



**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
**VSR Paper and Packaging Limited**

**Opinion**

We have audited the accompanying financial statements of **VSR PAPER AND PACKAGING LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2025, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Statement of Affairs of the Company as at 31<sup>st</sup> March, 2025, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the twelve months financial year then ended for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the 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 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



obtained by us and with the consideration of the report of the branch auditor referred to in the "Other Matters" section below is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matters	How the Key Audit Matter was addressed in our audit
1	Revenue Recognition:	Our audit procedures in respect of this area included:
	<p>Refer to the disclosures related to Revenue Recognition in Note 2.6 to the Financial Statements.</p> <p>The Company engaged in Manufacturing and trading of Paper and allied products.</p> <p>Considering the nature of business and significant volume of data processed through operations in a highly competitive marketplace coupled with the impact of changing pricing models, we have considered this as a key audit matter.</p>	<ol style="list-style-type: none"> <li>1. Assessed the Company's revenue recognition accounting policies are in compliance with Ind AS115 - Revenue from Contracts with Customers (Ind AS 115).</li> <li>2. Understood and evaluated the integrity of the general information and technology control environment and performed tests on mitigating manual controls as applicable.</li> <li>3. Tested the design, implementation and operating effectiveness of relevant controls in respect of revenue recognition and measurement.</li> <li>4. Performed substantive testing on test check basis and verified supporting documentation for revenue transactions recorded during the year which included sales invoices, customer contracts and bank statements; apart from that performed analytical procedures.</li> <li>5. Evaluated contracts (on a test check</li> </ol>



		<p>basis) including management discussion with an objective to ascertain whether the same are onerous in nature.</p> <p>6. Tested inter se reconciliations between relevant IT systems reports with general ledger, and performed verification of revenue recognized, deferred and unbilled revenue.</p> <p>7. Assessed disclosures in the Financial Statements in respect of revenue, as specified in Ind AS 115.</p>
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### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit



report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

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.

- (a) 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 except the sales made through trading activities.
- (b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of






("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 (which and belief, no funds are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entity 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;

- (i) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- (j) Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For M M REDDY & CO.,  
Chartered Accountants  
Firm Reg. No.010371S

  
M Madhusudhana Reddy  
Partner

Membership No. 213077

UDIN: 25213077BMMHVC8830

Date: 30-05-2025  
Place: Hyderabad

## **Annexure – A to the Independent Auditors' Report:**

The Annexure referred to the Independent auditors' report to the members of **VSR Paper and Packaging Limited** on the financial statements for the year ended 31 March 2025:

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 account and other records examined by us in the normal course of audit, we report that:

- i. (a) A. The Company has maintained proper records showing full particulars details and situation of fixed assets.  
B. Book of accounts of the company does not carry any immovable properties for the reporting period.
- (b) A major portion of fixed assets have been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us, the company does not have any immovable properties are held in the name of the company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.
- (b) The Company does not have working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of



security of current assets. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

- iii.
- a) During the Twelve-months financial year ended March 31, 2025, the Company has not provided loans, advances in the nature of loans, to its subsidiary company.
  - b) During the Twelve-months financial year ended March 31, 2025, the Company has not provided guarantee to its subsidiary company.
  - c) The Company has not granted loans to employees. during the Twelve-months financial year ended March 31, 2025.
  - d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
  - e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the Twelve-months financial year ended March 31, 2025, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
  - f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company
- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 (as amended) are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause



3(v) of the Order are not applicable.

- vi. To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii. (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us and on the basis of examination of the records, The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the Twelve-months financial year ended March 31, 2025. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. In our opinion and according to the information and explanations given to us,
- a) The Company has not defaulted in repayment of loans or borrowings or payment of interest thereon to banks.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) The Company doesn't have term loans from banks during the



Twelve-months financial year ended March 31, 2025.

- d) The Company did not raise any funds for a short-term basis for long term purposes during the Twelve-months financial year ended March 31, 2025 hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
  - e) The Company has not taken any funds from any entity or person on account of or to meet obligation of its Associate.
  - f) The Company has not raised loans during the year on the pledge of securities held in its Associate or subsidiary company. The Company does not have any joint venture.
- x.
- (a) In our opinion and according to information and explanation given by the management, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under the clause 3(x)(a) of the Order is not applicable.
  - (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally) during the year and accordingly, reporting under paragraph 3(x)(b) of the Order is not applicable.
- xi.
- (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
  - (b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company
- xii.
- a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2020 is not applicable.
  - b) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013 (as amended). Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.




- c) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013 (as amended). Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination the company have an internal audit system and commensurate with their size and nature of the business.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- xvi. According to the information and explanations given to us,
- a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses in the financial year



and in the immediately preceding financial year.

- xviii. here has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. The provisions of Section 135 towards Corporate Social Responsibility are not applicable on the company.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of Financial Statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For M M REDDY & CO.,  
Chartered Accountants  
Firm Reg. No.010371S

  
M Madhusudhana Reddy  
Partner

Membership No. 213077

UDIN: 25213077BMIHVC8830

Date: 30-05-2025

Place: Hyderabad



## **Annexure - B to the Independent Auditors' Report:**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **VSR Paper and Packaging Limited** ("the Company") as of 31st March 2025 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 un-authorized 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M M REDDY & CO.,  
Chartered Accountants  
Firm Reg. No.010371S

  
M Madhusudhana Reddy  
Partner

Membership No. 213077  
UDIN: 25213077BMIHVC8830

Date: 30-05-2025  
Place: Hyderabad

**VSR PAPER AND PACKAGING LIMITED**

CIN: U21099KA2020PLC131642

Regd. Office: H. No.3289, 1st Floor, K.R.Road, Banashankari 2nd Stage, Bangalore-560070.

Balance Sheet As At 31st March, 2025

(Rs.in Lakhs)

PARTICULARS	Note Nos.	As At 31.03 2025	As At 31.03. 2024
<b>II. ASSETS</b>			
<b>1 Non-Current assets</b>			
(a) Fixed Assets			
Tangible Assets	3	394.73	447.54
(b) Long-term Loans and Advances	4	12.48	9.70
(c) Miscellaneous Expenditure (to the extent not written-off)	5	0.77	1.15
<b>2 Current assets</b>			
(a) Current Investments		-	-
(b) Inventories	6	686.47	430.97
(c) Trade Receivables	7	1,472.60	1,210.76
(d) Cash and Bank Balances	8	10.11	0.17
(e) Short-term Loans and Advances	9	-	-
(f) Other Current Assets	10	153.28	119.40
TOTAL		<b>2,730.43</b>	<b>2,219.69</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds:</b>			
(a) Share Capital	11	456.05	456.05
Shareapplication Monery			-
(b) Reserves and Surplus	12	166.56	81.17
<b>2 Share Application Money Pending Allotment</b>			
<b>3 Non Current Liabilities</b>			
(a) Long Term Borrowings	13	800.62	515.79
(b) Deferred Tax Liability (Net)		7.41	7.98
<b>4 Current Liabilities</b>			
(a) Short Term Borrowings		816.36	752.62
(b) Trade Payables	14	396.26	361.60
(c) Other Current Liabilities	15	58.90	26.86
(d) Short-term Provisions		28.27	17.60
TOTAL		<b>2,730.43</b>	<b>2,219.69</b>
Corporate Information, Significant Accounting Policies and Notes to the Financials Statements	1&2		

Notes referred to above form an integral part of the financial statements.

This is the Balance sheet referred to in our report of even date

For **M M REDDY & CO.,**  
Chartered Accountants  
Firm Reg No: 010371S

**M Madhusudhana Reddy**  
Partner  
Membership No.213077  
UDIN 25213077BMIHVC8830

For and on Behalf of Board of Directors  
For **VSR PAPER AND PACKAGING LIMITED**

**B. Deepak Reddy**  
Managing Director  
DIN: 07074102

**L. Rahul Sai**  
Director  
DIN: 08669613

Date: 30-05-2025  
Place: Hyderabad



**VSR PAPER AND PACKAGING LIMITED**  
CIN: U21099KA2020PLC131642

**Regd. Office: H. No.3289, 1st Floor, K.R.Road, Banashankari 2nd Stage, Bangalore-560070.**

**Statement of Profit and Loss Account for the year ending 31st March, 2025**

**(Rs.in Lakhs)**

Particulars	Note No.	Year Ending 31.03.2025	Year Ending 31.03.2024
<b>I. INCOME:</b>			
Revenue From Operations		3,537.21	3,047.38
Other Income	16	-	0.63
<b>Total Revenue</b>		<b>3,537.21</b>	<b>3,048.02</b>
<b>II. EXPENDITURE:</b>			
Cost of Materials Consumed	17	3,087.73	2,819.23
Operational Expenses	18	28.21	24.34
Employee Benefit Expenses	19	185.99	118.54
Changes in Inventory	20	(131.13)	(253.54)
Finance Costs	21	98.68	93.43
Depreciation and Amortised Cost	22	60.70	71.38
Other Expenses	23	93.95	73.10
<b>Total Expenses</b>		<b>3,424.13</b>	<b>2,946.48</b>
<b>Profit/(Loss) before taxes</b>		<b>113.08</b>	<b>101.54</b>
Tax expenses:			
1) Current Year		28.27	17.60
2) Deferred Tax		(0.57)	2.01
<b>Profit for the period</b>		<b>85.39</b>	<b>81.93</b>
<b>Earnings per equity share:</b>			
1) Basic		1.87	<b>1.80</b>
2) Diluted		1.87	1.80
Corporate Information, Significant Accounting Policies and Notes to the Financials Statements	1&2		

Notes referred to above form an integral part of the financial statements.  
This is the Profit and Loss Account referred to in our report of even date

**For M M REDDY & CO.,**  
**Chartered Accountants**  
**Firm Reg No: 010371S**

**For and on Behalf of Board of Directors**  
**For VSR PAPER AND PACKAGING LIMITED**



**M Madhusudhana Reddy**  
Partner  
Membership No.213077  
UDIN 25213077BMIHVC8830



*Deepak Reddy*  
**B. Deepak Reddy**  
Managing Director  
DIN: 07074102

*Rahul Sai*  
**L. Rahul Sai**  
Director  
DIN:08669613

Date: 30-05-2025  
Place: Hyderabad

<b>VSR PAPER AND PACKAGING LIMITED</b> <b>CIN: U21099KA2020PLC131642</b> <b>Regd. Office: H. No.3289, 1st Floor, K.R.Road, Banashankari 2nd Stage, Bangalore-560070.</b> <b>STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2025</b>		
(Rs.in Lakhs)		
PARTICULARS	VSR Paper & Packaging Ltd As at March 31, 2025	VSR Paper & Packaging Ltd As at March 31, 2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net profit before tax as per Profit &amp; Loss A/c</b>	113.08	101.54
Adjustment for:		
Depreciation and Amortisation	60.70	71.38
Preliminary Expenses Written off		
Interest Earned		-
Interest & Finance Charges	98.68	93.43
<b>Operating Profit before Working Capital Changes</b>	<b>272.47</b>	<b>266.35</b>
<b>Movements in Working Capital:</b>		
Decrease/(Increase) in Inventories	(255.51)	(214.81)
Decrease/(Increase) in Trade Receivables	(261.85)	(784.59)
Decrease/(Increase) in Short term loans & advances	-	225.90
Decrease/(Increase) in Other Current Assets	(33.88)	(29.00)
Increase/ (Decrease) in trade and other payables	34.66	359.94
Increase/(Decrease) in Provisions	10.67	17.60
Increase/(Decrease) in Short term borrowings	63.74	97.12
Increase/(Decrease) in Other current liabilities	32.03	(5.30)
Increase/(Decrease) in Trade Payables		-
<b>Change in Working Capital</b>	<b>(137.66)</b>	<b>(66.80)</b>
<b>Changes in non current assets and liabilities</b>		
Decrease/(Increase) in loans & advances	(2.78)	(3.20)
Decrease/(Increase) in Long Term Provisions		
Decrease/(Increase) in Other non Current Assets	0.38	0.38
<b>Changes in non current assets and liabilities</b>		-
<b>Cash Generated From Operations</b>	<b>(140.05)</b>	<b>(69.61)</b>
<b>Less: Taxes paid</b>	28.27	17.60
<b>Net Cash from operating activities(A)</b>	<b>(168.32)</b>	<b>(87.21)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(7.89)	(17.90)
Payments for investment property		
Interest Received		-
Proceeds from long term liabilities		
Other Investment		
Long Term Assets		
-Balance of Unclaimed Dividend		
<b>Net cash used in Investing activities (B)</b>	<b>(7.89)</b>	<b>(17.90)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Share Capital		
Increase / (Decrease) in Borrowings	284.83	191.56
Increase/(Decrease) in Minority Interest		
Interest paid	(98.68)	(93.43)
<b>Net cash Flow from Financing Activities ( C )</b>	<b>186.15</b>	<b>98.13</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents [A+B+C]</b>	9.93	(6.99)
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	0.17	7.16
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>10.11</b>	<b>0.17</b>
<p>As per our report of even date  <b>For M M REDDY &amp; CO.,</b>  Chartered Accountants  Firm Registration No.010371S</p> <p><b>M Madhusudhana Reddy</b>  Partner  Membership No-213077  UDIN: 25213077BMHFVC8830</p> <p>Date: 30-05-2025  Place: Hyderabad</p>		
<p style="text-align: center;"><b>For and on Behalf of Board of Directors</b>  <b>For VSR PAPER AND PACKAGING LIMITED</b></p> <p style="text-align: center;">   </p> <p style="text-align: center;"> <b>B. Deepak Reddy</b>  Managing Director  DIN: 07074102 </p> <p style="text-align: center;"> <b>L. Rahul Sai</b>  Director  DIN:08669613 </p>		

**VSR PAPER AND PACKAGING LIMITED**

**CIN: U21099KA2020PLC131642**

**Regd. Office: H. No.3289, 1st Floor, K.R.Road, Banashankari 2nd Stage, Bangalore-560070.**

**Notes to Standalone Financial Statements as at 31<sup>st</sup> March, 2025**

**1. Corporate Information:**

VSR PAPER AND PACKAGING LIMITED ("the Company") was incorporated in India in the year 2020. The Company is engaged in the Business of Manufacture of Paper Packaging Products and Trading of Paper board etc... The registered office of the Company is located at H. No.3289, 1st Floor, K.R.Road Banashankari 2nd Stage, Bangalore - 560070 India. The Standalone Financial Statements were authorised for issue in accordance with the resolution passed in the meeting of Board of Directors, held on 30<sup>th</sup> May, 2025.

**2. Material Accounting Policies followed during the year ended 31<sup>st</sup> March, 2025:**

**2.1 Basis of preparation of Standalone Financial Statements and Compliance with Indian Accounting Standards (Ind AS)**

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statements.

Accordingly, the Company has prepared the Standalone Financial Statements which comprise the Balance Sheet as at 31<sup>st</sup> March, 2025, the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2025, the Statement of Cash Flows for the year ended 31<sup>st</sup> March 2025 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Ind AS Financial Statements' or 'Financial Statements').



The standalone financial statement has been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Financial instruments
- Assets held for sale
- Plan assets under defined benefit plans
- Employee share-based payments
- Biological assets

The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The separate Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis except the assets and liabilities which have been measured at Fair Values.

- Financial instruments – measured at fair value;
- Assets held for sale – measured at fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- Employee share-based payments – measured at fair value
- Biological assets – measured at fair value

The carrying values of recognized assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

## **2.2 Current and Non-Current Classification:**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- › Expected to be realised or intended to be sold or consumed in normal operating cycle,
- › Held primarily for the purpose of trading,
- › Expected to be realised within twelve months after the reporting period, or
- › Cash or cash equivalent unless restricted from being exchanged



or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle,
- ▶ It is held primarily for the purpose of trading,
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

### **2.3 Use of estimates and judgment**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the results and estimates are recognized in the period in which the results are known / materialized.

### **2.4 Effects of changes in Foreign exchange rates (Ind AS 21)**

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

#### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company in INR at spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date



when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## **2.5 Fair Value Measurement: Ind AS-103**

The Company measures financial instruments, such as, derivatives 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.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of certain unquoted financial assets. Involvement of external valuers is decided upon annually by the Board after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

## **2.6 Revenue Recognition (Ind AS 115):**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- a) Sales Revenue is recognized on dispatch to customers as per the terms of the order. Gross sales are net of returns and applicable trade discounts and excluding GST billed to the customers.



- b) Subsidy from Government is recognized when such subsidy has been earned by the company and it is reasonably certain that the ultimate collection will be made.
- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- d) All other incomes are recognized based on the communications held with the parties and based on the certainty of the incomes.
- e) Revenue from contract with customers:

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customers.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise Judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the cost directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Goods and service Tax (GST) is not received by the Company on its own account. It is a tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it has been excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

- f) Revenue from Sale of goods:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances.



g) Interest income:

For all financial instrument measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included under the head "other income" in the statement of profit and loss.

h) Dividend Income:

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

i) Other Operating Income:

The Company presents incentives received related to refund of indirect taxes as other operating income in the statement of profit and loss. Interest on the contract assets/ financial assets arising from the Company's principal or ancillary revenue generating activities are classified as 'Other operating revenue' in Statement of Profit and Loss.

j) Other Income:

Other Income is accounted for on accrual basis except, where the receipt of income is uncertain.

## 2.7 Taxes (Ind AS 12)

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.



## **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



## **2.8 Property, Plant & Equipment (Ind AS 16)**

Property, plant and equipment and capital work in progress are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

Capital Work in Progress (CWIP) includes Civil Works in Progress, Plant & Equipment under erection and Pre-Operative Expenditure pending allocation on the assets to be acquired/commissioned, capitalized. It also includes payments made towards technical know-how fee and for other General Administrative Expenses incurred for bringing the asset into existence.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other (income)/expense, net" in the statement of profit and loss.

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which is equal to the life prescribed under the Schedule II to the Companies Act, 2013.



The lives of the assets including Right to Use Assets are as follows:

<b>Assets</b>	<b>Life of the assets (In Years)</b>
Buildings	30 – 60
Plant and equipment	4 – 40
Furniture & fixtures	10
Computers	3
Vehicles	8

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

## **2.9 Intangible Assets (Ind AS 38)**

Costs relating to computer software, which is acquired, are capitalized and amortised on a straight-line basis over their estimated useful lives of three years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss when the asset is derecognised.

## **2.10 Borrowing Costs (Ind AS 23)**

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 capitalised 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.



## **2.11 Leases (Ind AS 116)**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

### **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

The Company applies the short-term lease recognition exemption to its short-term leases of those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.



## **2.12 Inventories (Ind AS 2)**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- **Raw materials and Components:** Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- **Net realisable value** is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## **2.13 Impairment of Non-Financial Assets (Ind AS 36)**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples



quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

#### **2.14 Provision (Ind AS 37)**

Provisions are recognised 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each Balance Sheet date.



### **Other Litigation claims**

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

### **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation under purchase unit credit method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit or loss on the earlier of:

- › The date of the plan amendment or curtailment, and
- › The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- › Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- › Net interest expense or income

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave



as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

## **2.15 Financial Instruments (Ind AS 109)**

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

### **Financial assets:**

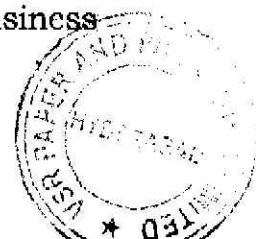
#### **Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business



model with the objective of both holding to collect contractual cash flows and selling.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### **Debt instrument at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.



Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments classified as FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of



collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on life time ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) the rights to receive cash flows from the asset have expired, or

the Company has transferred its rights to receive cash flows from the asset, and

(i) the Company has transferred substantially all the risks and rewards of the asset, or

(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Financial liabilities:**

#### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings,



payables, or as designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss

#### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal



right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **2.16 Derivative financial instruments**

### **Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gain or losses arising from changes in the fair value of derivatives are taken directly to profit or loss. The foreign exchange forward are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposures of the underlying transactions.

## **2.17 Cash and Cash Equivalents (Ind AS 7)**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Cash flows are reported using the indirect method under Ind AS 7, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **2.18 Earnings per Share (Ind AS 33)**

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

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.



The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares outstanding, for the effects of all dilutive potential shares.

### **2.19 Segment reporting (Ind AS 108)**

The Company's operations predominantly relate only to trading of Paper and Board and recycling paper and accordingly this is the only primary segment. Further, the Company has major operations in one part of India and therefore there are no geographical segments but the Group has made significant strategic Investments in the past and has undertaken the said activity in a focused and organised manner. As there are no two or more separate reportable segments, Segment Reporting as per Ind AS -108, "Operating Segments" is not prepared.

### **2.20 Contingent Liability and contingent assets (Ind AS 37)**

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise the contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise the contingent assets since this may result in the recognition of income that may never be realised but discloses its existence in the financial statements. Where an inflow of economic benefits are probable, the Company discloses a brief description of the nature of contingent assets at the end of the reporting period. However, when the realisation of



income is virtually certain, then the related asset is not a contingent asset and the Company recognize such assets.

Contingent liabilities and Contingent assets are reviewed at each Balance Sheet date.

### **2.21 Non-Current Assets held for Sale or Discontinued Operations:**

This standard specifies accounting for assets held for sale, and the presentation and disclosure for discontinued operations:

Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less cost to sell, and depreciation on such assets to cease; and

Assets that meet the criteria to be classified as held for sale to be presented separately in the balance sheet and the results of discontinued operations to be presented separately in the statement of profit and loss.

### **2.22 Exploration for Evolution of Mineral resources: (Ind AS 106)**

This standard specifies the financial reporting for the exploration for evaluation of mineral resources. In particular, this standard requires:

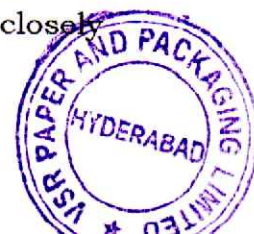
- a. Limited improvements to existing accounting practices for exploration and evaluation of expenditures
- b. Entities that recognize exploration and evaluation of assets to assess such assets for impairment in accordance with this standard and measure any impairment.

Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for the evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation of assets recognized.

This Ind AS 106 is not applicable as the company is in the business of Trading of Paper Board and Recycled Waste Paper. Hence this Ind AS does not have any financial impact on the financial statements of the company.

### **2.23 Construction Contracts (Ind AS -11)**

Construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely



interrelated or interdependent in terms of their design, technology, and function or their ultimate purpose or use.

The company is engaged in trading of Paper Board and Recycled Waste Paper. Hence, Ind AS 11 "Construction Contract" is not applicable to the Company.

#### **2.24 Events Reporting Period (Ind AS-10)**

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting and the date when the financial statements are approved by the Board of Directors in case of a company, and, by the corresponding approving authority in case of any other entity for issue. Two types of events can be identified:

- a. Those that provide evidence of conditions that existed at the end of reporting period (adjusting events after the reporting period);
- b. Those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

An entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.

As per the information provided and Books of Account no such events are identified during the reporting period. Hence, Ind AS 10 Events After the Reporting Period is not applicable.

#### **2.25 Accounting for Government Grants and Disclosure of Government Assistance (Ind AS 20):**

##### **Government grants:**

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and non-monetary grants are recognized and disclosed as 'deferred income' under non-current liability in the Balance Sheet and



transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest and effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognized at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognized to the income statement immediately on fulfilment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## **2.26 Insurance Claims**

Insurance Claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection

## **2.27 CSR expenditure**

As the Company is not covered for allocating funds under Corporate Social Responsibility for the year 2024-25 as per the financial thresholds outlined in the Companies Act, 2013, the Company did not transfer any funds towards Corporate Social Responsibility during the current reporting period.

## **2.28 Change in accounting policies and disclosures**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2024 dated 28<sup>th</sup> September, 2024 to amend the following Ind AS which are effective for annual periods beginning on or after 01<sup>st</sup> April, 2024. The Company applied for the first-time these amendments.

### **1. Ind AS 117 - Insurance Contracts:**

This new standard expands the scope of insurance contract accounting to include non-insurance entities that may have contracts with insurance-like characteristics. It provides a more comprehensive framework for recognizing, measuring, presenting, and disclosing information about insurance contracts.

### **2. Amendments to Ind AS 116 - Leases:**



The amendments to Ind AS 116 provide clarity on the accounting treatment of sale and leaseback transactions where the lease payments are variable.

This clarification is crucial for entities involved in such transactions, ensuring consistent application of the standard.

### 3. Other Notable Changes and Considerations:

- i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates:  
An amendment to Ind AS 21, effective from April 1, 2025, to address the lack of exchangeability of exchange rates.
- ii) Ind AS 101 - First-time Adoption of Indian Accounting Standards:  
Amendments were made to Ind AS 101, particularly regarding the treatment of hedge accounting in the opening balance sheet.
- iii) Disclosure Requirements:  
Enhanced disclosure requirements, particularly in Ind AS 107, Financial Instruments: Disclosures, have been introduced to provide clarity regarding financial instruments associated with insurance contracts.

Based on a preliminary evaluation of the above, the Company does not expect any material impact on the financial statements resulting from the implementation of these amendments.

**As per our report of even date**

**For M. M. REDDY & CO.,**  
Chartered Accountants  
Firm Reg. No. 010371S

**M Madhusudhana Reddy**  
Partner  
Membership No. 213077  
UDIN: 25213077BMIHVC8830

Place: Hyderabad  
Date: 30-05-2025

**For and on behalf of the Board**  
**VSR PAPER AND PACKAGING LIMITED**

  
**B. Deepak Reddy**  
Managing Director  
DIN: 07074102

  
**L. Rahul Sai**  
Director  
DIN: 08669613



**VSR PAPER AND PACKAGING LIMITED**

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**Note : 3 Property, Plant & Equipment and Intangible Assets**

(Rs.in Lakhs)

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		Value at the beginning	Additions during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2023	WDV as on 31.03.2024
I	<u>Tangible Assets</u>										
1	Land	-	-	-	-	-	-	-	-	-	-
2	Plant and Equipment	500.23	-	-	500.23	112.93	53.87	-	166.80	333.42	387.30
3	Furnitures & Fixtures	0.58	-	-	0.58	0.26	0.08	-	0.34	0.24	0.32
4	Vehicles	-	7.28	-	7.28	-	0.46	-	0.46	6.32	-
5	Office Equipment	-	-	-	-	-	-	-	-	-	-
6	Computers	4.48	0.23	-	4.70	3.55	0.60	-	4.15	0.55	0.92
	SUB TOTAL (A)	505.29	7.51	-	512.79	116.75	55.01	-	171.76	341.03	388.54
II	<u>Assets under Lease</u>										
7	Buildings	42.03	-	-	42.03	15.51	5.30	-	20.82	21.21	26.52
	SUB TOTAL (B)	42.03	-	-	42.03	15.51	5.30	-	20.82	21.21	26.52
III	<u>Intangible Assets</u>	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (C)	-	-	-	-	-	-	-	-	-	-
IV	<u>Capital Work-in-progress</u>										
8	Building	0	0	-	0	-	-	0	-	0	0
9	Plant and Equipment	32.48	-	-	32.48	-	-	-	-	32.48	32.48
	SUB TOTAL (D)	32.48	-	-	32.48	-	-	-	-	32.48	32.48
V	<u>Intangible Assets Under Development</u>										
	SUB TOTAL (E)	-	-	-	-	-	-	-	-	-	-
	Total [A + B + C + D + E]	579.80	7.51	-	587.30	132.26	60.32	-	192.58	394.73	447.54
	Total (Previous Year)	562.28	26.67	-	588.95	61.26	70.99	9.15	141.41	447.54	501.01



DEPRECIATION SCHEDULE AS PER INCOME-TAX RULES								
							(Rs.in Lakhs)	
PARTICULARS		W.D.V	ADDITIONS		DELETION	Total	Depreciation for the year	W.D.V
		As on	Upto	After	As on			
		01.04.2024	30.09.2024	30.09.2024	31.03.2025			
<b>BLOCK - I</b>								
Building (under Lease)	20%	33.52	-		-	33.62	6.72	26.90
Furniture & Fixtures	10%	0.13	-	-	-	0.13	0.01	0.11
								-
<b>BLOCK - II</b>								
Plant & Machinery	15%	390.51	-	7.28	-	397.79	59.12	338.67
<b>BLOCK - III</b>								
Computers	60%	1.12	0.23	-		1.35	0.81	0.54
Grand Total:		425.39	0.23	7.28	-	432.89	66.67	366.22



**VSR PAPER AND PACKAGING LIMITED**

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**Note: 4. LONG-TERM LOANS AND ADVANCES**

Sl. No.	Particulars	As At	As At
		31-03-2025	31-03-2024
		Rs.in Lakhs	Rs.in Lakhs
1	Rent Deposit (Un-secured and Considered Good)	12.48	9.70
<b>Total</b>		<b>12.48</b>	<b>9.70</b>

**Note: 5. MISCELLANEOUS EXPENDITURE ( To the extent not-written off)**

Sl. No.	Particulars	As At	As At
		31-03-2025	31-03-2024
		Rs.in Lakhs	Rs.in Lakhs
1	Preliminary Expenses	0.77	1.15
2	Pre-operative Expenses	-	-
<b>Total</b>		<b>0.77</b>	<b>1.15</b>

**Note: 6. INVENTORIES**

Sl. No.	Particulars	As At	As At
		31-03-2025	31-03-2024
		Rs.in Lakhs	Rs.in Lakhs
1	Finished Goods	384.67	253.54
2	Raw materials	301.80	177.42
3	Semi Finished Goods	-	-
4	Packing Materials	-	-
	Consumbales	-	-
<b>Total</b>		<b>686.47</b>	<b>430.97</b>



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**Note: 7. TRADE RECEIVABLES**

Sl. No.	Particulars	As At	As At
		31-03-2025	31-03-2024
		Rs.in Lakhs	Rs.in Lakhs
<b>Unsecured and Considered Good</b>			
1	Outstanding less than six months	1,472.60	1,032.28
2	Others	-	178.48
<b>Total</b>		<b>1,472.60</b>	<b>1,210.76</b>

**Note: 8. CASH AND CASH EQUIVALENT**

Sl. No.	Particulars	As At	As At
		31-03-2025	31-03-2024
		Rs.in Lakhs	Rs.in Lakhs
<b>Cash-in-hand</b>			
	Cash Balance	10.05	0.11
<b>Balances with Scheduled Banks</b>			
2	Bank Balance with Indian Bank Fixed Deposit	0.06	0.07
<b>Total</b>		<b>10.11</b>	<b>0.17</b>

**Note: 9. SHORT TERM LOANS AND ADVANCES**

Sl. No.	Particulars	As At	As At
		31-03-2025	31-03-2024
		Rs.in Lakhs	Rs.in Lakhs
1	Advance for Equipment	-	-
2	Advance for Materials	-	-
<b>Total</b>		<b>-</b>	<b>-</b>

**Note: 10. OTHER CURRENT ASSETS**

Sl. No.	Particulars	As At	As At
		31-03-2025	31-03-2024
		Rs.in Lakhs	Rs.in Lakhs
<b>TCS</b>			
1	TDS	0.22	0.73
	Advance for expenses	1.64	0.60
	Other Advances		1.14
	Electricity Deposit	61.83	4.46
	Advances to Staff	0.22	0.22
<b>GST input</b>			
2	GST input	17.55	5.73
<b>Total</b>		<b>71.83</b>	<b>106.51</b>
<b>Total</b>		<b>153.28</b>	<b>119.40</b>



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**Note: 11 SHARE CAPITAL**

Sl. No.	Particulars			As At	As At
				31st March, 2025	31st March, 2024
				Rs.in Lakhs	Rs.in Lakhs
I	<b>Authorised Capital:</b> 50,00,000 Nos. of Equity shares of Rs. 10/- each (Previous year 50,00,000 nos. of Equity Shares of Rs. 10/- each)			500.00	500.00
II	<b>Issued, Subscribed and Fully Paid-Up :</b> 45,60,510 nos. of fully paid-up Equity Shares of Rs. 10/- each (Previous year 40,64,010 nos. of Equity Shares of Rs. 10/- each fully paid-up)			456.05	456.05
	<b>Total</b>			<b>456.05</b>	<b>456.05</b>
III.a)	<b>Details of Shareholders :</b>				
	<b>Particulars</b>	<b>As At 31st March, 2025</b>		<b>As At 31st March, 2024</b>	
		<b>No of Shares</b>	<b>% held</b>	<b>No of Shares</b>	<b>% held</b>
		<b>Q.ty in Lakhs</b>		<b>Q.ty in lakhs</b>	
1	Bhandaram Deepak Reddy	4.21	9.24%	2.70	5.91%
2	Bhandaram Sathyavathi	1.00	2.20%	1.00	2.20%
3	Bhandaram Preme Sai Reddy	0.50	1.10%	0.50	1.10%
4	Bhandaram Muniratnam Reddy	-	0.00%	1.52	3.32%
5	M. Seetharama Reddy	4.41	9.66%	4.41	9.66%
6	L. Rahul Sai	2.50	5.48%	2.50	5.48%
7	L. Lalanithika	4.90	10.74%	4.90	10.74%
8	M. Sukumari	3.00	6.58%	3.00	6.58%
9	Bandaram Pharma Packtech	25.08	55.00%	25.08	55.00%
10	Others				
		45.61	100.00%	45.61	100.00%
III.b)	<b>% of change in Shareholding :</b>				
	<b>Particulars</b>	<b>As At 31st March, 2025</b>		<b>As At 31st March, 2024</b>	
		<b>No of Shares</b>	<b>% change</b>	<b>No of Shares</b>	<b>% change</b>
	Bhandaram Deepak Reddy	4,21,239	3.32%	2,69,698	-8.72%
	Bhandaram Sathyavathi	1,00,414	0.00%	1,00,414	-12.43%
	Bhandaram Preme Sai Reddy	50,067	0.00%	50,067	-8.06%
	Bhandaram Muniratnam Reddy	-	-3.32%	1,51,541	-17.01%
	M. Seetharama Reddy	4,40,500	0.00%	4,40,500	0.88%
	L. Rahul Sai	2,50,000	0.00%	2,50,000	1.24%
	L. Lalanithika	4,90,010	0.00%	4,90,010	0.00%
	M. Sukumari	3,00,000	0.00%	3,00,000	0.00%
	Bandaram Pharma Packtech	25,08,280.00	0.00%	25,08,280.00	55.00%
		45,60,510	0.00%	45,60,510	10.90%
III.c)	<b>Details of Reconciliation of Share Capital:</b>				
	<b>Particulars</b>			<b>As At 31st March, 2025</b>	<b>As At 31st March, 2024</b>
				<b>No. of Shares</b>	<b>No. of Shares</b>
	i. No. of shares at the beginning of the year			45,60,510	45,60,510
	ii. Add: Shares issued during the year			-	-
	iii. Shares cancelled on buy back			45,60,510	45,60,510
	iii. No. of shares at the end of the reporting period			45,60,510	45,60,510



**Note: 12. RESERVES AND SURPLUS**

Sl. No.	Particulars	As At	As At
		31st March, 2025	31st March, 2024
		Rs.in Lakhs	Rs.in Lakhs
1	Opening Balance	81.17	(0.76)
2	Net Profit for the current year	85.39	81.93
<b>Total</b>		<b>166.56</b>	<b>81.17</b>

**Note: 13. Long Term Borrowings**

Sl. No.	Particulars	As At	As At
		31st March, 2025	31st March, 2024
		Rs.in Lakhs	Rs.in Lakhs
I	<b>Secured Loans</b>		
1	Term Loan - Machinery Kotakmahidra Bank	148.06	178.25
	Temporary Limits With AU Small Finance Bank	8.07	
		80.00	
II	<b>Unsecured Loans form Directors and Shareholders:</b>		
1	B. Deepak Reddy	240.54	191.54
2	L Rahul Sai	2.00	2.00
3	B. Muniratnam Reddy	-	44.00
4	B. Preamsai Reddy	25.00	25.00
5	B. Satyavathi	25.00	25.00
6	M/s. Bandaram Pharma Packtech Ltd.	250.00	50.00
7	Clix capital services Private Limited	21.95	
<b>Total</b>		<b>800.62</b>	<b>515.79</b>

**Note: 14. TRADE PAYABLES**

Sl. No.	Particulars	As At	As At
		31st March, 2025	31st March, 2024
		Rs.in Lakhs	Rs.in Lakhs
1	Sundry Creditors	396.26	361.60
<b>Total</b>		<b>396.26</b>	<b>361.60</b>

**Note: 15. OTHER CURRENT LIABILITIES**

Sl. No.	Particulars	As At	As At
		31st March, 2025	31st March, 2024
		Rs.in Lakhs	Rs.in Lakhs
1	Outstanding liabilities	40.47	3.78
2	Audit fee payable	-	0.40
3	Salaries payable	14.21	4.97
	TDS Payable	4.22	4.16
	GST Payable	-	13.55
<b>Total</b>		<b>58.90</b>	<b>26.86</b>



## VSR PAPER AND PACKAGING LIMITED

Regd. Office: H. No.3289, 1st Floor, K.R.Road, Banashankari 2nd Stage, Bangalore-560070.

### Note: 16. OTHER INCOME

Sl. No.	Particulars	As At 31st Mar, 2025	As At 31st Mar, 2024
		Rs.in Lakhs	Rs.in Lakhs
1	Duty Draw Back	-	-
2	Interest on FD	-	0.15
3	Discounts received	-	-
4	Foreign Exchange Fluctuations	-	-
5	Sundry Creditors written back	-	0.04
6	Other Income	-	0.44
7	Round Off	-	0.00
	<b>Total</b>	<b>-</b>	<b>0.63</b>

### Note: 17. COST OF MATERIALS CONSUMED

Sl. No.	Particulars	As At 31st Mar, 2025	As At 31st Mar, 2024
		Rs.in Lakhs	Rs.in Lakhs
A	Opening Stock	177.42	216.16
B	Add: Purchases	3,200.09	2,768.99
	Freight Charges	12.01	11.51
	Export Clearing Expenses	-	-
		3,389.52	2,996.66
C	Less: Closing Stock	301.80	177.42
	<b>Total</b>	<b>3,087.73</b>	<b>2,819.23</b>

### Note: 18. OPERATIONAL EXPENSES

Sl. No.	Particulars	As At 31st Mar, 2025	As At 31st Mar, 2024
1	Other Manufacturing Exp.	11.83	3.25
2	Electricity Charges	9.29	14.84
3	Machinery Maintenance	6.73	5.23
4	Electrical Maintenance	0.36	1.01
	<b>Total</b>	<b>28.21</b>	<b>24.34</b>



## VSR PAPER AND PACKAGING LIMITED

Regd. Office: H. No.3289, 1st Floor, K.R.Road, Banashankari 2nd Stage, Bangalore-560070.

### Note: 19. EMPLOYEES BENEFIT EXPENSES

Sl. No.	Particulars	As At 31st Mar, 2025	As At 31st Mar, 2024
1	Salaries & Wages	179.08	114.28
2	Security Salaries	2.24	1.99
3	Staff welfare expenses	4.66	2.27
	<b>Total</b>	<b>185.99</b>	<b>118.54</b>

### Note: 20. CHANGE IN INVENTORIES

Sl. No.	Particulars	As At 31st Mar, 2025	As At 31st Mar, 2024
1	<b>Openig Stock</b>	253.54	-
	Finsihed Goods	-	-
	Semi-Finished Goods	-	-
		253.54	-
	<b>Closing Stock</b>		
	Finsihed Goods	384.67	253.54
	Semi-Finished Goods		-
		384.67	253.54
	<b>Total</b>	<b>(131.13)</b>	<b>(253.54)</b>

### Note: 21. FINANCE COST

Sl. No.	Particulars	As At 31st Mar, 2025	As At 31st Mar, 2024
1	Interest on Term Loan	16.42	24.39
2	Interest on Paking Credit Loan		6.21
3	Interest on Working Capital	78.02	55.18
4	Bank Charges	1.44	7.65
5	Interest on TDS	0.25	-
6	Interest on Unsecured Loans	2.44	-
7	Interest on Vehicle Loan	0.12	-
	<b>Total</b>	<b>98.68</b>	<b>93.43</b>

## VSR PAPER AND PACKAGING LIMITED

Regd. Office: H. No.3289, 1st Floor, K.R.Road, Banashankari 2nd Stage, Bangalore-560070.

### Note: 22. DEPRECIATION AND AMORTISED COST

Sl. No.	Particulars	As At 31st Mar, 2025	As At 31st Mar, 2024
1	Depreciation	60.32	70.99
2	Preliminary Expenses	0.38	0.38
	<b>Total</b>	<b>60.70</b>	<b>71.38</b>

### Note: 23. OTHER EXPENSES

Sl. No.	Particulars	As At 31st Mar, 2025	As At 31st Mar, 2024
1	Advertisement Charges	1.38	0.25
2	Audit Fee	0.49	0.90
3	Income Tax paid	4.80	0.88
4	Buliding Maintenance	1.81	-
5	Business Promotion Expenses	0.05	0.24
6	Conveyance	8.02	3.54
7	Courier & Postage Charges	0.08	0.09
8	GST paid	0.02	0.15
9	Insurance	2.58	5.97
10	Packaging & Forwarding	0.57	-
11	Miscellaneous Expenses	8.89	2.17
12	Office Expenses	4.08	1.02
13	Pooja Expenses	0.19	0.26
14	Printing and Stationery	1.08	1.11
15	Professional Charges	1.94	1.95
16	Office Rent	41.45	41.25
17	Rates & Taxes	6.52	1.79
18	Telephone Charges	0.76	0.43
19	Vehicle Maintenance	3.41	-
20	Transport Charges	-	3.12
21	Travelling Expenses	5.56	6.93
22	Sundry Debtors written off	0.14	1.06
	<b>Total</b>	<b>93.95</b>	<b>73.10</b>



## VSR PAPER AND PACKAGING LIMITED

CIN: U21099KA2020PLC131642

Regd. Office: H. No.3289, 1st Floor, K.R.Road, Banashankari 2nd Stage,  
Bangalore-560070.

### Notes to Standalone Financial Statements as at 31<sup>st</sup> March, 2025.

#### 24. Related Party Disclosures (Ind AS 24):

Related Party disclosures required as per Accounting Standard (Ind AS-24) on "Related Party disclosures" issued by the Institute of Chartered Accountants of India, are as below:

##### a) Names of related parties and the Description of Relationship:

S. No	Name	Relationship
(i)	<b>Holding Companies</b>	
A	Bandaram Pharma Packtech Ltd	Holding Company
(ii)	<b>Key Management Personnel</b>	
A	Bandaram Deepak Reddy	Managing Director( P)
B	Rahul Sal Landu	Whole-time Director( P)
C	Seetharama Reddy Mallireddygari	Independent director
D	Suman Mallu	Independent director

(iii)	<b>Firms/Companies under same Management</b>		
A	Bandaram Pharma Packtech Ltd		Holding Company
(iv)	<b>List of other entities in which Directors are interested</b>		
Sl. No.	Name of the Director	Name of the Entity in which the Director is interested	Position Holds
1.	B. Deepak Reddy	M/s. BANDARAM PHARMA PACKTECH LIMITED	Managing Director
2.	Suman Mallu	M/s. BANDARAM PHARMA PACKTECH LIMITED	Independent director



**Transactions with Related Parties:****A: Key Management Personnel (Directors)****(Rs.in Lakhs)**

<b>Unsecured Loans from Directors, Relative of Directors &amp; Holding Co.</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
B. Muniratnam Reddy	Nil	44.00
B. Deepak Reddy	240.54	191.54
B. Prem Sai Reddy -Relative	25.00	25.00
B. Satyavathi - Relative	25.00	25.00
L. Rahul Sai	2.00	2.00
M/s. Bandaram Pharma Packtech Ltd.	250.00	50.00

**(Rs.in Lakhs)**

<b>Remuneration paid to Directors</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
B. Deepak Reddy	12.00	12.00
L. Rahul Sai	6.00	6.00
<b>Rent Paid to Directors</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
B. Deepak Reddy	36.00	36.00

**B: Holding/Subsidiaries/ Associate Companies****(Rs.in Lakhs)**

<b>Bandaram Pharma Packtech Ltd,</b>		<b>Holding Company</b>
<b>Particulars</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Purchase	645.87	Nil
Sales	306.63	1123.41
Advances taken	250.00	50.00
Advances given	Nil	Nil
Investment in Equity	0.00	0.00



**C: Joint Ventures/ Associate/Other Related Companies****(Rs in Lakhs)**

Particulars	Director is a Member- Related	
	As at March 31, 2025	As at March 31, 2024
Craftsmart Products Pvt. Ltd.		
Sales	Nil	Nil
Purchases	Nil	Nil
Advances given	87.95	Nil
Advances taken	Nil	Nil
Investment in Equity	Nil	Nil

**25. Consolidated and Standalone Financial Statements (Ind AS 27):**

The company has a holding company for the current reporting period. Hence, standalone financial statements are prepared by the entity as per the Ind AS 27. The Consolidated financial statements are prepared by the parent entity as per the Ind AS 110.

**26. Investments in Associates (Ind AS 28):**

The company has not invested in any Associate with any entity/person during the year 2024-25. Hence, this accounting standard has no financial impact on the financial statements for the current reporting period.

**27. Interest in Joint Ventures (Ind AS 31):**

The company has not entered in any Joint ventures with any entity/person during the year 2024-25. Hence, this accounting standard has no financial impact on the financial statements for the current reporting period.



**28. Earnings Per Share (Ind AS 33):**

- a) Basic Earnings Per Share for (continued operations) As there are no discontinued operations during the current reporting period, EPS is presented for continued operations only.

<b>Particulars</b>	<b>For the year ending March 31<sup>st</sup> 2025</b>	<b>For the year ending March 31<sup>st</sup> 2025</b>
A. Nominal Value of Equity Shares (Rupees per Share fully paid-up)	10	10
B. Profit after Tax (Rs. in Lakhs)	85.39	81.93
C. No of Shares outstanding at the beginning of the year ( in Lakhs)	45.61	45.61
D. No. of Shares Issued During the Year ( in Lakhs)	Nil	Nil
E. Weighted average number of Equity shares outstanding at the end of year ( in Lakhs)	45.61	45.61
F. Basic Earnings Per Share (in Rs.) – (F = B÷E)	1.87	1.80

- b) **Diluted earnings per share:** (continued operations) As there are no discontinued operations during the current reporting period, EPS is presented for continued operations only.

<b>Particulars</b>	<b>For the year ending March 31<sup>st</sup>,2025</b>	<b>For the year ending March 31<sup>st</sup>,2024</b>
A. Nominal Value of Equity Shares (Rupees per Share fully paid-up)	10	10
B. Profit after Tax (Rs. in Lakhs)	85.39	81.93
C. No of Shares outstanding at the beginning of the year ( in Lakhs)	45.61	45.61
D. No. of Shares Issued During the Year (in Lakhs)	Nil	Nil
E. Weighted Average for shares issued during the Year ( in Lakhs)	Nil	Nil
F. Weighted average number of Equity shares outstanding at the end of year ( in Lakhs)	45.61	45.61
G. Dilutive Shares ( in Lakhs)	45.61	45.61
H. Diluted Earnings Per Share (in Rs.) – (H = B÷G)	1.87	1.80



**29. Derivative instruments and un-hedged foreign currency exposure:**

- a) There are no outstanding derivative contracts as at March 31, 2025 (Previous Year – Nil).  
b) Particulars of Un-hedged foreign currency exposure as at March 31, 2025, is Nil (Previous Year – Nil).

**30. Segment-wise Reporting:**

The Company engaged in Manufacturing of Paper Packaging products and Trading of Paper Board. As the Company is engaged in the business of only one segment, segment-wise reporting is not applicable.

**31. Secured Loans:**

The Company has secured loans amounting to Rs. 236.13 Lakhs outstanding as on 31.03.2025. As disclosed in note no -13 of Notes to Accounts of the Financial Statements.

**32. Net Current Assets:**

**(Rs. in Lakhs)**

<b>S. No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2024</b>
<b>A</b>	<b>Current Assets:</b>		
1	Inventories	686.47	430.97
2	Trade Receivables	1472.60	1210.76
3	Cash and Cash equivalent	10.11	0.17
4	Other Current Asset	153.28	119.39
	<b>Total Current Assets</b>	<b>2322.46</b>	<b>1761.29</b>
<b>B</b>	<b>Current Liabilities:</b>		
1	Borrowings	816.36	752.63
2	Trade Payables	396.26	361.60
3	Other Current Liabilities	58.90	26.86
4	Short-term Provisions	28.27	17.60
	<b>Total Current liabilities</b>	<b>1299.79</b>	<b>1158.69</b>
<b>C</b>	<b>Net Current Assets (A-B)</b>	<b>1022.67</b>	<b>602.60</b>



**33. Revenue from Operations:****(Rs. in Lakhs)**

<b>S.No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2024</b>
1	<b>Sale of goods:</b>		
	Sale of Manufactured Products	-	-
	Stock in trade	3537.21	3047.38
2	Revenue from Sale of Service	-	-
3	Other Operating Revenues	-	0.63
	<b>Total</b>	<b>3537.21</b>	<b>3048.01</b>

**34. Revenue Reconciliation:****(Rs.in Lakhs)**

<b>S. No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2024</b>
1	Sale of Goods		
	Domestic	3537.21	3047.38
	Exports	-	-
	<b>Gross Revenue</b>	<b>3537.21</b>	<b>3047.38</b>
	Less: Discount	-	-
	Less: Returns	-	-
	Less: price Concession	-	-
	<b>Net Revenue</b>	<b>3537.21</b>	<b>3047.38</b>

**Other Income:****(Rs.in Lakhs)**

<b>S. No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2024</b>
1	Interest on Deposits with Banks and others.	0.00	0.15
2	Other income	0.00	0.48
	<b>TOTAL</b>	<b>0.00</b>	<b>0.63</b>



**35. Foreign Currency Transactions: Nil.**

There are no foreign currency transactions during the current reporting period (Previous Year is Nil)

**36. Contingent Liabilities not provided for in the FS and Commitments:**

The Company has no contingent liabilities during the year as mentioned below:

Nature of Contingent Liability	(Rs.in Lakhs)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Unexpired guarantees issued on behalf of the company by Banks for which the Company has provided counter guarantee	NIL	NIL
Bills discounted with banks which have not matured	NIL	NIL
Corporate Guarantees issued by Company on behalf of others to Commercial Banks & Financial Institutions	NIL	NIL
Collateral Securities offered to Banks for the limit Sanctioned to others	NIL	NIL
Legal Undertakings given to Customs Authorities for clearing the imports	NIL	NIL
Claims against the company not acknowledged as debts	NIL	NIL
Excise	NIL	NIL
Sales Tax	NIL	NIL
Service Tax	NIL	NIL
Income Tax	NIL	NIL
Civil Proceedings	NIL	NIL
Company Law Matters	NIL	NIL
Criminal Proceedings	NIL	NIL
Others	NIL	NIL



**37. Auditors' Remuneration:****(Rs.in Lakhs)**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2024</b>
Fees towards*		
Statutory Audit	0.50	0.50
Certification Charges	0.49	0.40

**38. Non-Current Assets held for sale or Discontinued Operations:**

<b>Sl.no</b>	<b>Particulars of Disclosures</b>	<b>As at 31<sup>st</sup> March 2025 (INR)</b>	<b>As at 31<sup>st</sup> March 2024 (INR)</b>
1	A Description of Non-Current Asset (Disposal group)	Nil	Nil
2	A description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of that disposal	Nil	Nil
3	The gain or loss recognized in accordance with paragraphs 20-22 and, if not separately presented in the statement of profit and loss, the caption in the statement of profit and loss that includes that gain or loss	Nil	Nil

**39. Dues to Micro Small and Medium Enterprises:**

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act.).

**(Rs. in Lakhs)**

<b>S. No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2025</b>	<b>As at 31<sup>st</sup> March, 2024</b>
1	Principal amount due to suppliers under MSMED	NIL	NIL
2	Interest accrued and due to suppliers covered under MSMED on the above amount, unpaid	NIL	NIL

3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	NIL	NIL
4	Payment made to suppliers (other than interest) beyond the appointed day during the previous year	NIL	NIL
5	Interest paid to suppliers covered under MSMED	NIL	NIL
6	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	NIL	NIL

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with company.

#### **40. Financial Risk Management**

In the course of its business, the company is exposed to certain financial risks such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the company's business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

#### **41. Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

#### **42. Liquidity risk**

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as pre requirements. The Company's exposure to liquidity risk is minimal as the promoters of the company infusing the funds from time to time based on the requirements of the company.



**43. Trade Payables Ageing Schedule:**As on 31<sup>st</sup> March 2025:**(Rs.in Lakhs)**

Particulars	Outstanding for following period from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	396.26	-	-	-	396.26
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>396.26</b>		<b>-</b>	<b>-</b>	<b>396.26</b>

As on 31<sup>st</sup> March 2024:**(Rs.in Lakhs)**

Particulars	Outstanding for following period from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	360.02	1.58	-	-	361.60
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>360.02</b>	<b>1.58</b>	<b>-</b>	<b>-</b>	<b>361.60</b>

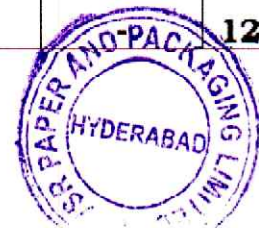


**44. Trade Receivables Ageing Schedule;****(Rs.in Lakhs)**As on 31<sup>st</sup> March 2025:

Particulars	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	458.92	610.25	387.58	12.93	2.92	1472.60
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
	<b>458.92</b>	<b>610.25</b>	<b>387.58</b>	<b>12.93</b>	<b>2.92</b>	<b>1472.60</b>

As on 31 March 2024:

Particulars	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1029.28	84.02	97.46	-	-	1210.76
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>1029.28</b>	<b>84.02</b>	<b>97.46</b>	<b>-</b>	<b>-</b>	<b>1210.76</b>



**45. Financial Ratios:**

As on 31 March 2025:

	Numerator	Denominator	Current Period	Previous Period	Reason
<b>Liquidity Ratios</b>	In Lakhs	In lakhs			
Current Ratio (times)	2322.46	1299.79	1.79	1.52	Increase in Current Assets
Debt-Equity Ratio (times)	1616.98	622.61	2.60	1.13	Increase in unsecured loans
Debt Service Coverage Ratio (times)	244.77	1173.12	0.21	4.01	Increase in the O/S Debt
<b>Profitability Ratios</b>					
Net Profit Ratio (%)	85.39	3537.21	2.41	2.69	Increase in both sales and profit margin
Return on Equity Ratio (%)	85.39	622.60	13.72	15.25	Increase in SH's fund
Return on Capital employed (%)	211.77	1256.67	16.85	16.17	Increase in the Capital employed
<b>Utilization Ratios</b>					
Trade Receivables turnover ratio (times)	3537.31	1335.44	2.65	3.72	Due to increase in turnover
Inventory turnover ratio (times)	3537.31	558.72	6.33	9.11	Due to increase in inventories
Trade payables turnover ratio (times)	3212.10	378.89	8.48	16.78	Due to increase in turnover
Net capital turnover ratio (times)	3537.31	807.48	4.38	6.14	Due to increase in turnover

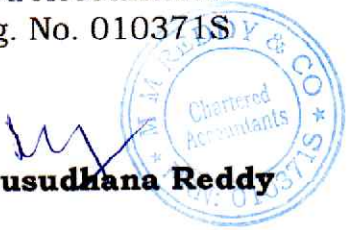


- 46.** The Company does not have any Benami property and no proceeding has been initiated or pending against the Company for holding any Benami Property under Benami Transactions (Prohibition) act, 1988.
- 47.** The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority in accordance with the guidelines on wilful defaulters issued by the RBI.
- 48.** The Company does not have any transactions with companies struck off under section 248 of the Companies act, 2013
- 49.** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 50.** The Company has not advanced or loaned or Invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a) Directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 51.** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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.
- 52.** The Company has 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.
- 53.** The Company is not covered under section 135 of the Companies act, 2013 regarding the disclosure of details of Corporate Social Responsibility.
- 54.** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



- 55. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
- 56. Amounts have been rounded off to the nearest thousand.
- 57. Notes. 1 to 23 form an integral part of Standalone Financial Statements and the same have been authenticated.

**As per our report of even date  
For M. M. REDDY & CO.,**  
Chartered Accountants  
Firm Reg. No. 010371S



**M Madhusudhana Reddy**  
Partner  
Membership No. 213077  
UDIN: 25213077BMIHVC8830

Place: Hyderabad  
Date: 30-05-2024

**For and on behalf of the Board  
VSR PAPER AND PACKAGING LIMITED**

**B. Deepak Reddy**  
Managing Director  
DIN: 07074102

**L. Rahul Sai**  
Director  
DIN: 08669613

