired in the previous years and does not believe to have any impact in the financial statements in this regard.

3.38 Payment to Auditors (Net of GST) Particular	2024-2025	2023-2024
Statutory Auditor:		
Audit Fee	10.00	1.50
<b>TOTAL</b>	<b>10.00</b>	<b>1.50</b>

## 3.39 Ind AS 116 - Leases where company is a lessee

- a) Management is continuing with its initial assessment of not to apply the requirements of Ind AS 116 to leases if underlying asset is of low value and the balance non-cancellable period is less than 12 months and hence continued considering them as short-term leases. The lease payments associated with these leases are continued to be recognised as an expense on a straight-line basis over the lease term.

The following is the breakup of current & non-current lease liabilities as at March 31, 2025 and March 31, 2024:

Particulars	March 31, 2025	March 31, 2024
Current lease liabilities	37.20	3.87
Non-current lease liabilities	150.78	27.75
<b>Total</b>	<b>187.98</b>	<b>31.62</b>



The following is the movement in lease liabilities during the year ended:

Particulars	2024-2025	2023-2024
Opening balance	31.62	-
Add: Lease liabilities recognised during the year	181.50	46.27
Add: Interest cost accrued during the year	13.34	1.32
Less: Payment of lease liabilities including interest	(38.48)	(15.97)
Balance At the end of year	187.98	31.62

Maturity analysis of lease liabilities on an undiscounted basis:

Particulars	2024-2025	2023-2024
Not later than one Year	37.20	3.87
Later than 1 year and not later than five years	138.98	3.76
Later Than five Years	11.80	23.99
Total Lease Liabilities	187.98	31.62

**3.40 EARNING PER YEAR (EPS) AS PER IND AS 33:**

Particulars	2024-2025	2023-2024
<b>Earnings :</b>		
Net Profit After Tax	8,603.35	13,924.67
<b>Shares :</b>		
Number of Shares at the Beginning of the Period (lac)	382.22	382.22
Total Number of Equity Shares Outstanding at the End of the Period (Lac)	382.22	382.22
Weighted Average Number of Equity Share Outstanding During the Period (Lac)	382.22	382.22
Earning per Share of Par Value Rs.10		
-Basic Rs.	22.51	36.43
-Diluted Rs.	22.51	36.43

In the previous financial years, the Company had presented the utilisation of Minimum Alternate Tax (MAT) credit through the Statement of Profit and Loss, thereby increasing the Profit After Tax (PAT) and Earnings Per Share (EPS). Simultaneously, a corresponding reversal of the MAT credit amount was presented within Other Equity under a separate line item titled "MAT Credit Reversed / Utilised", resulting in no net impact on the total equity of the Company.

During the current year, the Company has revised the presentation of MAT credit utilisation in order to provide a more accurate and fair representation of financial information. Accordingly, the MAT credit utilisation is no longer routed through the Statement of Profit and Loss, and no corresponding reversal is reflected in Other Equity.

As a result of this change in presentation:

- The previously recognised MAT credit utilisation through Profit and Loss has been reversed.
- PAT and EPS for the comparative period have been restated and reduced by the amount of MAT credit previously recognised.
- There is no impact on total equity or net assets as of the reporting date.

This change only represents a change in presentation and classification in accordance with Ind AS 1 – Presentation of Financial Statements.

**3.41 BUSINESS COMBINATION:**

During the year ended 31/03/2025, the Company does not have any business acquisition transaction to report. During the year ended 31/03/2021, the Company had amalgamated Naini Tissues Limited effective 01.04.2020. Merger application filed with NCLT for merger of Naini Capital Limited was withdrawn.

**3.42 RELATED PARTY DISCLOSURES**

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The below transactions are as per approval of Audit Committee. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**i. Related Parties with whom transactions have taken place during the year:**  
(as identified by the management)

Sl.No.	Name of the Related Party	Relationship
1	Naini Capital Limited	Enterprise where KMPs & their relatives are able to exercise significant influence
Sl.No.	Name of the Related Party	Relationship
1	Mr. Pawan Agarwal - Managing Director & CEO	Key Managerial Personnel
2	Mr. Mayank Agarwal - Executive Director & COO	
3	Mr. Naveen Agarwal - Executive Director & CFO	
4	Mr. Shyam Raj Singh - Company Secretary (Till 20th February 2025)	
5	Mr. Shyam Raj Singh - Company Secretary (w.e.f 20th February 2025)	
1	Mr. Rahul Agarwal - Executive Director	WTDs/ Directors
2	Mr. Gaurav Agarwal - Executive Director	
3	Mrs. Prachi Agarwal - Executive Director	
4	Mr. Kanav Agarwal - Executive Director	
5	Mr. Mohit Jain	
6	Mr. Pradeep Kumar Agarwal	
1	Mrs. Vimal Agarwal	Relatives to KMPs / Directors
2	Mrs. Vijay Agarwal	
3	Mrs. Vinod Kumari	
4	Mrs. Madhu Agarwal	
	5. Ms Paridhi Agarwal	Relatives to KMPs / Directors
	6. Ms Rupali Agarwal	
	7. Ms. Pooja Agarwal	
	8. Ms Shalini Agarwal	
	9. Ms Richa Agarwal	Relatives to KMPs / Directors
	10. Ms Preeti Agarwal	



(Rs. In Lacs)

## II. The following is a summary of Related Party Transactions between the company and related parties :

Particulars	2024-2025	2023-2024
i. Purchase / Sale of Property / Goods	-	-
ii. Lease Rent paid to :		
i. Director	3.60	0.04
iii. Remuneration Paid to:		
i. Managing Director	120.29	120.00
ii. Executive Directors / WTD	449.42	470.82
iv. Interest paid to :		
i. Naini Capital Limited	13.97	13.05
v. Loan (ICD) Received from Associates :		
ii. Naini Capital Ltd. (inclusive of Interest credited at year end)	-	-
vi. Advances Paid to Associates		
ii. Naini Capital Limited (including interest)	210.00	205.55
vii. Advance during the year to KMP(s) / Director / their relatives	698.23	948.15
viii. Refunded during the year by KMP(s) / Director / other relatives	261.11	815.50

## III. The Company has the following amounts due to/from related parties;

Particulars	As at March 31, 2025	% to Total Loan	As at March 31, 2024	% to Total Loan
i. Due from related parties				
i. Key Management Personnel	629.89	73.73%	264.53	61.86%
ii. Director	181.65	21.26%	109.89	25.70%
iii. Relatives to Key Management Personnel/Director	22.65	2.65%	22.65	5.30%
iv. Associate Concern	-	0.00%	-	0.00%
ii. Due to related parties:				
i. Associate Concern	-	-	-	-
ii. Director	35.00	-	35.00	-
iii. Relative to Director	0.40	-	-	-

## IV. Remuneration/Salary paid to KMP

Particulars	2024-2025	2023-2024
Short-term employee benefits	569.71	590.82
Post-employment benefits		
- Defined contribution plan	-	-
- Other long-term benefits	-	-

## V. Calculation of Managerial Remuneration (as per Section 198)

Particulars	2024-2025	2023-2024
Profit before Tax	13,306.78	21,445.52
Add:		
Directors Remuneration	569.71	590.82
Bonus Paid	91.15	57.84
Depreciation	5,806.90	5,000.23
Written Back Liability	15.31	0.23
Balance Profit after above adjustment	19,789.86	27,094.63
Maximum remuneration at 11% of the aforesaid profit	2,176.88	2,980.41
Remuneration paid during the year	569.71	590.82

## 3.43 A. Primary Business Segment :

The Company's business activity falls within a single primary business segment which is "Manufacture of Paper and Paper Board" and the Company primarily operates in India. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable operating segments applicable to the Company.

## B. Geographical Segment (Secondary) :

Geographical segment is based on location of customers and the position is given hereunder:-

- i) Segment Revenue - Sales  
    Within India  
    Out Side India  
    Total Revenue
- ii) Segment Assets, Liabilities & expenditure

	2024-2025	2023-2024
Within India	86,672.35	91,411.97
Out Side India	2,417.93	4,068.48
Total Revenue	89,090.28	95,480.45
Segment Assets, Liabilities & expenditure	NIL	NIL



**3.44 DISCLOSURE ON FINANCIAL INSTRUMENTS :**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in Notes to the financial statements.

**(a) Financial assets and liabilities**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at 31st March, 2025 and 31st March, 2024.

As at 31st March, 2025

Particulars	Amortized cost	Fair Value through other comprehensive income	Fair Value through statement of profit and loss	(Rs. In Lacs)	
				At Amortized Cost	Total fair value
<b>Financial assets:</b>					
Cash and bank balances	2,956.60	-	-	2,956.60	2,956.60
Trade receivables	3,707.93	-	-	3,707.93	3,707.93
Loan	854.36	-	-	854.36	854.36
Other financial assets	1,230.27	-	-	1,230.27	1,230.27
	<b>8,749.16</b>	-	-	<b>8,749.16</b>	<b>8,749.16</b>
<b>Financial liabilities:</b>					
Trade and other payables	11,304.51	-	-	11,304.51	11,304.51
Borrowings	62,855.71	-	-	62,855.71	62,855.71
Other financial liabilities	5,038.10	-	-	5,038.10	5,038.10
Lease Liabilities	187.98	-	-	187.98	187.98
	<b>79,386.30</b>	-	-	<b>79,386.30</b>	<b>79,386.30</b>

As at 31st March, 2024

Particulars	Amortized cost	Fair Value through other comprehensive income	Fair Value through statement of profit and loss	(Rs. In Lacs)	
				At Amortized Cost	Total fair value
<b>Financial assets:</b>					
Cash and bank balances	3,206.66	-	-	3,206.66	3,206.66
Trade receivables	5,169.87	-	-	5,169.87	5,169.87
Investments	6,456.74	-	357.23	6,813.97	6,813.97
Loan	427.65	-	-	427.65	427.65
Other financial assets	1,366.18	-	-	1,366.18	1,366.18
	<b>16,627.10</b>	-	<b>357.23</b>	<b>16,984.33</b>	<b>16,984.33</b>
<b>Financial liabilities:</b>					
Trade and other payables	4,026.67	-	-	4,026.67	4,026.67
Borrowings	1,764.27	-	-	1,764.27	1,764.27
Other financial liabilities	4,607.90	-	-	4,607.90	4,607.90
Lease Liabilities	31.62	-	-	31.62	31.62
	<b>10,430.46</b>	-	-	<b>10,430.46</b>	<b>10,430.46</b>

**3.45 CAPITAL MANAGEMENT**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings.

**3.46 FINANCIAL RISK MANAGEMENT**

The company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has established a Risk Management system, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

**A. MANAGEMENT OF LIQUIDITY RISK**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2025 and 31st March, 2024. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.



The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

(i) **Maturities of financial liabilities**

Particulars	Carrying amount	Undiscounted Amount			Total
		Payable on Demand	Payable within 1 year	More than 1 years	
<b>As at 31st March, 2025</b>					
<b>Non-derivative liabilities</b>					
Trade payables	11,304.51	-	11,302.49	2.02	11,304.51
Borrowings - Non Current	53,670.27	-	-	53,670.27	53,670.27
Borrowings - Repayable on demand	9,185.44	9,185.44	-	-	9,185.44
Lease Liabilities	187.98	-	187.98	-	187.98
Other Financial Liabilities	5,038.10	-	5,038.10	-	5,038.10
<b>TOTAL</b>	<b>79,386.30</b>	<b>9,185.44</b>	<b>16,528.57</b>	<b>53,672.29</b>	<b>79,386.30</b>

Particulars	Carrying amount	Undiscounted Amount			Total
		Payable on Demand	Payable within 1 year	More than 1 years	
<b>As at 31st March, 2024</b>					
<b>Non-derivative liabilities</b>					
Trade payables	4,026.67	-	4,026.67	-	4,026.67
Borrowings - Non Current	40.16	-	-	40.16	40.16
Borrowings- Repayable on Demand	1,724.11	1,724.11	-	-	1,724.11
Lease Liabilities	31.62	-	31.62	-	31.62
Other Financial Liabilities	4,607.91	-	4,607.91	-	4,607.91
<b>TOTAL</b>	<b>10,430.47</b>	<b>1,724.11</b>	<b>8,666.21</b>	<b>40.16</b>	<b>10,430.47</b>

(ii) **Maturities of financial assets**

Particulars	Carrying amount	Undiscounted Amount			Total
		Payable on Demand	Payable within 1 year	More than 1 years	
<b>As at 31st March, 2025</b>					
<b>Non-derivative assets</b>					
Trade Receivable	3,707.93	-	3,653.89	54.03	3,707.93
Cash & Bank Balance	2,437.41	2,437.41	-	-	2,437.41
Bank Balance Other than Above	519.19	-	519.19	-	519.19
Loans	854.36	-	820.89	33.47	854.36
Others Financial Assets	1,230.27	-	74.18	1,156.09	1,230.27
<b>TOTAL</b>	<b>8,749.16</b>	<b>2,437.41</b>	<b>5,068.15</b>	<b>1,243.59</b>	<b>8,749.16</b>

Particulars	Carrying amount	Undiscounted Amount			Total
		Payable on Demand	Payable within 1 year	More than 1 years	
<b>As at 31st March, 2024</b>					
<b>Non-derivative assets</b>					
Trade Receivable	5,169.87	-	5,169.87	-	5,169.87
Cash & Bank Balance	2,010.55	2,010.55	-	-	2,010.55
Bank Balance Other than Above	1,196.11	-	1,196.11	-	1,196.11
Investment	6,813.97	-	6,813.97	-	6,813.97
Loans	427.65	-	386.25	41.40	427.65
Others Financial Assets	1,366.17	-	70.14	1,296.03	1,366.17
<b>TOTAL</b>	<b>16,984.32</b>	<b>2,010.55</b>	<b>13,636.34</b>	<b>1,337.43</b>	<b>16,984.32</b>

**B. MANAGEMENT OF MARKET RISK**

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- price risk; and
- interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors.



**(i) Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**a) Foreign currency exchange rate risk:**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates. The risks primarily relate to fluctuations in U.S. dollar, Euro and Yen against the functional currencies of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's exports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 1%.

(Rs. In Lacs)

The following table sets forth information relating to foreign currency exposure as at March 31, 2025:

	Swedish Krona	U.S. dollar	Euro	JPY	TOTAL
a) Financial assets	-	-	-	-	-
Outstanding	-	167.32	-	-	167.32
Unhedged exposure	-	167.32	-	-	167.32
b) Financial liabilities	-	-	-	-	-
Outstanding	-	4,417.48	973.12	-	5,390.60
Unhedged exposure	-	4,417.48	973.12	-	5,390.60

1% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's net profit / (loss) before tax by approximately Rs. 52.23 Lac and Rs. (52.23 Lacs) for financial assets and financial liabilities respectively for the year ended March 31, 2025.

The following table sets forth information relating to foreign currency exposure as at March 31, 2024:

	Swedish Krona	U.S. dollar	Euro	JPY	TOTAL
a) Financial assets	-	-	-	-	-
Outstanding	-	-	-	-	-
Unhedged exposure	-	-	-	-	-
b) Financial liabilities	-	-	-	-	-
Outstanding	1,579.56	2,436.35	28,590.30	1,997.01	34,603.22
Unhedged exposure	1,579.56	2,436.35	28,590.30	1,997.01	34,603.22

1% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's net profit / (loss) before tax by approximately Rs. 202.14 Lac and Rs. (204.36 Lacs) for financial assets and financial liabilities respectively for the year ended March 31, 2024.

**b) Interest rate risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

**Interest Rate Risk Exposure**

(Rs. In Lacs)

Particulars	As at 31.03.2025		As at 31.03.2024	
	Amount	% of Total	Amount	% of Total
Fixed Rate Borrowings	3,339.92	5.31%	40.16	2.28%
Variable Rate Borrowings	59,515.79	94.69%	1,724.11	97.72%
Total Borrowings	62,855.71	100.00%	1,764.27	100.00%

**Sensitivity on variable rate borrowings**

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	2024-2025	2023-2024	2024-2025	2023-2024
Interest rate increase by 0.25%	(148.79)	(4.31)	(148.79)	(4.31)
Interest rate decrease by 0.25%	148.79	4.31	148.79	4.31

**c) Equity Price risk**

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income.

The fair value of Company's investment in quoted equity securities as at March 31, 2025 and 2024 was Rs. NIL and Rs. NIL respectively. A 10% change in equity price as at March 31, 2025 and 2024 would result in an impact of Rs. Nil and Rs. Nil respectively. The impact is indicated on equity before consequential tax impact, if any.



## ii.) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risk mainly from trade receivables and other financial assets. The Company only deals with parties which has good credit ratings / worthiness based on company's internal assessment.

## Trade receivables

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

## Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, money market liquid mutual funds and debt funds of mutual funds. The Company has set counter-parties limits based on multiple factors including financial position, credit rating, etc.

The Company's maximum exposure to credit risk as at 31st March, 2025 and at 31st March, 2024 is the carrying value of each class of financial assets.

## C. COMPETITION AND PRICE RISK MANAGEMENT

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

## D. COMMODITY PRICE RISK MANAGEMENT

Commodity price risk for the Company is mainly related to fluctuations in raw material prices linked to various external factors, which can affect the production cost of the Company. Since the raw material costs is one of the primary costs drivers, any fluctuation in raw material prices (pulp and chemicals etc.) can lead to variability in operating margin. The company has developed sustainable relation with leading domestic and international suppliers of raw material, which enable procurement at most competitive rates. Dedicated expert team and market intelligence supports the company procurement functions.

## E. CAPITAL RISK MANAGEMENT

The Company's policy is to maintain an adequate capital base with the objective to create value for the shareholders along with maintaining creditor and market confidence. Capital includes issued capital and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

(Rs. in Lacs)

## 3.47 CARRYING VALUE AND FAIR VALUE OF FINANCIAL INSTRUMENTS IS AS FOLLOWS

Particulars	Total Carrying Value		Total Fair Value	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Investment	-	6,813.97	-	6,813.97
Loans	854.36	427.65	854.36	427.65
Trade Receivables	3,707.93	5,169.87	3,707.93	5,169.87
Cash and Cash Equivalents	2,956.60	3,206.66	2,956.60	3,206.66
Other Financial Assets	1,230.27	1,366.18	1,230.27	1,366.18
<b>Total</b>	<b>8,749.16</b>	<b>16,984.33</b>	<b>8,749.16</b>	<b>16,984.33</b>
<b>Financial Liabilities :</b>				
Borrowings	62,855.71	1,764.27	62,855.71	1,764.27
Trade Payables	11,304.51	4,026.67	11,304.51	4,026.67
Lease Liabilities	187.98	31.62	187.98	31.62
Other Financial Liabilities	5,038.10	4,607.90	5,038.10	4,607.90
<b>Total</b>	<b>79,386.30</b>	<b>10,430.46</b>	<b>79,386.30</b>	<b>10,430.46</b>

## 3.48 FAIR VALUE HIERACHY

Level 1 - Quoted Prices (Unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following tables presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis -

Particulars	As at 31.03.2025	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Assets :</b>				
Investments in equity instruments	-	-	-	-
Investment in Debt Instruments - Liquid Funds	-	-	-	-
<b>Liabilities :</b>				
Derivative financial instruments	-	-	-	-



Particulars	As at 31.03.2024	(Rs. in Lacs)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Assets :</b>				
Investments in equity instruments	-	-	-	-
Investment in Debt Instruments - Liquid Funds	6,456.74	6,813.97	-	-
<b>Liabilities :</b>				
Derivative financial instruments	-	-	-	-

**3.49 EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES**

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through

The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects.

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with Schedule III are as below:

Particulars	2024-2025	2023-2024
Gross amount required to be spent by the company during the year	421.69	293.93
Amount spent during the year	121.04	128.91
Brought forward surplus from previous 3 financial years	305.86	470.88
Surplus available for set off in succeeding financial years	5.21	305.86
Reason for shortfall	N.A.	N.A.
<b>Total Amount spent during the year</b>	<b>121.04</b>	<b>128.91</b>

**3.50 FINANCIAL RATIOS**

Ratio		FY 2024-25	FY 2023-24	Variance in %	Remarks
Current ratio (in times)	(Current Assets/Current Liabilities excluding Current Maturities of Long term Borrowings and Lease liabilities)	1.60	2.99	(46.44)	The ratio declined due to an increase in short-term borrowings raised for working capital requirements.
Debt-equity ratio (in times)	(Borrowings + Lease Liabilities)/ Total Equity	0.44	0.01	3,257.27	The ratio increased significantly due to a term loan availed during the financial year.
Debt service coverage ratio (in times)	(Profit before Depreciation, Amortization, Impairment Loss on Non-Current Assets, Finance Cost and Tax)/ (Finance Cost (net of capitalization) + Scheduled Principal Repayment (Excluding Prepayment))	81.50	806.35	(89.89)	Due to increase in finance cost during the year
Inventory turnover ratio (in times)	Turnover / Average Inventory	4.63	6.38	(27.37)	Due to Decrease in turnover and increase in average inventory
Trade receivables turnover ratio (in times)	Turnover / Average Trade Receivable	20.07	17.22	16.55	The ratio improved due to better collection efficiency, leading to a reduction in the average trade receivables.
Trade payables turnover ratio (in times)	Cost of Goods and services / Average Trade Payables	8.75	12.05	(27.39)	Increase in trade payable resulting in decrease in the ratio
Net capital turnover ratio  (in times)	(Revenue from Operations/ Working Capital excluding Current Maturities of Long term Borrowings and lease liabilities)	6.02	4.62	30.37	Ratio increased due to increased in short term borrowing and trade payable
Net profit ratio (%)	Profit after Tax /Turnover	9.66	14.94	(35.36)	The ratio declined primarily due to a decrease in the average selling price and an increase in input costs, adversely affecting profitability.
Return on equity (%)	Profit after tax /Average share holders equity	6.24	11.27	(44.63)	The ROE dropped due to reduced profitability during the year.
Return on capital employed (%)	(Earnings before interest and taxes/ Capital Employed (Tangible Net worth + Total Debt + Deferred Tax liability)	6.05	14.58	(58.52)	The ROCE decreased due to a decline in earnings before interest and tax.
Return on investment (%)	(Earnings before interest and tax/ Average total assets)	2.49	13.99	(82.20)	The ROI dropped significantly due to reduced operating profitability and an increase in average total assets.



**3.51 OTHER STATUTORY INFORMATION**

- i. As on March 31, 2025 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.
  - ii. The Company does not have any transactions with companies which are struck off under Section 288 of the Companies Act 2013 or Section 560 of Companies Act, 1956 during the financial year.
  - iii. The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
  - iv. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
  - v. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - vi. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - vii. The Company have 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.
  - viii. The Company have 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.
  - ix. The Company have not any such transaction which is 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).
  - x. As required by provisions of Rule 3 of the Companies (Accounts) Rule, 2013, as amended, the Company has taken all back up of the books and papers of the Company maintained in electronic mode in server physically located in India on daily basis during the financial year ended March 31, 2024.
  - xi. The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 3.52 The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with
- 3.53 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and
- 3.54 The accounting software used by the Company, to maintain its Books of account have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software.
- 3.55 The figures for the previous periods have been regrouped / rearranged wherever necessary to conform to the current periods classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013.
- 3.56 On review of EDPMS portal, it was observed that the export invoices raised by the Company are appearing as having status as "Pending\_AD\_ACK" (export document not submitted), whereas in IRM outstanding all the funds received are appearing as pending. The Company has initiated corrective measures and is working closely with the bank to update the status and ensure compliance with RBI regulations. The management remains committed to adhering to all regulatory requirements and minimizing any risk of non-compliance associated with export transactions.
- 3.57 Notes 1 to 3.56 are annexed to and form an integral part of financial statements.

In terms of our attached report of even date  
For NANGIA & CO. LLP  
Chartered Accountants,  
Firm Registration No. '002391C/N500069

*Prateek Agrawal*

Prateek Agrawal  
Partner  
Membership No. 402826



On behalf of the Board  
For Naini Papers Limited

*Naveen Agarwal*  
Naveen Agarwal  
(DIN - 00481953)  
Executive Director & CFO

*Mayank Agarwal*  
Mayank Agarwal  
(DIN-00505839)  
Executive Director & COO

*Pawan Agarwal*

Pawan Agarwal  
(DIN - 00481900)  
CMD & CEO

*Vivek Singh*  
Vivek Singh  
Company Secretary  
M. No. A23721

Place: Gurugram  
Date: August 18, 2025

Place: Kashipur  
Date: August 18, 2025