



STAR PAPER MILLS LIMITED
Annual Report 2022-23

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FORWARD LOOKING STATEMENT

Statement in this report that describes the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward looking statement' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause difference include but are not limited to raw material cost or availability, demand and pricing in the Company's markets, changes in government regulations, economic developments within the countries in which the Company conduct business and other factors relating to the Company's operations, such as litigations, labour negotiations and fiscal regimes.

Corporate Information

Mr. G.P. Goenka
Chairman Emeritus

BOARD OF DIRECTORS

Mr. Shiromani Sharma
Chairman/Independent
Director

Mr. Shrivardhan Goenka
Non-independent Director

Mr. C.M. Vasudev
Independent Director

Mr. Madhukar Mishra
Managing Director

Mr. Sunil Srivastav
Independent Director
(upto 15th Aug, 2022)

Mrs. Pragya Jhunjhunwala
Non-Independent Director

Dr. (Mrs.) Sheela Bhide
Independent Director
(w.e.f. 7th April, 2023)

STATUTORY AUDITORS

M/s Lodha & Co.,
Chartered Accountants, Kolkata

COST AUDITORS

M/s K.B. Saxena & Associates,
Cost Accountants, Lucknow

SECRETARIAL AUDITOR

M/s D. Dutt & Co., Company Secretaries,
Kolkata

Mr. Sanjeev K. Garg
Chief Financial Officer

Mr. Saurabh Arora
Company Secretary

BANKERS

Bank of Baroda, Punjab National Bank
ICICI Bank

MILL

Saharanpur - 247001 (Uttar Pradesh)
Ph.: (0132) 2714101-05

REGISTERED OFFICE

'Duncan House', 2nd Floor,
31, Netaji Subhas Road, Kolkata - 700 001
CIN : L21011WB1936PLC008726
Ph. : 033-22427380-83
e-mail : star.cal@starpapers.com
website : www.starpapers.com

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited.
6th Floor, Karvy Selenium Tower-B, Plot No. 31 & 32,
Gachibowli. Nanakramguda, Seri Lingampally,
Hyderabad - 500 032, (Telangana)
Ph.: 040- 6716 2222
Toll Free: 1800-309-4001
e-mail : einward.ris@kfintech.com

Preface

Converting Opportunities Into Milestones:

Reflecting on FY2023, we credit our progress to strong ethos and adaptability in a changing business environment. We've displayed resilience and innovation, thriving in an upbeat market despite diverse challenges. The results speak for themselves: our profit before interest and depreciation increased by over 100% compared to the last fiscal year.

Looking ahead, we're determined to leverage all opportunities, yet remain aware of potential challenges. Our continued growth strategy stems from our readiness to adapt, recalibrate our plans, and ensure a sustainable future for our stakeholders.

FY2023 was a remarkable year, and while the upcoming period might present a different terrain, we'll strive to navigate a suitable course.

Join us in our vibrant journey, as we stay committed to fostering growth and turning opportunities into milestones for all our stakeholders.

Management Discussion & Analysis Report

GLOBAL ECONOMY

Hostilities between Russia and Ukraine continue to overshadow the world economy. In addition, measures by Central Banks to control inflation have led to fear of recession in the Western Hemisphere. The outlook remains fragile and downside risks predominate. Concerns about financial vulnerabilities have risen, including in financial institutions, housing markets and low-income countries. While headline inflation has started declining, it remains elevated and could persist longer.

Amidst these challenges, there is a brighter spot in China, where reopening efforts have raised hopes of improvement in Global economic activity. Supply chain bottlenecks previously hindered global trade have eased, leading to smoother trade operations and potentially lower prices for global merchandise.

KEY TRENDS AND FACTORS INFLUENCING THE GLOBAL PAPER MARKET

Digitalisation and Electronic Substitution:

The shift towards digital media and electronic platforms has resulted in declining paper consumption for specific applications such as newspapers, magazines, and office documents. The increasing adoption of digital technologies and electronic substitution has impacted the overall demand for traditional paper products.

Sustainability and Environmental Concerns:

The paper industry faces a growing emphasis on sustainability and environmental responsibility. Consumers and regulatory bodies are demanding eco-friendly practices, including responsible sourcing of raw materials, using renewable energy, and implementing recycling initiatives. Paper manufacturers increasingly focus on sustainable production methods and develop eco-friendly paper products.

Packaging Sector Growth:

The packaging industry is a significant driver of the global paper market. The rising e-commerce sector, increased focus on product safety and branding, and growing demand for sustainable packaging solutions have contributed to the expansion of the packaging segment. Paper-based packaging, such as corrugated boxes and cartons, is gaining popularity due to its recyclability and biodegradability.

Economic Growth and Urbanisation:

Economic growth, urbanisation, and rising disposable incomes in developing countries are driving the demand for paper products. Increasing literacy rates, growing education sectors, and

administrative requirements also contribute to the demand for writing and printing papers.

Technological Advancements:

Technological advancements, such as automation, digital printing, and advanced manufacturing processes, are transforming the paper industry. These advancements enhance operational efficiency, reduce production costs, and enable the development of innovative paper products with improved functionalities and performance.

INDIAN ECONOMY & PAPER INDUSTRY

Overview of the Indian Economy

Amidst the challenges faced by the global economy, the Indian economy has exhibited remarkable resilience. India has emerged as a prominent player, surpassing the \$3.75 trillion mark, and becoming the world's fifth-largest economy in 2023. While India is not entirely insulated from global headwinds, the likelihood of a recession is extremely low. In fact, India has a 0% probability of recession in 2023, according to the Recession Probabilities Worldwide 2023 data. In contrast, some other prominent countries particularly Germany have much higher recession probability.

India's growth prospects remain strong. According to the World Bank's Global Economic Prospects report, India is projected to achieve growth rates of 6.3%, 6.4%, and 6.5% in 2023, 2024, and 2025, outpacing many developed countries. The Reserve Bank of India (RBI) has played a proactive role by maintaining less aggressive interest rate posture compared to countries like the US and UK, which have struggled with rising inflation despite significant rate hikes.

India's proactive approach and resilience play a vital role to position it relatively well for steady growth. The country remains cautiously optimistic and determined to maintain the growth momentum in the near future.

Growth Prospects and Opportunities in the Indian Paper Industry

The Indian paper industry is poised for growth, with increasing demand driven by population growth, urbanisation, and rising literacy rates. Government initiatives promoting education, skill development, and sustainability further contribute to the industry's positive outlook. Opportunities lie in adopting sustainable practices, leveraging the growth of the packaging sector, embracing technological advancements, and exploring export potential. Paper companies should focus on innovation, diversification, sustainable practices, and strategic collaborations across the value chain to capitalise on these prospects.

SWOT Analysis

Strengths:

- The Indian economy benefits from a robust domestic demand driven by a demographic dividend, with a significant population of students and working-class individuals.
- The government's focus on improving education and literacy and India's position as one of the fastest-growing economies provide a solid foundation for the Paper Industry.
- The focus on recyclable materials, e-commerce, and other factors enhances growth prospects for the Industry.

Weaknesses:

- The Industry faces challenges of higher input costs, expensive energy, small-scale operations, limited access to raw materials at competitive prices, and capital-intensive nature.
- The highly fragmented nature of the Indian Paper Industry leads to inefficiencies and a lack of economies of scale.

Opportunities:

- India's lower per capita paper consumption and organised retail and e-commerce growth present significant potential for the Industry.
- With the Indian Paper Industry comprising only 5% of global paper production, there are opportunities for capacity building and expansion.
- The booming e-commerce sector and the increased demand for packaged consumer goods create avenues for supplying paper based packaging materials.

Threats:

- India faces challenges in cost competitiveness related to capital charges, fibre, and energy prices, key production factors.
- The Paper Industry in India faces competition from imported paper products, particularly from countries with competitive factors of production and covered with FTAs.
- Imports of paper have started increasing in the recent past. Russia and South American Countries are approaching Indian market with aggressive pricing. Input prices remain at elevated levels. Overall demand-supply balance is likely to be adversely impacted if these trends continue.

SOCIAL FARM FORESTRY

The company has developed social farm forestry near its catchment areas to ensure local wood sourcing and to reduce logistics cost. The company has R&D set-up to develop high yielding clones with a shorter gestation period. The company distributes these high yielding saplings to farmer with buyback flexibility to generate livelihoods, local prosperity and raw material security.

The Social Farm Forestry programme continues to progress significantly with extensive plantation on farmers' land during the year. In FY2023, your Company facilitated the plantation of approximately 65 lakhs seedlings, contributing to the program's momentum.

RISKS & CONCERNS

Every business face risks and uncertainties, and it is crucial to recognise and address them proactively. In the context of the Company's operations, some concerns include higher wood and energy costs, changes in government regulations, and market risks. STAR acknowledges and assesses these risks, taking appropriate measures to manage them effectively. Risk management is integrated into the Company's business planning and control process, ensuring a comprehensive approach to risk mitigation.

INTERNAL CONTROL SYSTEM

The Company has implemented robust internal control systems to safeguard its assets, enhance operational efficiencies, and ensure compliance with statutory requirements. These internal control systems undergo periodic reviews to ensure effective and efficient business conduct. The key objectives of the internal control system are as follows:

Accurate Recording of Transactions:

Internal controls are in place to ensure the accurate recording of transactions, supported by internal checks and timely reporting.

Adherence to Accounting Standards:

The internal control system ensures compliance with applicable accounting standards, promoting transparency and reliability in financial reporting.

Working Capital Management:

Regular reviews of the internal control system are conducted to effectively manage working capital, optimising the Company's financial resources.

Capital Investments and Business Plans:

The internal control system includes a review mechanism for capital investments and long-term business plans, ensuring prudent decision-making and strategic alignment.

Compliance with Statutes and Regulations:

The Company's internal control system is designed to ensure compliance with relevant statutes, policies, and listing regulations, minimising legal and regulatory risks.

Efficient Resource Utilisation and Asset Safety:

The internal control system promotes the effective utilisation of resources while ensuring the safety and security of company assets.

PRODUCT REVIEW

Star Paper Mills Limited offers diverse products across three main product lines: cultural papers, industrial papers and other grades. The cultural papers product line includes various products catering to different applications such as printing, envelope manufacturing, security paper printing, diary and calendar printing, card manufacturing, and children's scrapbooks. The industrial papers segment provides products for specific applications, including carry bags, soap packaging, paper cups, crockery surface printing, biri wrappers, laminations, wedding/greeting cards, tobacco packing, wallpaper, grocery bags,

and cooler pads. The other grades segment offers a range of products serving similar applications as the industrial papers line. Star Paper's diverse product portfolio enables it to meet the needs of various Industries and applications while maintaining a strong focus on quality and customer satisfaction.

The Company possesses a diversified product portfolio catering to the needs of various customers across different Industries. Sales volume in Writing-Printing and Packaging segment increased to 28,052 MT and 36,226 MT, respectively, for the year ended 31st March, 2023.

FINANCIAL PERFORMANCE

For the fiscal year ended on March'23, STAR witnessed significant growth in sales, indicating a robust revenue performance. Sales increased from ₹ 330.54 Crores in March, 2022 to ₹ 492.69 Crores in March, 2023 showcasing a substantial rise in the Company's top-line figures.

Profit before exceptional items and tax also experienced noteworthy

improvement during this period. It stood at ₹ 44.19 Crores for FY2021-22 which increased significantly to ₹ 95.60 Crores for FY2022-23. This demonstrates enhanced operational efficiency and profitability, indicating that the Company effectively managed its costs and improved its margins. The operating profit margin increased from 13.6% for FY2022 to 19.5% for FY2023.

Net profit, which reflects the Company's bottom-line performance, showed substantial growth during this period. The Net profit of the company increased from ₹ 36.64 Crores for FY2021-22 to ₹ 65.67 Crores for FY2022-23. This signifies improved profitability and efficient management of expenses, contributing to the Company's overall financial success.

Earnings per share (EPS), a key measure of profitability, also witnessed significant growth. The EPS increased from ₹ 23.48 in FY2022 to ₹ 42.08 in FY2023, indicating improved earnings for shareholders and highlighting the Company's ability to generate higher profits per share.

KEY FINANCIAL RATIOS

The changes in key financial ratios as compared to the previous financial year are as under:

Particulars	2022-23	2021-22
Operating Profit Margin (%) (Substantial increase in operating profits for FY2023 resulted in an increase in ratio)	19.5	13.6
Net Profits Margin (%) (Increased sales and better efficiencies resulted in an increase in ratio for the year)	13	11
Debtors' Turnover ratio (No. of times) (Due to faster realisation resulted in an increase in ratio)	189	54
Stock Turnover ratio (No. of times) (Increase in sales for FY2023 vis-a-vis the previous year resulted in an increase in ratio)	5.65	4.28
Debt-Equity ratio (%) (Reduction in lease liability resulted in a decrease in ratio)	0.02	0.13
Current ratio (No. of times)	5.25	4.27
Interest-Service Coverage Ratio	NA	NA
Return on Net worth (%) (Increase in net profits for FY2023 vis-a-vis the previous year resulted in an increase in ratio)	12%	7%

HUMAN RESOURCES

Continuous learning is an essential aspect of personal and professional growth. Training programmes are vital in providing employees with opportunities to improve their skills and enhance their efficiency at work. The Company's training initiatives are designed to equip employees with the necessary tools for career advancement, fostering better interpersonal relationships, achieving individual and organisational goals, and adapting to the dynamic challenges of the evolving business environment. We have established a conducive and productive learning environment within the organisation that benefits all employees. It is worth mentioning that the Company currently employs 409 individuals on its rolls who contribute to its operations and growth.

FUTURE OUTLOOK

Amid various challenges and constraints, your company is committed to undertake suitable measures and adopt strategies to

make efforts for achieving its growth momentum in the near future. However, we look at the coming year with cautious optimism in view of the developments narrated above.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with respect to the company. The Company cautions readers that no forward-looking statement guarantees future performance and that actual results, other financial conditions, or performance measures could differ materially from those contained in the forward-looking statements. By nature, forward-looking statements involve uncertainty because they relate to future events and circumstances. Actual outcomes may differ materially from those expressed in the forward-looking statements.

Directors' Report

Dear Shareholders,

The Board of Directors of your company is pleased to present the Directors' Report together with Audited Financial Results of the company for the financial year ended 31st March 2023.

1. FINANCIAL HIGHLIGHTS

Audited financial results for the year ended 31st March, 2023 are summarised below:

Audited Financial Results

(₹ in Crores)

Particulars	FY Ended 31 st March, 2023	FY Ended 31 st March, 2022
Profit before interest and depreciation	101.43	50.02
Interest and finance charges	0.56	0.47
Depreciation	5.28	5.36
Profit before Exceptional Items	95.60	44.19
Exceptional & non-recurring items	12.26	-
Profit before tax	83.34	44.19
Provision for Income Tax	17.67	7.55
Profit after tax (PAT)	65.67	36.64
Earning per share (EPS)- in Rupees	42.08	23.48

2. DIVIDEND & TRANSFER TO RESERVES

Considering the financial performance of the company for the year ended 31st March, 2023 and the present challenging environment, the Board of Directors is pleased to recommend a dividend of ₹ 3.50/- per equity share (35%) and a special dividend of ₹ 1.50/- per equity share (15%) totalling ₹ 5.00/- per equity share of ₹ 10/- each subject to approval of the Shareholders at the ensuing Annual General Meeting.

The company has not transferred any amount of profits for the year to General Reserve.

3. STATE OF THE COMPANY AFFAIRS

Review of performance for the year 2022-23:

During the year 2022-23, there has been remarkable improvement on the operational and financial side vis-a-vis previous year.

But for continuous increase in wood and energy prices, profitability of the company would have been even better. There were incidents of fire. The losses are covered under Insurance and claims have been lodged.

Amid various challenges and constraints, your company reported a Profit after tax (PAT) of ₹ 65.67 Crores for the year 2022-23 as against ₹ 36.64 Crores for FY 2021-22.

There have been no material changes and/or commitments

affecting the financial position of the company since the close of financial year till date of this report. Further, there is no change in nature of business of the company during the year under review.

Expectations for the year 2023-24:

Pulp and Paper and Waste Paper prices have seen a steep reduction in the Global Markets. Low priced offers from Global suppliers are exerting pressure on domestic prices. At the same time, rising Wood prices are a cause for concern.

4. ANNUAL- RETURN EXTRACTS

Pursuant to Section 134(3)(m) of the Companies Act, 2013, Annual Return in the prescribed format is available at https://starpapers.com/pdf/ann_return_2223.pdf

5. BOARD MEETINGS/AUDIT COMMITTEE

a) During the year ended 31st March, 2023, four (4) meetings of the Board of Directors were held on 27th May, 2022, 12th Aug., 2022, 11th Nov., 2022 and 10th Feb., 2023.

b) Audit & Risk Management Committee-

The Company has constituted the Audit & Risk Management Committee of the Board pursuant to Section 177 of the Companies Act, 2013 and its terms of reference are in conformity with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The composition of Committee is mentioned in the Corporate Governance Report.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report for 2022-23.

7. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Pursuant to Section 177 of the Companies Act, 2013, the company has established a 'Vigil Mechanism' for directors and employees to report their genuine concerns to the company. The company oversees this 'Vigil Mechanism' through the Audit & Risk Management Committee of the Board.

8. ENVIRONMENT, POLLUTION CONTROL AND SAFETY

Your company is committed to provide safe working conditions and healthy environment to its stakeholders. STAR is accredited with ISO 9001:2015, ISO 14001: 2015, and ISO 18001:2007 which signifies adoption of integrated quality, environment and safety management systems to harmonize Industrial activities with environmental preservation with letter and spirit. As required under the law, your company has the requisite environmental clearances from the Government.

The company has been awarded the following during the financial year 2022-23:

- i) Par Excellence and Gold Awards in 36th National and 47th International Quality Circle Conventions respectively.
- ii) Gold Award in 'Integrated quality concepts-the gateway to global leadership' by Quality Circle Forum of India, Kanpur-Lucknow Chapter.
- iii) Award for outstanding achievement in ensuring Environment Protection in 22nd Annual Greentech Environment Awards, 2022 organised by Greentech Foundation, Delhi.

9. SOCIAL FARM FORESTRY

Your company has been promoting and encouraging social farm forestry to increase green cover, enhance raw material base and supplement rural income generation. The program maintained its momentum during the year too.

The company further stepped-up propagation and distribution of clonal plants and the area coverage during the financial year ended 31st March, 2023.

10. FIXED DEPOSITS

The company has not invited any fixed deposits during the year and as such there has been no default in repayment of deposit or payment of interest thereon during the year. There were no outstanding fixed deposits as on 31st March, 2023.

(₹ Nil as on 31st March, 2022).

The company is in compliance with provisions of the Companies Act, 2013 and rules made thereunder in respect of deposits.

11. INTERNAL CONTROLS

Your company has adequate internal control systems in place on the basis of which financial accounting is done and periodically financial statements are prepared. Such Internal control systems are adequate and operating effectively.

There was no instance of any fraud during the year reported by the statutory auditors of the company under section 143(12) of the Companies Act, 2013.

12. REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company adopted a policy on Corporate Social Responsibility (CSR) to fulfill its obligation towards the society. The CSR Policy may be accessed on the company's website at <https://www.starpapers.com>. The key philosophy of the Company's CSR initiative is to promote development through social and economic transformation. The composition of Committee is mentioned in the Corporate Governance Report.

The Report on CSR activities undertaken during the financial year ended 31st March, 2023 is provided as **Annexure -I**.

13. DIRECTORS/KEY MANAGERIAL PERSONNEL/ OTHERS

- i) Pursuant to Section 152 of the Companies Act, 2013, Mr. Shrivardhan Goenka (DIN-00030375) shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as a Director of the company
- ii) Mr. Sunil Srivastav has resigned from directorship of the company w.e.f. 16th Aug., 2022 due to personal reasons.
- iii) Dr. (Mrs) Sheela Bhide (DIN-01843547) has been appointed as Additional Director of the company w.e.f 7th April, 2023 in non-executive and independent category.
- iii) Mr. Sanjeev Kumar Garg has been designated as CFO of the company w.e.f 27th May, 2022.



The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 178 (6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The company's familiarization program for Independent Directors is posted on the website of the company and can be accessed at https://www.starpapers.com/pdf/familiarisation_prog.pdf.

14. NOMINATION AND REMUNERATION COMMITTEE/POLICY

The Board of Directors has constituted a 'Nomination & Remuneration Committee' which follows the company's policy on directors' appointment and remuneration including criteria for determining qualification, positive attitudes, independence of a director and other matters provided under section 178 (3) of the Companies Act, 2013.

The gist of company's policy on nomination and remuneration is as under:

The Committee shall consider ethical standards of integrity, qualification, expertise and experience for appointment of Directors/ KMP etc. and recommend to the Board of Directors. Directors/ KMP etc shall be appointed as per the procedure laid down in applicable laws.

The Committee will recommend the remuneration to be paid to Directors/KMP etc requiring Committee approval as per statutory provisions. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate the appointee(s). Nomination and Remuneration Policy of the company can be accessed from the company website -www.starpapers.com.

15. LOAN, GUARANTEE, INVESTMENTS ETC

The particulars of loan, guarantees or investments under section 186 of the Companies Act, 2013 have been given in the financial statements

16. SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

No company has become or ceased to be the company's subsidiary/ joint venture/associate company during the year.

17. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars regarding energy conservation, technology absorption and foreign exchange earnings/outgo pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are furnished as **Annexure-II** to this Report.

18. PARTICULARS OF EMPLOYEES AND REMUNERATION

Information in accordance with the provisions of Section 134(3) (q) and Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding employees' remuneration are given hereunder:

- Name of the employee who is in receipt of remuneration of ₹ 8.50 lakhs per month/ ₹ 102 lakhs per annum or more during the financial year 2022-23:

Sr. No.	Name & Designation	Remuneration* recd.-(lakhs)	Nature of employment	Qualification & experience	Date of commencement of employment	Age	Last employment held	% of equity shares held	Whether relative to director
1	Mr. Madhukar Mishra, Managing Director	407.72	Contractual	B. Sc., DMS (Mgt.) 43 years	01/07/2001	66 years	Sr. VP (Corporate Planning) -Dail Consultants Ltd.	Nil	No

*including employer's provident fund contribution.

a) Ratio of remuneration of each director to the median remuneration of employees

Director	Director remuneration (DR) ₹	Median remuneration (MR) of employee ₹	Ratio (DR/MR)
Mr. Shiromani Sharma	4,00,000	3,56,712	1.21
Mr. Shrivardhan Goenka	3,90,000	3,56,712	1.09
Mr. C.M. Vasudev	3,60,000	3,56,712	1.01
Mrs. Pragya Jhunjunwala	1,30,000	3,56,712	0.36
Mr. Sunil Srivastav	60,000	3,56,712	0.17
Mr. Madhukar Mishra	4,07,72,250	3,56,712	114.30

b) % increase in remuneration of each director, CEO, CFO, CS in the financial year 2022-23

Official name	Year 2022-23 Remuneration ₹ In lakhs	% increase in remuneration
Directors	Non-executive Directors are receiving only sitting fees for attending meetings @ ₹ 40,000/- per Board/Committee meeting. (upto Jan., 2023: ₹ 30,000/-)	
Managing Director	407.72	21.2%
Chief Financial Officer	35.15	0.4%
Company Secretary	16.76	0.6%

- c) % increase in median remuneration of employees in the financial year 2022-23 vis-a-vis the preceding year was 6%.
- d) There were 409 permanent employees on the rolls of the company as on 31.03.2023.
- e) Average increase in remuneration inter-alia depends upon the inflation, individual's performance, company policy, human resource demand-supply position, negotiations with trade unions, company performance etc.
- f) Average percentage increase in salaries of employees vis-a-vis managerial personnel - Average percentage increase in salaries of employees was 1% vis-a-vis 7.4% in salary of managerial personnel for FY 2022-23.
- g) No director is getting any variable component of remuneration except performance pay to the Managing Director are decided by the Board of Directors every year based on performance of the company, terms of appointment and applicable statutory provision. Remuneration is paid as per remuneration policy of the company.

19. PERFORMANCE EVALUATION

The company has a Policy on Nomination & Remuneration and Evaluation of directors etc. The Board of Directors evaluates its own performance, that of Committee(s) and individual director(s) on annual basis in the manner envisaged by the Nomination & Remuneration Committee (NRC) of the Board. Nomination & Remuneration Committee (NRC) also ensures that evaluation process is carried out by the Board every year as per the prescribed method.

20. HUMAN RESOURCES AND WELFARE

The company has a structured approach to manage its human assets as per the changing needs of the organisation. Industrial relations remained cordial at all levels during the year 2022-23.

Your company has zero tolerance against any sexual harassment of woman at workplace. During the year under review, there was no case reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no complaint pending at the beginning and closure of the year.

21. DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 134(3)(c) Directors Responsibility Statement on preparation and presentation of these accounts is as per **Annexure-III** to this Report.

22. CORPORATE GOVERNANCE

A separate report on corporate governance, along with a certificate from the statutory auditors confirming the compliance with corporate governance requirements has been annexed as **Annexure-IV** to Directors' Report.

23. AUDITORS

The members at their 83rd Annual General Meeting held on 21st Sept., 2022 appointed M/s Lodha & Co., Chartered Accountants, Kolkata as statutory auditors of the company to hold office from the conclusion of 83rd AGM till the conclusion of 88th AGM of the company.

24. COST AUDITORS

Pursuant to Section 148(3) of the Companies Act, 2013 read with the Rules made thereunder, the company is required to maintain cost records and accordingly such accounts and records are maintained. The Board of Directors on the recommendation of Audit & Risk Management Committee has appointed M/s K.B. Saxena & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year 2022-23.

25. AUDITORS' REPORT

i) Statutory Audit:

The observations of the auditor read with relevant notes on the financial statements are self-explanatory.

ii) Secretarial Audit:

M/s D. Dutt & Co., company secretary in practice, secretarial auditor of the company has done secretarial audit for FY 2022-23. Secretarial audit report is attached as **Annexure-V**. The observations of the secretarial auditor in the report are self-explanatory.

26. TRANSACTIONS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year,



the company had not entered into any contract / arrangement / transaction with related parties which could be considered material. Information pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies(Accounts) Rules, 2014 are given in **Annexure-VI** in Form AOC-2 and the same forms part of this report.

27. RISK MANAGEMENT

The Company is having Risk Management framework covering identification, evaluation and control measures to mitigate the identified business risks.

28. LISTING ON STOCK EXCHANGES

Your company's equity shares are listed on National Stock Exchange of India Ltd. (NSE) and The Stock Exchange, Mumbai (BSE). The company has paid the listing fees to the stock exchanges for the financial year 2022-23.

29. ACKNOWLEDGEMENT

The Board of Directors place on record their gratitude for exemplary support and contribution of all the Stakeholders viz., employees, bankers, investors, dealers, suppliers and the Government Departments during the year 2022-23.

For and on behalf of the Board

Place: New Delhi
Date: 29th May, 2023

Shiromani Sharma
Chairman

ANNEXURE-I To Directors' Report

Annual Report on Corporate Social Responsibility (CSR) Activities For The Financial Year 2022-23

1. A brief outline of the Company's CSR Policy	Please refer to Section Corporate Social Responsibility in the Directors' Report.
2. Composition of CSR Committee-	As provided in Corporate Governance Report
3. Provide the web-link where composition of CSR Committee CSR Policy, CSR projects approved by the board are disclosed on web-site of the company-	https://starpapers.com/pdf/csrcommittee310321.pdf
4. Provide the details of impact assessment of CSR Projects carried out in pursuance to Rule 8(3) of the Companies (CSR Policy) Rules, 2014 (if applicable)-	N.A
5. Details of amount available for set-off in pursuance of Rule 7(3) of the Companies (CSR Policy) Rules, 2014 and amount required for set-off for the financial year, if any-	₹ 33.48 lakhs
6. Average net profit of the Company as per section 135(5)-	₹ 3497 lakhs
7. a) Two percent of average net profit of the company as per section 135(5)-	₹ 69.94 lakhs
b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year-	NIL
c) Amount required to be set-off for the financial year, if any-	₹ 17.62 lakhs
d) Total CSR obligation for the financial year (7a+7b-7c)-	₹ 52.32 lakhs
8. a) CSR amount spent or unspent for the financial year:	

Total amount spent for the FY 2022-23	Amount unspent (in ₹)				
₹ 52.32 lakhs	Total amount transferred to unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Sch.-VII as per second proviso to section 135(6)		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
	NIL	N.A	N.A	NIL	N.A

b) Details of CSR amount spent against ongoing projects for the financial year:

NIL

c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	1	2	3	4	5	6	7
	Name of the projects	Item from the list of activities in Sch.-VII to the Act	Local area (Yes/No)	Location of the project -Distt & State	Amount spent for the projects ₹ In Lakhs	Mode of implementation -Direct (Yes/No)	Mode of implementation through implementing Agency-Name and CSR Registration number
1.	Measures to help reducing hunger & mal-nutrition, promoted healthcare including preventive healthcare through various camps and awareness programmes.	Eradicating hunger, poverty, malnutrition, promoting health care and sanitation including contribution to swachh bharat kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Saharanpur (UP)	2.43	Yes	NA
2.	Skill training for employment enhancing capabilities to students, promoting education and time to time encouragement to students to further excel in studies	Promoting education, including special education and employment enhancing vocational skill specially among children, women, elderly and differently abled and livelihood enhancement projects.	-do-	-do-	44.68	-do-	NA
3.	Promoting gender equality, woman empowerment, distribution of sanitary napkins and care for senior citizen and economically backward people	Promoting gender equality, empowering woman, setting up homes and hostels for woman and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	-do-	-do-	5.13	-do-	NA
4.	Distribution of environment friendly cotton bags to avoid polythene usage	Ensuring environmental sustainability/ ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water etc.	-do-	-do-	0.08	-do-	NA



d) Amount spent in Administrative Overheads	NIL
e) Amount spent on impact assessment, if applicable	N/A
f) Total amount spent for the financial year (8b+8c+8d+8e)	₹ 52.32 Lakhs
g) Excess amount for set-off, if any	₹ 15.86 Lakhs

Sr. No.	Particulars	Amount ₹ in Lakhs
i)	Two percent of average net profit of the company as per section 135(5)	69.94
ii)	Total amount spent for the financial year	69.94
iii)	Excess amount spent for the financial year 22.23 [(ii)-(i)]	NIL
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v)	Amount available for set-off in succeeding financial years of 22-23 [(iii)-(iv)]	NIL
vi)	Total amount available for set-off in succeeding years -8(g)	15.86

9. a) Details of Unspent CSR Amount for the preceding 3 financial years:	NIL
b) Details of CSR Amount spent in the financial year for ongoing projects of the preceding financial year(s):	NIL
10. In case of creation or acquisition of capital asset, furnish the details relating to the assets so created or acquired through CSR spent in the financial year:	N.A
11. Specify the reason(s), if the company failed to spend two percent of the average net profits as per section 135(5)-	N.A

For and on behalf of the Board

Madhukar Mishra
 Managing Director
 29th May, 2023

Shrivardhan Goenka
 Chairman, CSR Committee

ANNEXURE-II

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are as under:

A. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

I. The company has taken following measures for conservation of energy:

- Retrofit of steam flash system of Evaporator plant to reduce steam consumption & increase uptime of plant.
- Partial replacement of Coal by Agricultural Residues in Boiler No. -10.
- Installation of 2 Nos. VFD.
- Replacement of PM-IV Vacuum Blower 20 H.P. by 15 H.P.
- Replacement of 3 Nos. Vacuum Pumps at PM-II with energy efficient ones.
- Utilization of 40 psig steam in place of 80 psig at PM-III.

II. Additional investments and proposals being implemented for reduction in consumption of energy:

- Installation of efficient steam Traps in M.G. Condensate return lines for reduction in steam consumption.
- Installation of Electric de-barker machine.
- Replacement of PM-1 DC motor & DC drive with AC motor & AC drive.
- Up-gradation of Back Pressure Turbine from 5.0 MW to 6.6 MW.

III. The projects given in I. & II. above involved a cost of approximately ₹ 122.74 lakhs & ₹ 218.79 lakhs respectively. Impacts of aforesaid measures are as under:

- System improvement with reduction in energy consumption and thus energy costs.

IV. Steps taken for utilizing alternate sources of energy:

- Modification in fuel feeding system to enhance the Agro fuel firing in WIL Boiler.

B. TECHNOLOGY ABSORPTION:

I. RESEARCH AND DEVELOPMENT (R&D)

Department of Science and Industrial Research (DSIR), Ministry of Science and Technology, Government of India recognizes our in-house Research & Development (R&D) Department. Your company has undertaken the following R&D activities during the FY 2022-23:

1. The major areas in which the company carried in-house R&D projects are as under:

- Development of new varieties of Packaging Paper such as Emerald, Terra and Magna.

- Development of new varieties of Higher brightness Writing & Printing paper.
- Development of new species of Pulp wood.
- Development of new shades for color paper.

2. Benefits derived as a result of above R&D projects

- Improved market share in special grades & high strength paper.
- Improvement in the quality of existing products and cost reduction.

3. Future Plan of Action

- Development of new grades of paper.
- Optimization of water, fiber losses and energy consumption.
- Optimization of paper making chemicals.
- Development of new vendors for cost reduction.

4. Expenditure on R&D-

	₹ in lakhs
a) Capital	Nil
b) Revenue	148.03
c) Total	148.03
d) R&D Expenditure as a percentage of total Turnover	0.30%

II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Efforts made, in brief, towards Technology absorption are as under :

During the year, there was no instance of major technology absorption.

III. INFORMATION RELATED TO IMPORTED TECHNOLOGY:

- Technology imported Nil
- Year of import & country Nil
- Has technology been fully absorbed? N.A
- If not fully absorbed, areas where it has not taken place, reasons there for and future plans of action. N.A

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings -	₹ 342.05 Lakhs
Outgo-	₹ 666.10 Lakhs

For and on behalf of the Board

Place: New Delhi

Date: 29th May, 2023

Shiromani Sharma

Chairman



ANNEXURE-III

DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 134(5) of the Companies Act, 2013 the Board wishes to confirm for the financial year ended 31st March, 2023 that:

- a) In preparation of accounts, applicable accounting standards have been followed .
- b) Such accounting policies as were reasonable and prudent were selected in preparing the accounts and these were applied consistently. Further judgements and estimates that were reasonable and prudent were also made in the course of preparing the accounts so as to give a true and fair view of the Company's state of the affairs as at the end of the financial year and its profit for financial year ended 31st March, 2023.
- c) Proper and sufficient care was taken for the maintenance of proper accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d) The accounts have been prepared on going concern basis.
- e) The directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively.
- f) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and with laid down internal financial controls to be followed by the company and such system are adequate and operating effectively.

For and on behalf of the Board

Place: New Delhi
Date: 29th May, 2023

Shiromani Sharma
Chairman

ANNEXURE-IV

CORPORATE GOVERNANCE REPORT

(Pursuant to SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015)

The Directors of your company are pleased to present the Corporate Governance Report for the financial year ended 31st March, 2023.

I. Company's philosophy on Corporate Governance

The Company is committed to adhere high standards of corporate governance practices in letter and spirit. The core of corporate governance is based upon, inter-alia the objective of maximizing the wealth of all the stakeholders by making optimum utilization of resources at its disposal and fulfilling the obligation of corporate responsibility and contributing to Nation building. The company

is also constantly taking review of systems and procedures to keep pace with changing corporate environment.

II. Board of Directors

The primary role of the Board of Directors is that of trusteeship, to protect and enhance shareholders' value through strategic supervision of company's operations. The Board also provides direction and exercises appropriate control to ensure that the company fulfills the stakeholders' aspirations and societal expectations.

a) Composition

The Board has a Non-executive Independent Chairman apart from one other Independent director, 2 Non-executive Directors and a Managing Director.

The composition of the Board of Directors as on 31st March , 2023 is as under:

Director & DIN	Category of Director	Total no. of Directorships in other Public limited companies (*)	Total No. of Memberships (M)/ Chairmanships (C) of Committees in other Public limited companies (**)	Name of other listed entities in which the directorship held and category thereof
Non-Executive Directors				
Mr. Shiromani Sharma DIN-00014619	Chairman/Independent Director	Nil	Nil	Nil
Mr. Shrivardhan Goenka DIN-00030375	Non-executive; non-independent Director	2	Nil	Nil
Mr. C.M. Vasudev DIN-00143885	Independent Director	3	2 (M)	Nil
Mrs. Pragya Jhunjunwala** DIN-02315132	Non-executive; non-independent Director	Nil	Nil	Nil
Executive Director				
Mr. Madhukar Mishra DIN-00096112	Managing Director	Nil	Nil	Nil

* excludes Directorships in Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013, memberships of Managing Committees of various Chambers/Bodies and Alternate Directorships.

** represents Memberships / Chairmanships of Audit Committee & Stakeholders' Relationship Committee only.

There is no relationship between the directors of the company except that Mr. Shrivardhan Goenka is son of Mr. G.P. Goenka, the Chairman Emeritus of the company and as such they are related to each other. The company's familiarization program for Independent Directors are posted on the website of the company and can be accessed at http://www.starpapers.com/familiarisation_prog.pdf.

In the opinion of the Board, Independent Directors fulfill the conditions specified under SEBI (LODR) Regulations, 2015 and they are independent of the management .

The Directors' performance evaluation criteria is given in the Directors' Report.

b) Meetings and Attendance

During the year ended 31st March, 2023, four (4) meetings of the Board of Directors were held on 27th May, 2022, 12th Aug., 2022, 11th Nov., 2022 and 10th Feb., 2023.

Attendance of Directors at Board Meetings and Last Annual General Meeting

Director-Name	No. of Board Meetings attended	Attendance at last Annual General Meeting Yes /No	No. of shares held in the company
Mr. Shiromani Sharma	4	Yes	Nil
Mr. Shrivardhan Goenka	4	Yes	45,500
Mr. C.M. Vasudev	4	Yes	Nil
Mr. Sunil Srivastav*	2	N.A	Nil
Mr. Madhukar Mishra	4	Yes	Nil
Mrs. Pragya Jhunjunwala	4	Yes	Nil

* Resigned from Directorship of the company w.e.f 16th Aug., 2022 due to personal reasons.

A meeting of Independent Directors were held on 10th Feb., 2023 for the financial year 2022-23. All Independent Directors were present at the meeting.

c) Skills/expertise/competency identified by the Board of Directors

The Board comprises the qualified members who bring in the required skills and expertise to enable them to effectively contribute at deliberations at Board and Committee meetings.

The below matrix summarizes the skill and expertise of of Board members in context of company' business:

Skills/expertise/competency identified by the Board in context of company's business	Name of Directors having such skills/expertise/competency available with the Board
Knowledge of paper industry and company's operations	- Mr. Madhukar Mishra, Managing Director. He is serving the company as MD since 2001.
Corporate planning and strategy, General Management	- Mr. Madhukar Mishra, Managing Director. - Mr. Shiromani Sharma, Independent Director. He is retired IAS officer. He had worked on many senior positions under the Government of Uttar Pradesh. - Mr. C.M. Vasudev, Independent Director. He is retired IAS officer. He had served on key finance positions under the Central Government. He as served as Chairman of HDFC Bank Ltd. - Mr. Shrivardhan Goenka, a Non-executive Director, is B.com, and MBA from Kelloggs School of Management, USA. He is on the Board of the company since 2002.
Operational & Financial Management	- Mr. Madhukar Mishra, Managing Director.
Corporate Governance	- Mr. Shiromani Sharma, Independent Director. - Mr. C.M. Vasudev, Independent Director. - Mr. Shrivardhan Goenka, Non-executive Director. - Mr. Madhukar Mishra, Managing Director. - Mrs. Pragya Jhunjunwala, Non-executive Director. She is Master in commerce and a fellow member of ICSI. She is also a start-up consultant and associated with many NGOs.

III. Code of Conduct

A code of Conduct for all its Board members and senior management personnel for avoidance of conflict of interest has been laid down and is available on the company's website. Necessary declarations affirming compliance have been received for the financial year ended on 31st March, 2023. There were no material personal interest/personal benefits received by the Board members/senior management personnel, which could lead to potential conflict of interest with the Company as a result of their position.

IV. Committees of the Board

The Board of Directors has the following Committees for better and more focused attention to the affairs of the Company before placing the

same before the Board –i) Audit & Risk Management Committee; ii) Stakeholders' Relationship Committee; iii) Nomination and Remuneration Committee (NRC); iv) Corporate Social Responsibility (CSR) Committee.

a) Audit & Risk Management Committee

There is 'Audit & Risk Management Committee' of the Board and its role and terms of reference are in conformity with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations, 2015 as amended. Statutory auditors, Internal auditors and the Cost auditors are invited from time to time to the Committee meetings. Besides, the Committee assists the Board in overseeing and approving the company's risk management framework. The company secretary acts as the secretary to the Committee.

Composition

The composition of the Committee and details of its meetings during the FY 2022-23 are as under :

Sr. No	Name of the Director & Designation	Category	No. of meetings attended during FY 2022-23
1	Mr. Shiromani Sharma- Chairman	Non- executive, Independent	4
2	Mr. C.M Vasudev-Member	Non- executive, Independent	4
3	Mr. Shrivardhan Goenka-Member	Non- executive, non-Independent	4

During the year ended 31st March, 2023, four (4) meetings of the Audit & Risk Management Committee were held on 27th May, 2022, 12th Aug., 2022, 11th Nov., 2022 and 10th Feb., 2023.

b) Stakeholders' Relationship Committee

Pursuant to Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, 2015 as amended, the Stakeholders' Relationship Committee redresses shareholder/ investor grievances like non-receipt of Annual Report, dividend etc., approves transfer/ transmission/ sub-division/consolidation of shares, issue of duplicate share certificate , de-materialization/re-materialization of shares etc. The company secretary acts as the secretary to the committee.

Composition

The composition of the Committee and details of its meetings during the FY 2022-23 are as under:

Sr. No	Name of the Director & Designation	Category	No. of meetings held/ attended during FY 2022-23
1.	Mr. Shiromani Sharma - Chairman	Non- Executive, Independent	1
2.	Mr. Madhukar Mishra-Member	Executive	1
3	Mr. Shrivardhan Goenka-Member	Non- Executive, Non-Independent	1

During the financial year ended 31st March, 2023, one meeting of Stakeholders' Relationship Committee was held on 10th Feb., 2023. Mr. Saurabh Arora, Company Secretary, is the compliance officer of the company.

Shareholders Complaint(s)

During the year, four (4) investor-complaints were received and satisfactorily resolved. There is no pending complaint at the end of the financial year 2022-23.

c) Nomination & Remuneration Committee

A Nomination and Remuneration Committee has been constituted to discharge functions envisaged under section 178 of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015

Composition

The composition of Nomination & Remuneration Committee and details of its meeting(s) held during the FY 2022-23 are as under:

Sr. No	Name of the Director & Designation	Category	No. of meetings held/attended during FY 2022-23
1	Mr. C.M. Vasudev- Chairman	Non- Executive, Independent	2
2	Mr. Shiromani Sharma- Member	-do-	2
3	Mr. Shrivardhan Goenka- Member	Non- Executive, Non-independent	2

During the financial year ended 31st March, 2023, two meetings of Nomination and Remuneration Committee were held on 27th May, 2022 and 12th Aug., 2022.

d) Corporate Social Responsibility (CSR) Committee

Your company is committed to its social responsibilities. Under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the company has constituted Corporate Social Responsibility (CSR) Committee.

The composition of the Committee is as under:

Sr. No	Name of the Director & Designation	Category	No. of meetings held/attended during FY 2022-23
1	Mr. Shrivardhan Goenka-Chairman	Non- Executive, Non Independent	1
2	Mr. Madhukar Mishra-Member	Executive	1

During the financial year ended 31st March, 2023, one meeting of CSR Committee was held on 11th Nov., 2022.

V. Remuneration of Directors

Remuneration-package of Executive Director(s) is determined and recommended by the Nomination & Remuneration Committee and approved by the Board of Directors and the Shareholders. Remuneration of Non-Executive Directors is restricted to sitting fees for attending meetings of the Board and sub-committees of the Board.

The details of remuneration of the directors for the financial year ended 31st March, 2023 are as under:

Director	Salary#	Perquisites and other benefits##	Sitting Fees	Total
Mr. Shiromani Sharma	-	-	4,00,000	4,00,000
Mr. Shrivardhan Goenka	-	-	3,90,000	3,90,000
Mr. C.M. Vasudev	-	-	3,60,000	3,60,000
Mrs Pragya Jhunjhunwala	-	-	1,30,000	1,30,000
Mr. Sunil Srivastav	-	-	60,000	60,000
Mr. Madhukar Mishra	3,59,11,500	48,60,750	-	4,07,72,250
Total	3,59,11,500	48,60,750	13,40,000	4,21,12,250

Salary includes allowances, performance pay and commission on net profits, if any. Performance pay and/or commission is/are decided by the Board based on yearly performance review.

Perquisites and other benefits include company's contribution to Provident Fund but exclude contribution to Gratuity Fund.

None of the directors except Mr. Shrivardhan Goenka (45,500 equity shares) holds any shares in the company. Except above, no non-executive director had any pecuniary relationship or transactions with the company.

Service contracts, severance fees, notice period, stock option etc.

The appointment of Executive Director(s) is governed by resolutions passed by the Nominations & Remuneration Committee, the Board of Directors and the Shareholders of the company which covers the terms and conditions of such appointment.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors. Statutory provisions however will apply in case of severance of service. The appointments are terminable by six months' notice from either side.

The company has not given any stock option scheme to the directors/employees.

VI. The company has no subsidiary or holding company.

VII. Disclosures

i) There were no material significant related party transactions which may have potential conflict with the interest of the company at large. All related party transactions during the year under reference were in the ordinary course of business and on arm's length basis. The policy on dealing with related party transactions can be accessed at <http://starpapers.com/policyparty.pdf> & policy on material subsidiary can be accessed at <http://starpapers.com/Polycymaterial.pdf>.

ii) The Board periodically reviews risk management policy of the company. We are in compliance with applicable corporate governance requirements as given in Reg. 17 to 27 and Reg. 46(2) of SEBI (LODR), Regulations, 2015 except strength of the Board reduced to five (5) post resignation by Mr. Sunil Srivastav from directorship of the company w.e.f 16th Aug., 2022. National Stock Exchange (NSE) and the BSE Ltd separately imposed a fine of ₹2,35,000/- plus GST for the quarter ended 31st Dec., 2022 for violation of Reg. 17(1)(c) for non-maintaining minimum strength of the Board. The company has deposited the fine with both exchanges. The company has also appointed a new director namely Dr. (Mrs) Sheela Bhide (DIN:01843547) in non-executive & independent category w.e.f 7th April, 2023.

The company preferred an appeal before Hon'ble Securities Appellate Tribunal (SAT), Mumbai against the SEBI order dated 24th Jan., 2022 imposing fine of 3 lakhs collectively on 8 Promoter-Group companies of ISG Traders Ltd. including STAR in respect of annual disclosure under SEBI Takeover Regulations. Hon'ble SAT vide order dated 14th Sept., 2022. set aside the SEBI order and decided the matter in our favour.

iii) The company has established a 'Vigil Mechanism' for directors and employees to report their genuine concerns. The company oversees this 'Vigil Mechanism' through the Audit & Risk Management Committee of the Board and no one has been denied access to the Audit Committee. There were no pecuniary relationships or transactions with non-executive

directors. The Management Discussion and Analysis Report forms part of the Annual Report.

iv) Fees to statutory auditors etc.

Total fees for all services rendered by the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.- ₹ 14.20 lakhs.

v) Outstanding GDR/ADR/Warrants/any convertible instruments, conversion date and likely impact on equity- Nil.

vi) **Commodity price risk, foreign exchange risks and hedging activities-** As there was negligible foreign exchange exposure, there was no hedging activities.

vii) The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO)/Finance Head have given requisite compliance certificate on financial statements and the cash flow statement for the year ended 31st March, 2023.

- Particulars of directors seeking appointment/re-appointment at the AGM have been given in Notice of the 84th AGM to be held on 22nd Sept., 2023.

VIII. Means of communication

The quarterly results of the Company are normally announced within 45 days from the end of each quarter, except for March quarter which are announced within 60 days of the close of the financial year; such results are published in the The Financial Express /Business Standard, and 'Aajkal'. The financial results of the company is provided at the website www.starpapers.com. There is no presentation made to institutional investor or to the analysts. The website of the company also displays other important information.

IX. Shareholder Information

In view of COVID-19 pandemic, Ministry of Corporate Affairs vide its Circular 20/2020 dated 5th May, 2020, 02/2022 dated 5th May, 2022, 10/2022 dated 28th Dec., 2022 and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 & Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/11 dated 15th Jan., 2021, inter alia, permitted conduct of Annual General Meeting through VC/OAVM facility upto 30th Sept., 2023. Consequently, 84th AGM of the company will be held through Video Conferencing/ Other Audio Visual Means (VC/OAVM facility) as per below details:

84th AGM through VC/OAVM facility

Date & Time	Deemed venue	Book Closure Dates (both days inclusive)	Dividend payment date (if approved)
22 nd Sept., 2023 11:30 AM	Regd. Office : Duncan House, 2 nd Floor, 31 Netaji Subhas Road, Kolkata- 700 001.	16.09.2023 to 22.09.2023	30 th Sept., 2023 onwards

Registrar & Share Transfer Agents:

The Company's Registrar and Share Transfer Agent is Kfin Technologies Limited.

Address for correspondence :

Kfin Technologies Limited,
 Karvy Selenium Tower B, Plot No 31 & 32,
 Gachibowli, Financial District, Nanakramguda, Serilingampally
 Hyderabad – 500 008. Toll free no.:1800-309-4001
 E-mail: einward.ris@kfin.tech.com

The Shareholders holding shares in the electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

Transfer System

The Registrars and Share Transfer Agents process every fortnight requests for approving share transfers. The processing activities with respect to requests received for share transfer are completed within 7-10 days from the date of receipt of request. There were no shares pending for transfer as on 31st March, 2023.

Compliance certificate of the Auditors

-The company has obtained certificate from the statutory auditors certifying compliance of conditions of corporate governance as stipulated under SEBI (Listing Obligation & Disclosure Requirements)

Regulations, 2015 and the same is annexed. This certificate forms part of the Annual Report for 2022-23 to be sent to stock exchanges.

-A certificate has been received from M/s D. Dutt & Co., practicing company secretaries, that none of the Directors on the Board of the company as on 31st March, 2023 has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI, MCA or any other statutory authority.

Dematerialization of Shares and Liquidity

The shares of the Company can be traded in dematerialized form with both NSDL (National Securities Depository Ltd.) and CDSL (Central Depository Services (India) Ltd.)

As on 31st March, 2023, a total of **1,55,19,931** shares of the Company, which form **99.43%** of the share capital, stand dematerialized. The processing activities with respect to the requests received for de-materialization are completed within 3-5 days from the date of receipt of request.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the company is INE 733A01018.

Distribution of Shareholding as on 31st March, 2023

Slab-Shs.	No. of Shareholders		No. of Equity Shares	
	Total	% of shareholders	Total	% to share capital
1-500	19279	92.04	1812951	11.62
501-1000	909	4.34	727692	4.66
1001-2000	406	1.94	624874	4.00
2001-3000	126	0.60	335258	2.08
3001-4000	55	0.26	191304	1.23
4001-5000	37	0.18	174502	1.12
5001-10000	70	0.33	496748	3.18
10001 and above	65	0.31	10216664	72.11
Total	20947	100.00	15608350	100.00

Category of Shareholders as on 31st March, 2023

Category	No. of Shares	% of Shareholding
Promoter Group	7012344	44.93
Financial Institutions/Banks	1591	0.01
Mutual Funds	0	0
Insurance Companies	300	0
Foreign Institutional Investors	275399	1.76
Non Resident Indian (NRI)	52991	0.34
Non Resident Indian-Non Repatriable	40102	0.26
Clearing Member (NSDL & CDSL)	6386	0.04
Public - Bodies Corporate	772618	4.95
- Individuals	6994024	44.81
- HUF	362892	2.32
- Others	89703	0.58
Total	15608350	100.00

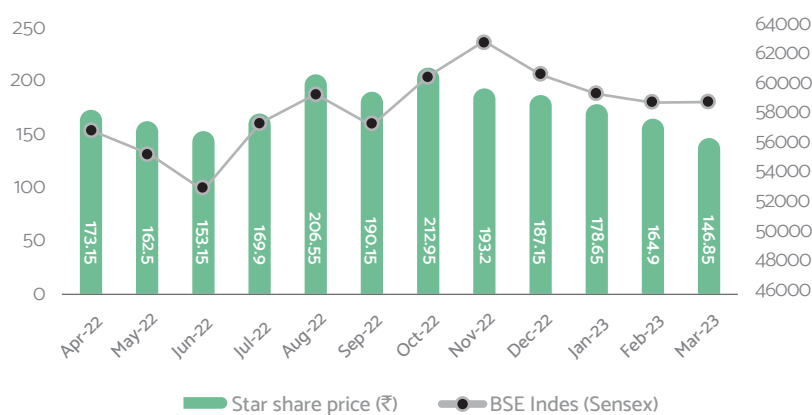
Monthly high and low quotations of shares traded on the listed stock exchanges

(₹)

Month	NSE		BSE	
	High	Low	High	Low
2022				
April	195.15	158.30	195.00	158.60
May	175.55	145.10	176.00	145.30
June	172.55	129.40	172.00	131.00
July	172.95	153.00	173.00	153.10
August	209.70	170.90	209.65	170.50
September	220.90	182.00	220.75	181.25
October	217.80	187.95	218.00	186.55
November	214.65	191.10	214.75	191.05
December	204.30	163.95	204.90	157.20
2023				
January	191.45	168.00	194.80	169.05
February	182.50	162.50	189.95	162.10
March	171.70	142.10	171.95	143.30

Stock price performance : STAR share price performance relative to BSE Index

Star Share Price vs. BSE Index



Listing on stock exchanges

The Company's equity shares are listed with the BSE Limited (Bombay Stock Exchange (BSE), Mumbai) and the National Stock Exchange of India Limited, Mumbai (NSE) under Stock Codes '516022' and 'STARPAPER' respectively, The Company has paid the requisite listing fees to the stock exchanges for the financial year 2022-23.

Registered Office :	Plant location :	Marketing & Sales office at :
Duncan House, 2 nd Floor 31, Netaji Subhash Road Kolkata- 700 001	Seth Baldeodas Bajoria Road, Saharanpur 247 001, Uttar Pradesh	2 nd Floor, Express Building, 9-10, B.S.Z Marg, New Delhi-110 008

Financial Calendar 2020-21

The next financial year of the Company is 1st April 2023 to 31st March 2024.

The schedule of approving the Financial Results of the Company is given below:-

S. No.	Financial Results	Date for approving the Results (Tentative)
1.	First quarter results	Latest by 14 th August
2.	Second quarter and half yearly results	Latest by 14 th November
3.	Third quarter results	Latest by 14 th February
4.	Fourth quarter & Annual results	Latest by 30 th May

Details of Past Three Annual General Meetings

Year	Venue	Date & Time	Special resolution passed (Y/N)
2021-22	Through VC/OAVM	21 st Sept., 2022, 11.30 AM	Yes, i) To re-appoint Mr. Madhukar Mishra (DIN:00096112) as Managing Director of the company
2020-21	Through VC/OAVM	24 th Sept., 2021, 11.00 AM	Nil.
2019-20	Through VC/OAVM	28 th Sept., 2020, 3.00 PM	Yes, i) Approval of payment as per revised terms of remuneration to Mr. G.P. Goenka erstwhile 'Executive Chairman' for the period 1 st Oct., 2019 to 30 th July, 2020. ii) Approval for payment of remuneration to Mr. Madhukar Mishra for his current term from 1 st July, 2019 to 30 th June, 2022.

Credit rating

The company has not obtained any credit ratings during the financial year 2022-23 as there is no borrowing.

Sexual Harassment of Women

During the financial year 2022-23, there was no case reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Details are as under:

- Number of complaints filed during the financial year - Nil
- Number of complaints disposed-of during the financial year - Nil
- Number of complaints pending as on end of the financial year - Nil

Postal Ballot

No special resolution requiring a postal ballot was placed before the last Annual General Meeting. Similarly, no special resolution requiring a postal ballot is being proposed at the forthcoming Annual General Meeting.

Declaration of Managing Director under SEBI Listing Regulations, 2015.

I hereby declare that to the best of my knowledge & belief, all the members of the Board and the senior management personnel of the company have affirmed their respective compliance with the code of conduct of the company for the financial year ended 31st March, 2023.

Place : New Delhi
Date : 29th May, 2023

Madhukar Mishra
Managing Director

For and on behalf of the Board

Place : New Delhi
Date : 29th May, 2023

Shiromani Sharma
Chairman

Certificate of Disqualification/Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V, Para C, Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Star Paper Mills Limited
Duncan House,
31, Netaji Subhas Road,
Kolkata – 700 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Star Paper Mills Limited having CIN: L21011WB1936PLC008726 and having its Registered Office at Duncan House, 31, Netaji Subhas Road, Kolkata – 700 001 [hereinafter referred to as 'the Company'], produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para - C, sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including status of Director Identification Number(s) (DIN) at the Portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Shiromani Sharma	00014619	29/06/1993
2.	Pragya Jhunjhunwala	02315132	25/06/2021
3.	Shrivardhan Goenka	00030375	09/09/2002
4.	Madhukar Mishra	00096112	29/06/2001
5.	Chander Mohan Vasudev	00143885	22/06/2009

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D. DUTT & CO.
 Company Secretaries
 UNIQUE CODE NUMBER: I2001WB209400

(DEBABRATA DUTT)
 Proprietor
 FCS-5401
 C.P. No. 3824
 Peer Review Certificate No. – 2277/2022
 UDIN: FO05401E000636231

Place: Kolkata
 Date: 29th May, 2023

Certificate regarding compliance of conditions of Corporate Governance

[Pursuant to Para E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of
Star Paper Mills Limited

1. This certificate is issued in accordance with our engagement letter dated May 23, 2023.
2. We, have examined the compliance of conditions of Corporate Governance by Star Paper Mills Limited ('the Company') for the year ended on 31st March, 2023 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations] as amended upto date pursuant to the Listing Agreement of the Company with the Stock Exchanges.

Management's Responsibility:

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Practising Company Secretary's Responsibility:

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company
5. We state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. We have examined the extract of relevant records and documents maintained by the Company and communicated

to us through electronic mail for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.

7. We have carried out examination of the relevant records and documents of the Company in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India (the ICSI), in so far as applicable for the purpose of this certification, and as per the Guidance Note on Non-Financial Disclosures and Guidance Note on Code of Conduct for CS issued by the ICSI requiring us to combine ethical standards with the performance of technical skills.
8. We have complied with the relevant applicable requirements of the Guidance Manual on Quality of Audit & Attestation Services issued by ICSI for the related service engagement.

Opinion:

9. Based on our examination of the relevant records and according to information and explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the of the Listing Regulations during the financial year ended 31st March, 2023 except as stated below:

- During the period from 16.08.2022 to 31.03.2023 the Board of Directors comprised of five (5) directors and as such the optimum combination and composition as required under Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 was not followed.

Other relevant information:

10. This certificate has been prepared upon receipt / exchange of requisite information / documents through electronic mail and other online verification / examination process of secretarial records as facilitated by the Company.

Place: Kolkata
Date: 29th May, 2023

For D. DUTT & CO.
Company Secretaries
UNIQUE CODE NUMBER: I2001WB209400

(DEBABRATA DUTT)

Proprietor
FCS-5401
C.P. No. 3824

Peer Review Certificate No. - 2277/2022
UDIN No.: FO05401E000636229

ANNEXURE-V: Secretarial Audit Report

Form No. MR - 3

For the Financial Year Ended 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Star Paper Mills Limited
Duncan House,
31, Netaji Subhas Road,
Kolkata – 700 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Star Paper Mills Limited (hereinafter called 'the Company') having CIN: L21011WB1936PLCO08726. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023, *subject to our observations made at Annexure - A below*, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there unde;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [not applicable to the Company during the audit period];
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and/or The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and/or The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [not applicable to the Company during the audit period];
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and/or The Securities and Exchange Board of India (Issue and Listing of Non-Convertible

Securities) Regulations, 2021 [not applicable to the Company during the audit period];

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client [not applicable to the Company during the audit period];
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and/or The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 [not applicable to the Company during the audit period]; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [not applicable to the Company during the audit period];
- v) Other laws applicable specifically to the Company:
 - The Factories Act, 1948 and allied state laws,
 - The Indian Forest Act, 1927, • The Indian Boiler Act, 1923,
 - Indian Explosives Act, 1884, • The Petroleum Act, 1936

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under section 118(10) of the Companies Act, 2013 with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).
- b) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 [Listing Regulations].

The Foreign Exchange Management Act, 1999 and the rules and regulations made there under related to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were not applicable since the Company did not have any Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

Subject to our observations made at Annexure - A below, during the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc. mentioned above and has generally adhered to the secretarial standards.

In respect of other laws specifically applicable to the Company we have broadly reviewed the same, without carrying out detailed examination of all the relevant records/documents with a view to determine accuracy and completeness of periodical compliances. During the course of our audit, we have relied on information placed before the Board at its meetings and written representations made by the management in this regard and the reporting is limited to that extent.

We further report that:

- a) *Mr. Sunil Srivastav (DIN: 00237561) resigned on 15.08.2022 from the directorship of the Company, thereby reducing the minimum strength of the Board below six. Subject to above, the Board of*

Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as per Companies Act, 2013. *However, during the period from 16.08.2022 to 31.03.2023 the composition of Board was not in accordance with the provisions of Regulation 17(1)(c) of the Listing Regulations.* The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

The Board of Directors has appointed Dr. (Mrs) Sheela Bhide (DIN: 01843547) as Additional Director of the Company as Non-executive in the Independent Director category w.e.f. 7th April, 2023 and thus the company has become compliant with the requirements of Regulation 17(1) of the Listing Regulations with regard to minimum strength of the Board i.e. 6 Directors from the date of such appointment.

- b) Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notices and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting member's

views are captured and recorded as part of the Minutes. As recorded in the minutes of the Board and Committee meetings, there has not been any dissent among the directors on any matter dealt with by the Board / Committee during the financial year.

We have been informed that the Company has appropriately responded to notices for show causes, claims, dues, demands, fines, penalties etc. received from various statutory / regulatory authorities under the laws, rules, regulations mentioned above and initiated actions for corrective measures, wherever necessary.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary/other KMPs and taken on record by the Board of Directors at its meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, *subject to our observations made at Annexure - A below,* during the audit period there was no specific event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred above.

For D. DUTT & CO.

Company Secretaries

UNIQUE CODE NUMBER: I2001WB209400

(DEBABRATA DUTT)

Proprietor

FCS-5401

C.P. No. 3824

Peer Review Certificate No. - 2277/2022

UDIN: FO05401E000636251

Place: Kolkata

Date: 29th May, 2023

This report is to be read with our letter of even date which is annexed as Annexure – **B. Annexure -A and B** forms integral part of this report.

Annexure- A

Our observations on Secretarial Audit for the financial year ended 31st March, 2023:

- a) During the period from 16.08.2022 to 31.03.2023, The Board of Directors comprised of five (5) directors and as such the optimum combination and composition as required under Regulation 17(1) of the SEBI Listing Regulations was not followed. However, based on recommendation of Nomination & Remuneration Committee, the Board of Directors by a circular resolution passed on 7th April, 2023 has appointed Dr. (Mrs) Sheela Bhide (DIN-01843547) as Additional director of the company as non-executive in the independent director category w.e.f. 7th April, 2023 and thus the company has complied with the requirement of Reg. 17(1) of the SEBI(LODR) Regulations, 2015 with regard to minimum strength of the Board i.e. 6 directors from the date of such appointment.
 - b) The Company has received respective notices from BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for non-compliance of Regulation 17(1) imposing fine and other consequences for not having minimum requirement of six directors in the Board for the quarter ended 31st Dec., 2022.
 - c) The Company has:
 - (i) paid requisite fines to NSE and BSE for the quarter ended 31st Dec., 2022 separately as imposed by them.
 - (ii) filed its detailed written reply to BSE and NSE against their fine imposing letters for waiver of fine.
 - d) SEBI has imposed a fine of ₹ 3 Lakhs collectively on 8 Promoters of ISG Traders Limited including Star Paper Mills Limited vide Adjudication Order [Reference Number ORDER/SBM/KL/2021-22/14767/-14774] dated 24th January, 2022 (received by the Company on 8th February, 2022) even though largest Promoter Shareholder had filed the required disclosure in respect of all Promoter Group Companies. The Company has deposited the fine under protest on 04/03/2022 and filed appeal against the above order before Securities Appellate Tribunal (SAT), Mumbai.
- The SAT vide its order dated 14.09.2022 has set aside the order of SEBI dated 24th January, 2022 and decided the appeal in favour of the company.

Annexure– B

To
The Members,
Star Paper Mills Limited

Our Secretarial Audit Report for the financial year ended 31st March, 2023 of even date is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of the management of the Company to maintain proper secretarial records, devise proper systems to ensure compliance with the provisions of all Corporate and other applicable laws, rules, regulations, standards and also to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.
4. We believe that the audit evidence and information obtained

from the Company's management is adequate and appropriate for us to provide us a basis of our opinion.

Disclaimer:

5. We have not verified the correctness and appropriateness of financial records, books of accounts, compliances of applicable direct and indirect tax laws of the company.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules, regulations, guidelines, standards and happening of events etc.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
8. This Report has been prepared upon receipt / exchange of requisite information / documents through electronic mail and other online verification / examination process of secretarial records as facilitated by the Company.
9. In view of increased safety protocols including restricted entry, staggered office hours, work from home etc. being followed by the Company at its registered office and factory-cum-corporate office to mitigate the impact of resurgence of Covid-19 physical verification of documents were dispensed with.

Place: Kolkata
Date: 29th May, 2023

For D. DUTT & CO.
Company Secretaries
UNIQUE CODE NUMBER: I2001WB209400

(DEBABRATA DUTT)

Proprietor
FCS-5401
C.P. No. 3824
Peer Review Certificate No. – 2277/2022
UDIN: FO05401E000636251

ANNEXURE-VI

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

- | | |
|---|------|
| - Details of contracts or arrangements or transactions not at arm's length basis: | Nil. |
| - Details of material contracts or arrangement or transactions at arm's length basis: | Nil. |

For and on behalf of the Board

Place: New Delhi
Date: 29th May, 2023

Shiromani Sharma
Chairman



Independent Auditors' Report

To the Members of Star Paper Mills Limited Report on the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Star Paper Mills Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profits, total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis For Opinion

We conducted our audit 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 Auditors' Responsibility 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 made 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 is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. 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 for incorporation in our report:

Key audit Matters	Addressing the Key Audit Matters
<p>Evaluation of provisions and Contingent Liabilities:</p> <p>There are a number of litigations including direct and indirect taxes, various claims, etc. pending before various forums against the Company and the management's judgement is required for estimating the amount to be provided and/or disclosed as contingent liability.</p> <p>We identified this as a key audit matter because the estimates and assessment with respect to these involve a significant degree of management's judgement, interpretations, and may therefore require adequate attention to arrive at the required conclusion.</p> <p>(Refer Note No. 38 to the Financial Statements, read with the Significant Accounting Policy No. 3.12)</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of disclosure of contingent liability and recognition of provisions includes the following:</p> <ul style="list-style-type: none"> • We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation, assessment and disclosure of contingent liabilities; • Understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; • Discussed with the management regarding any material developments thereto and latest status of legal matters; • Read various correspondences and related documents pertaining to litigations involved and relevant external legal opinions obtained by the management and performed substantive procedures on estimation supporting the disclosure of contingent liabilities; • Examined management's judgements and assessments in respect of whether provisions are required; • Reviewed the management's assessments of those matters which have not been provided for or disclosed as contingent liability since the probability of material outflow has been considered to be remote; • Reviewed the adequacy and completeness of disclosures; <p>Based on the above procedures performed, the estimation of provision and disclosures for contingent liabilities have been considered to be adequate and reasonable.</p>

Key audit Matters	Addressing the Key Audit Matters
<p>Verification of Inventories and Valuation thereof</p> <p>The total inventory of the Company amounts to ₹ 9558.20 Lakhs (as on March 31, 2023) (Refer note 5 and 50.1 read with accounting policy number 3.8).</p> <p>Existence of Inventories and valuation thereof was focus area of audit considering that the amount involved therein was substantial and the nature of operations of the Company.</p> <p>Physical verifications in all the locations have been conducted by the management at the year end.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of determination of year-end inventory and valuation thereof include the following:</p> <ul style="list-style-type: none"> Ensuring the effectiveness of the design, implementation and maintenance of controls over inventory and in system and procedure for conducting the physical verification and testing these controls being operated effectively. Observing the verification of Inventories at the year end undertaken by the management and evaluation of procedures and documentation in this aspect. Obtaining and reviewing the necessary evidences, working papers and documents for the physical verification carried out as above. <p>Verifying the valuation process/methodology and checks being performed at multiple levels and ensuring that the valuation is consistent with and as per the policy followed in this respect.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standard on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The comparative financial information of the company for the year ended 31st March, 2022 included in these Ind AS Financial Statement, is based on the Financial Statements for the year ended 31st March, 2022 audited by the predecessor auditor, M/s. Jain Pramod Jain and Co., an independent firm of Chartered Accountants, whose report for the year ended 31st March, 2022 dated 27th May, 2022 expressed unmodified opinion on those Financial Statements. Reliance has been placed by us on the said Financial Statements and the report issued thereupon for the purpose of these Financial Statements and the report issued by us.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;

- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control with reference to financial statements.
- III. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements—Refer Note no. 38 of the financial statements;
- b) The Company did not have any material foreseeable losses against long-term contracts, including derivative contracts and thereby requirement for making provision in this respect is not applicable to the company;
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- d) i) The Management has represented that, to the best of its knowledge and belief as disclosed in Note No.46 to the financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("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;
- ii) The Management has represented, that, to the best of its knowledge and belief as disclosed in Note No.46 to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e) The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.
- f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) is applicable with effect from April 1,2023 to the Company, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31,2023.
- IV. With respect to the reporting under Section 197 (16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the Remuneration (including Sitting fees) paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act and is not in excess of the limit laid down therein.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

Boman R. Parakh
Partner
Membership No: 053400
UDIN: 23053400BGSCNB6971

Place: Kolkata
Date: May 29, 2023

ANNEXURE “A”

TO THE AUDITORS’ REPORT OF EVEN DATE:

The Statement referred to in paragraph (I) with the heading ‘Report on other legal and regulatory requirements’ of our Report of even date to the members of Star Paper Mills Limited on the Financial Statements of the Company for the year ended March 31, 2023, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situations of Property, Plant and Equipment and Intangible Assets;
- b) There is a phased programme of verification of such assets, based on which physical verification of fixed assets is being carried out by the management. Discrepancies in respect of fixed assets verified during the year were not material;
- c) According to the information and explanations given to us and based on verification of title deeds/ lease deeds produced to us by the management, in our opinion, the title deeds/lease deeds of immovable properties as stated in Note No. 1(b) 1) of Financial Statements are held in the name of the company;
- d) The company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets during the year. Accordingly, reporting under paragraph clause 3 (i)(d) of the Order is not applicable to the Company;
- e) According to the information and explanation given to us and as represented by the management no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended from time to time. Accordingly, reporting under paragraph 3 (i)(e) of the Order is not applicable to the Company.
- ii) a) The inventories of the Company have been physically verified by the management during the year at reasonable intervals and in our opinion coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and nature of its inventory. The discrepancies noticed on physical verification of inventories were not more than 10% or more in aggregate for each class of inventory and have been properly dealt with in the books of account;
- b) The Company has not been sanctioned working capital limit in excess of Rupees Five Crores in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) (b) of the Order is not applicable.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, granted any secured and unsecured loan, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year.
- a) The Company has not provided any loans or advances in nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the order is not applicable.
- b) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not made any investments, provided any guarantee or security, granted any loan, or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year and hence reporting under clause 3(iii)(b) of the order is not applicable;
- c) The Company has not granted any loan, or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. However, there is a carried forward loan of Rs.45 lakhs given to a body corporate in earlier years, which in absence of proper schedule of repayment of principal and interest stipulated and being not recovered within due date, has been provided in the books of accounts as doubtful recovery in earlier years;
- d) As stated in para c above, there is a overdue principal amount of Rs.45 lakhs for more than ninety days. Reasonable steps have been taken by the company for recovery of the principal;
- e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there was no loan or advances in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances in the nature of loan given to the same parties; and
- f) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans during the year either repayable on demand or without specifying any terms or period of repayment.
- iv) In our opinion and according to the information and explanation given to us, the company has complied with the

provision of section 185 and 186 of the Act, in respect of grant of loan, making investments and providing guarantees and securities, as applicable;

- v) According to the information and explanation given to us and based on our examination of the books and records of the Company, the Company has not accepted any deposits or any amount deemed to be deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly reporting under paragraph 3(v) of the Order is not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that
- prima facie, the prescribed records have been maintained. We have, however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii) According to the information and explanations given to us and based on our examination of the books of accounts:
- a) During the year, the Company has generally been regular in depositing with the appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable to it. According to the information and explanations given to us, there is no undisputed amounts payable in respect of these which were in arrears as on March 31, 2023 for a period of more than six months from the date they become payable;

b) The details of statutory dues referred to in sub clause (vii) (a) above, which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of dues	Rupees in Lakhs	Period to which the amount relates	Forum where dispute is pending
Central Goods and Service Tax Act, 2017	Goods and Service Tax	160.88	FY. 2019-20, 2020-21	Joint Commissioner, Corporate office Muzaffarnagar
Central Goods and Service Tax Act, 2017	Goods and Service Tax	974.17	FY. 2017-18, 2018-19	Joint Commissioner, Corporate office Muzaffarnagar
The UP Vat Act ,2008	Sales Tax	98.47	FY.2015-16	Deputy Commissioner Saharanpur
The UP Vat Act ,2008	Sales Tax	9.19	FY.2014-15	Tribunal Saharanpur
The UP Vat Act ,2008	Sales Tax	11.45	FY.2007-08,2011-12	Additional Commissioner Appeals
The CST Act, 1956	Sales Tax	406.00	FY.1995-96	Tribunal Saharanpur
The CST Act, 1956	Sales Tax	39.55	FY.2015-16	Deputy Commissioner Saharanpur
The Entry Tax Act, 2007	Sales Tax	24.00	Fuel (FY.2008-09 to 2011-12)	Hon'ble High Court at Allahabad
U.P. Forest Corporation Act, 1974	U.P. Forest Corporation	69.10	FY. 1986-1991	Hon'ble High Court at Allahabad
The Central Excise Act, 1944	Excise Duty	4.84	FY.2009-10 to 2011-12	CESTAT Allahabad
The Income Tax Act, 1961	Income Tax	958.48	A.Y.2015-16,2017-18,2018-19	CIT Appeal, Faceless/ITAT
The ESIC Act,1948	ESIC	11.57	FY.1993-94,1994-95 and 1998	Hon'ble High Court at Allahabad/Civil Judge Saharanpur
The Uttar Pradesh Nagar Nigam Act, 1959	Property Taxes	181.45	FY 2022-23	Hon'ble High Court at Allahabad
The Krishi Utpadan Mandi Adhiniyam, 1964	Mandi Samiti	560.00	FY.2004 to 2009 and 2009 to 2016	Hon'ble High Court at Allahabad

- viii) In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and accordingly reporting under paragraph 3 (viii) of the Order is not applicable;
- ix) In our opinion and on the basis of information and explanations given to us by the management and based on our examination of the books of account of the company:

- a) The Company has not raised any loan/ borrowing from banks, financial institution or Government therefore reporting under clause 3(ix)(a) of the order is not applicable;
- b) The Company has not been declared wilful defaulter by any bank or financial institutions or any other lenders;
- c) During the year, no term loan has been availed by the Company and accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short term basis have been used for long term purposes by the Company;
- e) The Company does not have any subsidiaries, associates or joint ventures; and hence, reporting under paragraph 3(ix)(e) and (f) of the Order is not applicable;
- x) According to the information and explanations given to us and based on our examination of books of account of the Company:
- a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company; and
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (partly, fully, or optionally) during the year and accordingly, reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.
- xi) a) During the course of our examination of books and records of the company carried out during the year in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such cases by the management;
- b) According to the information and explanation given to us no report under sub-section (12) of section 143 of the Companies Act 2013, has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended from time to time) with the Central Government, during the year and up to the date of this report; and
- c) According to the information and explanation given to us and based on the examination of the books of accounts of the company, no whistle blower complaints have been received during the year by the company. Accordingly, reporting under paragraph 3(xi)(c) of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and accordingly the Nidhi Rules, 2014 is not applicable to it, hence, the reporting under paragraph 3(xii) (a), (b) and (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 Section 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) The Company has appointed a firm of Chartered Accountants to carry out the internal audit of the Company. In our opinion and according to the information and explanations given to us the internal audit system is commensurate with the size and nature of its business. We have considered, during the course of our audit, the reports of the internal auditor for the period under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- xv) According to the information and explanations given TO us and as represented to us by the management 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 them and hence reporting under paragraph 3(xv) of the Order is not applicable;
- xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable;
- b) The Company has not conducted any Non-Banking Financial or Housing Finance Activities. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable;
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable;
- d) In our opinion and based on the representation received by us from the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

- xviii) Based on the examination of the books of accounts, we report that the Company has incurred cash losses neither in current financial year nor in the immediately preceding financial year;
- xviii) There has been no resignation of the statutory auditors of the Company during the year and hence reporting under paragraph 3(xviii) of the Order is not applicable;
- xix) According to the information and explanations given to us and based on the financial ratios (refer note no. 47 to the Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying 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 that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither given 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) According to the information and explanations given to us and based on our examination of books and records of the company there are no unspent amount towards Corporate Social Responsibility (CSR) on either ongoing projects or other than ongoing projects under section 135 of the Act and accordingly, reporting under paragraph 3(xx)(a) and (b) of the order is not applicable to the Company;
- xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of financial statements.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

Boman R. Parakh
Partner
Membership No: 053400
UDIN: 23053400BGSCNB6971

Place: Kolkata
Date: May 29, 2023

ANNEXURE “B”

TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph II (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls with reference to the Financial Statements of **Star Paper Mills Limited** (“the Company”) as at March 31, 2023 in conjunction with our audit of the 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 financial controls with reference to financial statements 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. 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 control with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls with reference to financial statements, 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 auditors’ judgement, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company’s internal financial control with reference to financial statements 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 with reference to financial statements 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to

financial statements 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 with reference to financial

statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements 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.

Place: Kolkata
Date: May 29, 2023

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

Boman R. Parakh
Partner
Membership No: 053400
UDIN: 23053400BGSCNB6971

Balance Sheet

as at March 31, 2023

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1a	41,359.19	41,409.24
(b) Right of use Assets	1b	9.57	47.82
(c) Capital work-in-progress	1c	319.47	278.69
(d) Financial Assets			
(i) Investments	2	1,815.62	1,902.91
(ii) Other Financial Assets	3	228.01	227.21
(e) Other non-current assets	4	503.66	827.98
Total Non-Current assets (A)		44,235.52	44,693.85
Current Assets			
(a) Inventories	5	9,558.20	7,525.75
(b) Biological Assets-Unharvested Clonal Plant	6	19.64	13.11
(c) Financial Assets			
(i) Investments	7	2,869.13	9,438.63
(ii) Trade receivables	8	254.92	601.04
(iii) Cash and cash equivalents	9a	346.92	432.99
(iv) Other bank balances	9b	14,042.11	3,424.50
(v) Loans	10	-	-
(vi) Other financial assets	11	510.34	42.13
(d) Other current assets	12	1,002.34	1,010.96
Total Current Assets (B)		28,603.60	22,489.11
Total Assets (A)+(B)		72,839.12	67,182.96
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	1,560.83	1,560.83
(b) Other Equity	14	57,880.80	51,920.70
Total Equity (A)		59,441.63	53,481.53
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	30.4	-	13.03
(ii) Other financial liabilities	15	952.16	901.67
(b) Provisions	16	354.75	508.01
(c) Deferred tax liabilities (Net)	17	6,640.43	7,006.45
Total Non-Current Liabilities (B)		7,947.34	8,429.16
Current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	30.4	13.56	54.22
(ii) Trade payables	18		
(I) Total outstanding dues of micro enterprises and small enterprises; and		569.96	546.11
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises.		2,468.86	2,369.50
(iii) Other financial liabilities	19	1,449.94	1,446.83
(b) Other current liabilities	20	579.37	622.88
(c) Provisions	21	94.63	67.81
(d) Current Tax Liabilities (Net)	22	273.83	164.92
Total Current Liabilities (C)		5,450.15	5,272.27
Total Equity and Liabilities (A+B+C)		72,839.12	67,182.96

Significant Accounting Policies and Notes to Accounts (Note No. 1 – 53)

As per our report of even date
For Lodha & Co

Chartered Accountants
(Boman R.Parakh)
Partner

Place : New Delhi
Date : 29th May, 2023

Saurabh Arora
Company Secretary

Sanjeev K. Garg
Chief Financial Officer

Shiromani Sharma
Chairman

Madhukar Mishra
Managing Director

C.M. Vasudev
Shrivardhan Goenka
Dr. Sheela Bhide
Pragya Jhunjunwala
Directors

Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue From Operations	23	49,268.75	33,053.98
Other Income	24	2,171.36	1,803.11
Total Income (I)		51,440.11	34,857.09
EXPENSES			
Cost of materials consumed	25	21,946.39	14,676.06
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(2,470.85)	(123.58)
Employee benefits expense	27	2,688.89	2,467.16
Finance costs	28	55.94	47.35
Depreciation and amortisation expense	29	527.62	536.17
Other expenses	30	19,132.18	12,834.27
Total Expenses (II)		41,880.17	30,437.43
Profit before exceptional items and tax (I-II)		9,559.94	4,419.66
Exceptional Items	50.1	(1,225.73)	-
Profit before tax		8,334.21	4,419.66
Tax expense:	31		
Current tax		2,133.13	1,030.10
Deferred tax charge/(credit)		(366.22)	(275.26)
Profit for the year		6,567.30	3,664.82
Other Comprehensive Income	32		
A (i) Items that will not be reclassified to profit or loss		(60.71)	24.37
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.20	(6.14)
Other Comprehensive Income for the year (net of taxes)		(60.91)	18.23
Total Comprehensive Income for the year comprising profit and other comprehensive income for the year		6,506.39	3,683.05
Earnings per equity share of par value of ₹ 10 each.	36		
(1) Basic (₹)		42.08	23.48
(2) Diluted (₹)		42.08	23.48

Significant Accounting Policies and Notes to Accounts (Note No. 1 – 53)

As per our report of even date
For Lodha & Co

Chartered Accountants

(Boman R.Parakh)

Partner

Place : New Delhi
Date : 29th May, 2023**Saurabh Arora**
Company Secretary**Sanjeev K. Garg**
Chief Financial Officer**Shiromani Sharma**
Chairman**Madhukar Mishra**
Managing Director**C.M. Vasudev**
Shrivardhan Goenka
Dr. Sheela Bhide
Pragya Jhunjhunwala
Directors

Statement of changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	Amount (₹ in lakhs)
Balance as at April 1, 2021	1,560.83
Changes during the year	-
Balance as at March 31, 2022	1,560.83
Changes during the year	-
Balance as at March 31, 2023	1,560.83

B. OTHER EQUITY

(₹ in lakhs)

As at March 31, 2023

Particulars	Reserves and Surplus				Items of other comprehensive income		Total
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Re-measurement of defined benefit plans	
Balance as at April 01, 2022	4,459.50	50.00	1,582.01	47,516.87	(1,687.68)	-	51,920.70
Profit for the year	-	-	-	6567.30	-	-	6,567.30
Total Other Comprehensive Income for the year	-	-	-	-	(80.80)	19.89	(60.91)
Final Dividends	-	-	-	(546.29)	-	-	(546.29)
Transfer to retained earning	-	-	-	19.89	-	(19.89)	-
	-	-	-	-	-	-	-
Balance at March 31, 2023	4,459.50	50.00	1,582.01	53,557.77	(1,768.48)	-	57,880.80

Refer Note No. 14 for nature and purpose of reserves.

As at March 31, 2022

(₹ in lakhs)

Particulars	Reserves and Surplus				Items of other comprehensive income		Total
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Re-measurement of defined benefit plans	
Balance as at April 01, 2021	4,459.50	50.00	1,582.01	44,224.03	(1,687.68)	-	48,627.86
Profit for the year	-	-	-	3,664.82	-	-	3,664.82
Total Other Comprehensive Income for the year	-	-	-	-	-	18.23	18.23
Final Dividends	-	-	-	(390.21)	-	-	(390.21)
Transfer to retained earning	-	-	-	18.23	-	(18.23)	-
	-	-	-	-	-	-	-
Balance at March 31, 2022	4,459.50	50.00	1,582.01	47,516.87	(1,687.68)	-	51,920.70

Refer Note No. 14 for nature and purpose of reserves.

Significant Accounting Policies and Notes to Accounts (Note No. 1 – 53)

As per our report of even date For Lodha & Co

Chartered Accountants
(Boman R.Parakh)
Partner

Place : New Delhi
Date : 29th May, 2023

Saurabh Arora
Company Secretary

Sanjeev K. Garg
Chief Financial Officer

Shiromani Sharma
Chairman

Madhukar Mishra
Managing Director

C.M. Vasudev
Shrivardhan Goenka
Dr. Sheela Bhide
Pragya Jhunjunwala
Directors

Notes to Financial Statement

for the year ended March 31, 2023

1. a) PROPERTY, PLANT AND EQUIPMENT:

(₹ in lakhs)

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Total
GROSS BLOCK						
Cost as at 1 st April, 2021	32,145.82	120.16	11,136.06	77.70	26.66	43,506.40
Additions	-	-	522.23	5.65	1.24	529.12
Deduction/Adjustment	26.84	-	0.83	2.79	19.73	50.19
Balance as at 31st March, 2022	32,118.98	120.16	11,657.46	80.56	8.17	43,985.33
Additions	-	-	495.81	12.42	-	508.23
Deduction/Adjustment	-	2.19	87.97	0.70	-	90.86
Balance as at 31st March, 2023	32,118.98	117.97	12,065.30	92.28	8.17	44,402.70
Accumulated Depreciation						
Balance as at 1 st April, 2021	-	80.19	1,954.73	45.95	19.99	2,100.86
Depreciation	-	8.18	473.72	13.70	2.30	497.90
Deduction/Adjustment	-	-	0.71	2.23	19.73	22.67
Balance as at 31st March, 2022	-	88.37	2,427.74	57.42	2.56	2,576.09
Depreciation	-	6.40	468.57	12.20	2.20	489.37
Deduction/Adjustment	-	1.89	19.41	0.65	-	21.95
Balance as at 31st March, 2023	-	92.88	2,876.90	68.97	4.76	3,043.51
NET BLOCK						
Balance as at 31 st March, 2022	32,118.98	31.79	9,229.72	23.14	5.61	41,409.24
Balance as at 31st March, 2023	32,118.98	25.09	9,188.40	23.31	3.41	41,359.19

1.a) i) Gross block and Net block of Buildings include flat acquired under joint ownership with others at New Delhi amounting ₹ 21.13 Lakhs (March 31,2022 ₹ 21.13 lakhs)and ₹ 4.39 Lakhs (March 31,2022 ₹5.49 Lakhs) respectively.

1.a) ii) All title deeds for immovable properties are held in name of the company.

1.a) iii) No revaluation of properties plants and equipments have been done during the year.

1. b) RIGHT OF USE ASSETS-BUILDING

(₹ in lakhs)

Particulars	Right of Use Assets (Building)
GROSS BLOCK	
Balance as at 31 st March, 2021	162.63
Additions	-
Deduction/Adjustment	-
Balance as at 31st March, 2022	162.63
Additions	-
Deduction/Adjustment	-
Balance as at 31st March, 2023	162.63
Accumulated Depreciation	
Balance as at 31 st March, 2021	76.54
Depreciation	38.27
Deduction/Adjustment	-
Balance as at 31st March, 2022	114.81
Depreciation	38.25
Deduction/Adjustment	-
Balance as at 31st March, 2023	153.06
NET BLOCK	
Balance as at 31 st March, 2022	47.82
Balance as at 31st March, 2023	9.57

1.b) i) All lease deeds for immovable properties are held in name of the company.

1.b) ii) No revaluation of right to use asset have been done during the year.

1.c) CAPITAL WORK-IN-PROGRESS (CWIP)
As at March 31, 2023

(₹ in lakhs)

Particulars	Amount
As per last Balance Sheet	278.69
Add: Addition	1,512.87
Less: Capitalisation	496.56
Less: Charged to the statement of Profit and Loss	975.53
As at March 31, 2023	319.47

As at March 31, 2022

(₹ in lakhs)

Particulars	Amount
As per last Balance Sheet	575.36
Add: Addition	621.94
Less: Capitalisation	514.98
Less: Charged to the statement of Profit and Loss	403.63
As at March 31, 2022	278.69

1.c) i) AGEING OF CAPITAL WORK-IN-PROGRESS
Capital work-in-progress as on 31.03.2023

(₹ in lakhs)

Particulars	Amount in CWIP For a Period of				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects In Progress					
Upgradation of Turbine	89.04	-	-	-	89.04
Replacement/Mordernisation of Plant and Machinery	77.18	-	-	-	77.18
Project Temporary suspended					
Bag House at Cheema*	-	-	33.98	119.27	153.25
TOTAL	166.22	-	33.98	119.27	319.47

*The bag house at cheema boiler has been kept on hold pending reassessment of feasibility thereof and expected date of completion thereof is currently not determinable.

Capital work-in-progress as on 31.03.2022

(₹ in lakhs)

Particulars	Amount in CWIP For a Period of				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects In Progress					
Replacement of Sonar Make PM-3 HOD	65.84	-	-	-	65.84
Replacement/Mordernisation of Plant and Machinery	59.60	-	-	-	59.60
Project Temporary suspended					
Bag House at Cheema*	-	33.98	119.27	-	153.25
TOTAL	125.44	33.98	119.27	-	278.69

*The bag house at cheema boiler has been kept on hold pending reassessment of feasibility thereof and expected date of completion thereof is currently not determinable.

2. INVESTMENTS (NON-CURRENT)

(Fully paid up except otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
INVESTMENTS IN EQUITY INSTRUMENTS				
Investment designated at Fair Value through Other Comprehensive Income - Quoted				
ISG Traders Limited (Face value of Rs.10/- each)	1,745,786	1815.62	1,745,786	1,902.91
TOTAL -NON -CURRENT INVESTMENTS		1,815.62		1,902.91
Aggregate amount of Quoted Investments		1,815.62		1,902.91

2.1 The Company has made an irrevocable decision to consider equity instruments not held for trading to be recognized at FVTOCI.

2.2 The shares of ISG Traders Limited are quoted but not traded since long therefore the market value of investment has not been derived from a active market but has been considered based on valuation made by independent chartered accountant during the year.

2.3 Particulars of investments as required in terms of section 186(4) of the companies act 2013 have been disclosed under Note No. 2 above.

3. OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
UNSECURED, CONSIDERED GOOD		
Security Deposits		
-Related parties (Refer Note No. 39)	49.00	49.00
-Others	179.01	178.21
	228.01	227.21

4. OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
UNSECURED CONSIDERED GOOD		
Capital Advances	18.91	72.79
Advances Other than Capital Advances		
Balances/Deposits with Government Authorities	382.39	611.05
Prepaid expenses	102.36	144.14
	503.66	827.98

5. INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	3,906.33	4,588.37
Chemicals	322.10	363.07
Process stock	1,093.19	723.61
Finished goods	1,584.33	367.65
Stores and spares	2,652.25	1,483.05
	9,558.20	7,525.75

Refer Note No. 33 (3.8) For mode of Valuation

Refer Note No. 50.1

6. BIOLOGICAL ASSETS-UNHARVESTED CLONAL PLANT

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
As at opening date	13.11	4.64
Increase due to purchase/production	291.47	212.82
Decrease due to harvest/sale/others	284.68	206.48
Changes in fair value	(0.26)	2.13
As at Closing date	19.64	13.11

7. CURRENT INVESTMENTS

(Fully paid up except otherwise stated)

(₹ in lakhs)

Particulars	Face Value	As at March 31, 2023		As at March 31, 2022	
		Holding (No.)	Amount	Holding (No.)	Amount
INVESTMENT MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS					
Investment in Mutual Funds					
Quoted					
ICICI Prudential Ultra Short Term Fund – Growth	10	887,553.39	448.48	887,553.39	423.89
IDFC Bond Fund-Short Term Regular Plan – Growth	10	725,610.42	349.55	3,093,402.63	1,437.92
UTI Corporate Bond Fund - Regular Growth Plan	10	15,012,981.88	2,071.10	15,012,981.88	1,988.39
SBI Short Term Debt Fund – Regular Plan -Growth	10	-	-	1,926,553.63	501.66
IDFC Corporate Bond Fund Regular Plan – Growth	10	-	-	2,713,919.48	426.86
HDFC Low Duration Fund – Retail – Regular Plan – Growth	10	-	-	1,054,150.69	493.25
Franklin India Saving Fund Retail option – Growth	10	-	-	1,544,983.39	623.51
Aditya Birla Sun Life Low Duration Fund – Growth Regular Plan	10	-	-	166,934.82	894.20
Nippon India Short Term Fund - Growth Plan	10	-	-	2,433,910.83	1,041.44
Icici Prudential	10	-	-	683,730.06	200.27
Sbi Arbitrage Opportunities Fund	10	-	-	2,807,656.21	801.58
Kotak Equity Arbitrage Fund – Reg – Growth	10	-	-	1,912,482.906	605.66
TOTAL			2,869.13		9,438.63
Aggregate amount and Market Value of Quoted Investments					
- In Mutual Funds					
			2,869.13		9,438.63

7.1 Particulars of investments as required in terms of section 186(4) of the companies act 2013 have been disclosed under note no 7 above.

8. TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good, secured	140.67	224.58
Considered good, unsecured	114.25	376.46
Considered Doubtful	2.37	3.41
SUB TOTAL	257.29	604.45
Less: Impairment Allowances for doubtful trade receivables (Refer Note No.8.2)	2.37	3.41
	254.92	601.04

8.1 AGEING OF TRADE RECEIVABLE (Gross)

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023							
(i) Undisputed Trade receivables – considered good	215.71	36.84	-	-	2.37	-	254.92
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	2.37	2.37
TOTAL	215.71	36.84	-	2.37	-	2.37	257.29
As at March 31, 2022							
(i) Undisputed Trade receivables – considered good	560.33	38.29	-	2.42	-	-	601.04
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	3.41	3.41
TOTAL	560.33	38.29	-	2.42	-	3.41	604.45

8.2 MOVEMENT OF IMPAIRMENT ALLOWANCES FOR BAD AND DOUBTFUL TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	3.41	7.20
Recognised during the year	-	-
Less:Reversal during the year	1.04	3.79
Balance at the end of the year	2.37	3.41

8.3 Trade Receivables are generally settled on credit terms of 5 to 9 days.

8.4 There are no outstanding receivables due from directors or other officers of the company.

9.a) CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	343.41	430.35
Cheques in hand	-	0.88
Cash in hand	3.51	1.76
	346.92	432.99

9.b) OTHER BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Margin Money Accounts {Refer Note No. 9.b)(i)}	920.64	630.42
Earmarked balances with bank		
Unclaimed Dividend Account {Refer Note No. 9.b)(ii)}	21.46	15.83
Fixed deposits with Banks(having original maturity of more than 3 months But less than 12 Months)	13,100.01	2,778.25
	14,042.11	3,424.50

9. b) (i) – Kept as lien against Bank Guarantee

9. b) (ii) – Balances with banks on unpaid dividend account represents moneys that can be utilise only to pay dividend to equity shareholders.

10. LOANS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured Considered Good)		
Loan to Body Corporate (Refer Note No. 42)	45.00	45.00
Less: Impairment Allowance for doubtful Loans (Refer Note No.10.1)	(45.00)	(45.00)
	-	-

10.1 MOVEMENT OF IMPAIRMENT ALLOWANCES FOR DOUBTFUL LOAN

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	45.00	-
Recognised during the year	-	45.00
Less: Reversal during the year	-	-
Balance at the end of the year	45.00	45.00

11. OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest receivables on deposits	510.34	42.13
	510.34	42.13

12. OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances other than Capital Advances		
Advances for supply of goods and rendering of services (Refer Note No. 12.a)	849.83	862.89
Balance with Government authorities	1.99	-
Prepaid expenses	130.05	107.17
Advances to Employees	4.61	4.02
Other Advances (Refer Note No.12.b)	15.86	36.88
	1,002.34	1,010.96

12.a) There are no outstanding loans and advances in nature of loan to promoters, key managerial personnel or other officers of the company.

12.b) Other Advances include ₹ 15.86 Lakhs (March 31, 2022: ₹ 33.48 lakhs) expenditure in excess of the limit specified under section 135 of the Companies Act, 2013 for Corporate Social Responsibility (CSR).

13. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
AUTHORIZED		
10,000 5% Cumulative Tax Free Redeemable Preference Shares of ₹ 100 each	10.00	10.00
39,800,000 Equity Shares of ₹ 10 each	3,980.00	3,980.00
100,000 'A' Equity Shares of ₹ 10 each	10.00	10.00
	4,000.00	4,000.00
Issued		
15,511,250 Equity Shares of ₹ 10 each	1,551.12	1,551.12
100,000 'A' Equity Shares of ₹ 10 each	10.00	10.00
	1,561.12	1,561.12
Subscribed and Paid-up		
15,508,350 Equity Shares of ₹ 10 each	1,550.83	1,550.83
100,000 'A' Equity Shares of ₹ 10 each	10.00	10.00
	1,560.83	1,560.83

13.1 The Company has two class of equity shares having a par value of Rs. 10/-. Each holder of both class of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders of the both class are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

13.2 RECONCILIATION OF THE NUMBER OF EQUITY SHARES OUTSTANDING

Particulars	No. of shares	
	As at March 31, 2023	As at March 31, 2022
Number of shares at the beginning	15,608,350	15,608,350
Add: Addition during the year	-	-
Number of shares at the end	15,608,350	15,608,350

13.3 SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES

Name of share holders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of Total Shares	No. of shares	% of Total Shares
ISG Traders Limited	4,930,644	31.59	4,968,744	31.83
Albert Trading Company Private Limited	905,200	5.80	905,200	5.80

13.4 PROMOTERS' SHAREHOLDING :

Name of Promoters	As at March 31, 2023		% Change During the year	As at March 31, 2022		% Change During the year
	No. of shares	% of Total Shares		No. of shares	% of Total Shares	
I S G Traders Limited	4,930,644	31.59	0.24	4,968,744	31.83	-
Albert Trading Company Private Limited	905,200	5.80	-	905,200	5.80	-
Silent Valley Investments Limited	621,000	3.98	-	621,000	3.98	-
Continuous Form (Calcutta) Limited	510,000	3.27	-	510,000	3.27	-
Shrivardhan Goenka	45,500	0.29	-	45,500	0.29	-
	7,012,344	44.93	0.24	7,050,444	45.17	-

14 OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
SECURITIES PREMIUM RESERVE		
As per last Balance Sheet	4,459.50	4,459.50
Changes during the year	-	-
As at Balance Sheet date (a) (Refer Note No. 14.1)	4,459.50	4,459.50
Capital Redemption Reserve		
As per last Balance Sheet	50.00	50.00
Changes during the year	-	-
As at Balance Sheet date (b) (Refer Note No. 14.2)	50.00	50.00
General Reserve		
As per last Balance Sheet	1,582.01	1,582.01
Changes during the year	-	-
As at Balance Sheet date (c) (Refer Note No. 14.3)	1,582.01	1,582.01
Retained Earnings		
As per last Balance Sheet	47,516.87	44,224.03
Profit for the year	6,567.30	3,664.82
Transfer from Other Comprehensive Income	19.89	18.23
Less:- Final Dividend	(546.29)	(390.21)
As at Balance Sheet date (d) (Refer Note No. 14.4)	53,557.77	47,516.87
Other Comprehensive Income		
(i) Equity instrument through other comprehensive income		
As per last Balance Sheet	(1,687.68)	(1,687.68)
Other Comprehensive Income for the year	(80.80)	-
TOTAL	(1,768.48)	(1,687.68)
(ii) Remeasurement of defined benefit plan		
As per last Balance Sheet	-	-
Other Comprehensive Income for the year	19.89	18.23
Transfer to Retained Earnings	(19.89)	(18.23)
TOTAL	-	-
As at Balance Sheet date (e) (Refer Note No. 14.5)	(1,768.48)	(1,687.68)
TOTAL (a to e)	57,880.80	51,920.70

14.1 Securities Premium Reserve

Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

14.2 Capital Redemption Reserve

Represent reserve created during redemption of 5% Cumulative Tax Free Redeemable Preference Shares of ₹ 100 each and it is a non-distributable reserve.

14.3 General Reserve

The general reserve is created from time to time by appropriating profits from retained earnings. The general reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of profit and loss.

14.4 Retained Earnings

Retained earnings generally represents the undistributed profit amount of accumulated earnings of the company. This includes ₹ 24,713.07 lakhs (previous year ₹ 24,713.07 Lakhs) which is not available for distribution as these are represented by changes in carrying amount of Property, Plant and Equipment being measured at fair value as on date of transition as deemed cost. This also includes other comprehensive loss of ₹ 57.46 lakhs (March 31, 2022 ₹ 77.35 lakhs) relating to remeasurement of defined benefits plan (net of tax) which cannot be reclassify to statement of profit and loss.

14.5 Other Comprehensive Income

Other Comprehensive Income represent the balance in equity and actuarial gains or losses arising on re-measurement of defined benefit obligation for items to be accounted in Other Comprehensive Income (OCI) and comprises of the following:

- i) Items that will not be reclassified to profit and loss
 - a. The company has elected to recognise changes in the fair value of non-current investments in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value.
 - b. The actuarial gains and losses arising on re-measurement of defined benefit obligations have been recognised in OCI and are adjusted in retained earnings as stated in Note No. 14.4 above.

15. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposit	952.16	901.67
	952.16	901.67

16. PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note No. 35)	354.75	508.01
	354.75	508.01

17. DEFERRED TAX LIABILITIES

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax Assets	(370.22)	(411.05)
Deferred tax Liabilities	7,010.65	7,417.50
Net Deferred Tax (Assets)/Liabilities	6,640.43	7,006.45

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2023 are as given below:

(₹ in lakhs)

Particulars	As at March 31, 2022	Charge/ (Credit) recognised	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2023
DEFERRED TAX ASSETS:				
Expenses allowable on payment basis	164.95	39.77	-	125.18
Provision for doubtful debts	0.86	0.86	-	0.00
Lease liability	12.63	-	-	12.63
Remeasurement of defined benefit obligations	37.28	-	(6.69)	30.59
Fair value of Investment	195.33	-	6.49	201.82
TOTAL DEFERRED TAX ASSETS	411.05	40.63	(0.20)	370.22
DEFERRED TAX LIABILITIES:				
Timing difference with respect to Property, Plant and Equipment	7,175.75	(265.97)	-	6,909.78
Fair Value of Biological Assets	2.14	(0.50)	-	1.64
Fair value of Investment	239.61	(140.38)	-	99.23
TOTAL DEFERRED TAX LIABILITIES	7,417.50	(406.85)	-	7,010.65
NET DEFERRED TAX (ASSETS)/ LIABILITIES	7,006.45	(366.22)	(0.20)	6,640.43

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2022 are as given below:

Particulars	As at March 31, 2021	Charge/ (Credit) recognised	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2022
DEFERRED TAX ASSETS:				
Expenses allowable on payment basis	245.75	80.80	-	164.95
Provision for doubtful debts	2.10	1.24	-	0.86
Lease liability	12.63	-	-	12.63
Remeasurement of defined benefit obligations	43.42	-	(6.14)	37.28
Fair value of Investment	195.33	-	-	195.33
TOTAL DEFERRED TAX ASSETS	499.23	82.04	(6.14)	411.05
DEFERRED TAX LIABILITIES:				
Timing difference with respect to Property, Plant and Equipment	7,511.15	(335.40)	-	7,175.75
Fair Value of Biological Assets	0.30	1.84	-	2.14
Fair value of Investment	263.34	(23.73)	-	239.61
TOTAL DEFERRED TAX LIABILITIES	7,774.79	(357.29)	-	7,417.50
NET DEFERRED TAX (ASSETS)/ LIABILITIES	7,275.56	(439.33)	(6.14)	7,006.45

18. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 18.1)	569.96	546.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,468.86	2,369.50
	3,038.82	2,915.61

18.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSME) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Principal & Interest amount remaining unpaid but not due as at year end	569.96	546.11
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	NIL	NIL
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL
d) Interest accrued and remaining unpaid as at year end	NIL	NIL
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	NIL	NIL

18.2

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31, 2023						
(i) MSME	515.21	8.73	0.16	-	-	524.10
(ii) Others	2,353.51	60.33	9.38	6.93	5.74	2,435.89
(iii) Disputed dues – MSME	-	-	-	31.86	14.00	45.86
(iv) Disputed dues - Others	-	1.11	-	27.61	4.25	32.97
TOTAL	2,868.72	70.17	9.54	66.40	23.99	3,038.82
As at March 31, 2022						
(i) MSME	535.62	-	-	-	-	535.62
(ii) Others	2,315.37	6.49	1.60	14.77	-	2,338.23
(iii) Disputed dues – MSME	-	-	10.49	-	-	10.49
(iv) Disputed dues - Others	-	-	-	26.59	4.68	31.27
TOTAL	2,850.99	6.49	12.09	41.36	4.68	2,915.61

Trade payables are non interest bearing and are normally settled on agreed credit terms ranging from 0 to 180 days

19. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest payable (Refer Note No. 39)	6.77	6.77
Unclaimed dividends (Refer Note No. 19.1)	21.46	15.83
Liability for Capital Goods (Refer Note No. 19.2)	246.36	227.03
Payable to Employees	477.46	597.43
Derivative Liability	1.22	-
Others (Refer Note No. 19.3)	696.67	599.77
	1,449.94	1,446.83

19.1 The same is not due for payment to investor education and protection fund.

19.2 There are no dues to micro and small enterprises with regards to the supplier of Capital Goods as at 31 march 2023 and as at 31 march,2022. This information as required to be disclosed under the micro, small and medium enterprise development act , 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

19.3 Includes Sales incentive payable/ Expenses Payable etc.

20. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers (Refer Note No. 20.1)	358.39	211.43
Statutory dues	220.98	411.45
	579.37	622.88

20.1 Advance from customers is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customers towards products or services to be provide in future period, revenue is recognised once performance obligation is met i.e once the control over product or service has been transfer to the customer.

21. PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note No. 35)	94.63	67.81
	94.63	67.81

22. CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for taxation (net of advance tax)	273.83	164.92
	273.83	164.92

23. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Sale of products (Refer Note No.41(c))	48,272.44	32,478.55
Sale of Scrap	988.88	574.40
Export Incentive	7.43	1.03
	996.31	575.43
	49,268.75	33,053.98

24. OTHER INCOME

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
INTEREST INCOME:-		
-On loans, deposits, overdue Trade Receivable etc.	644.86	138.84
-On Financial Assets measured at amortised cost	1.45	1.45
Other non-operating income (net of expenses directly attributable to such income).		
Net change in fair value less estimated costs to sell of biological assets	6.51	8.47
Net gain on sale / redemption of Current investments	173.13	-
Net gain on fair valuation of Current investments through profit and loss	45.89	323.30
Profit on sale of Property, Plant and Equipment (Net)	-	9.15
Provision for doubtful debts written back	-	3.78
Provision/ Liability no longer required written back (Refer Note No.24.1)	602.76	1,026.92
Miscellaneous income (Refer Note No. 24.2 and 24.3)	696.76	291.20
TOTAL	2,171.36	1,803.11

24.1 Includes ₹ 135.12 lakhs in respect of provision made for transit fee and mandi fees in earlier years towards wood purchase, which based on court/state government order is no more payable and accordingly the management has written back such provision during the year.

24.2 Includes ₹ 324.28 lakhs (previous year ₹ 222.64 lakhs) in respect of sale of clonal plant .

24.3 Includes ₹ 221.28 lakhs including interest thereon being the amount recovered from one of the customers with whom the matter was disputed and was pending before court and has been settled during the year.

25. COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Raw Materials Consumed	21,946.39	14,676.06
TOTAL	21,946.39	14,676.06

25.1 DETAILS OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Wood, wood and paper waste and wood pulp	15,863.94	10,106.14
Chemical and Dyes Consumed	6,082.45	4,569.92
TOTAL	21,946.39	14,676.06

26. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE & WORK-IN-PROGRESS

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
OPENING STOCK:		
Stock In Process	723.61	466.90
Finished Stock	367.65	500.78
	1,091.26	967.68
Less: Loss due to fire (Note No. 50.1)		
-Finished Goods	(365.92)	-
-Stock in Process	(518.67)	-
	(884.59)	
CLOSING STOCK:	1,093.19	723.61
Stock In Process	1,584.33	367.65
Finished Stock	2,677.52	1,091.26
TOTAL INCREASE/ DECREASE IN STOCK OF PAPER AND WORK IN PROGRESS	(2,470.85)	(123.58)

27. EMPLOYEES BENEFIT EXPENSES

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Salaries, Wages, Bonus and Benefits etc.	2,399.29	2,151.98
Contribution Provident and Other Funds	167.83	182.62
Employees Welfare Expenses	121.77	132.56
	2,688.89	2,467.16

28. FINANCE COSTS

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Interest Expense on Security Deposit	53.25	42.59
Interest on Lease Liability	2.69	4.76
	55.94	47.35

**29. DEPRECIATION AND AMORTISATION EXPENSES**

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Depreciation on Property, Plant and Equipment	489.37	497.90
Amortisation on Right To Use of Assets	38.25	38.27
	527.62	536.17

30. OTHER EXPENSES

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Stores and components consumed	1,565.42	1,157.98
Power and fuel	11,610.22	7,332.63
Repair to:-		
Buildings	774.37	420.01
Machinery	1,021.86	766.95
Others	18.98	22.03
Rent	77.64	76.77
Rates and Taxes	357.15	125.79
Insurance	112.75	124.04
Packing , Transportation and other selling expenses	228.21	166.25
Brokerage and Commission	259.44	163.63
Directors Fees	13.40	8.30
Net loss on foreign currency transaction and translation	1.72	0.07
Legal & professional charges	628.87	562.10
Loss on sale of Property, Plant and Equipment (Net)	61.05	-
Net loss on foreign currency transaction and translation-Hedging	1.22	-
Sundry balances written off	48.75	-
General manufacturing expenses	893.55	669.04
Auditors Remuneration (Refer Note No. 30.1)	14.20	11.45
Corporate Social Responsibility Expenditure (Refer Note No. 30.2)	69.94	74.98
Miscellaneous expenses (Refer Note No. 30.3)	1,373.44	1,152.25
	19,132.18	12,834.27

30.1 AUDITORS REMUNERATION

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Statutory Audit	8.25	7.00
Tax Audit	2.00	1.80
Certification etc.	3.95	2.65
	14.20	11.45

30.2 Disclosure on Corporate Social Responsibility Expenses

(a) Gross amount required to be spent by the Company during the year 2022-23 in pursuance to the provision of section 135 of the Companies Act 2013 and rules made there under is ₹ 69.94 lakhs (Previous year ₹ 74.98 lakhs)

(b) Detail of amount actually spent by the Company is as follows:

(₹ in lakhs)

Particulars	2022-23			2021-22		
	Amount Spent	Amount Provided for	Net Amount	Amount Spent	Amount Provided for	Net Amount
Eradicating hunger, poverty, malnutrition, promoting health care and sanitation including contribution to swachh bharat kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	2.43	-	2.43	19.64	-	19.64
Promoting education, including special education and employment enhancing vocational skill specially among children, women, elderly and differently abled and livelihood enhancement projects.	44.68	-	44.68	34.50	-	34.50
Promoting gender equality, empowering woman, setting up homes and hostels for woman and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	5.13	-	5.13	6.36	-	6.36
Ensuring environmental sustainability/ ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water etc.	0.08	-	0.08	31.05	-	31.05
Administration/supervision expenses on CSR Activities	0.00	-	0.00	1.49	-	1.49
TOTAL	52.32	-	52.32	93.04	-	93.04

(c) Detail of carried forward amount:

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Amount required to be spent during the year as per Section 135 of Companies Act 2013	69.94	74.98
Add: Balance of unspent amount of earlier years	-	-
Utilisation of excess spent amount carried forward	33.48	15.42
Amount required to be spent during the year (after setting off the amount excess spent in last three years)	36.46	59.56
Amount spent during the year	52.32	93.04
Excess amount spent during the year to be carried forward	15.86	33.48
Amount carried forward as advance(Refer Note No.12.b)	15.86	33.48

30.3 Includes ₹ 148.03 lakhs (March 31, 2022 ₹ 95.63 lakhs) on account of research and development expenses.

30.4 Disclosures as per Ind AS 116 "Leases"

(a) Treatment of Leases as per IND AS 116

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company has applied the following practical expedients on initial application of Ind AS 116:

- a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- c) Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.
- d) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- e) The weighted average incremental borrowing rate applied to leases recognised during the FY 2022-23 is 4%.

Nature of lease: The Company's significant leasing arrangements is in respect of building-office premises on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.

(b) The Company has also taken certain offices and residential premises on lease for short term period and low value assets. The aggregate lease rental of ₹ 77.64 lakhs (Previous year ₹ 76.77 lakhs) on such lease has been charged to Statement of Profit and Loss.

(c) Lease Liabilities Reconciliation:

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
(i) Opening Balance	67.25	118.89
(ii) Interest on lease liabilities	2.69	4.76
(iii) Repayment	56.38	56.39
(iv) Closing Balance	13.56	67.25

(d) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:-

(₹ in lakhs)

Particulars	2022-23	2021-22
Not later than one year	14.10	56.39
Later than one year and not more than five years	-	14.10

(e) Lease Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Lease Liabilities	-	13.56	13.03	54.22
TOTAL	-	13.56	13.03	54.22

31. TAX EXPENSES

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Provision For Current Tax	2,133.13	1,030.10
Deferred Tax	(366.22)	(275.26)
	1,766.91	754.84

31.1 COMPONENT OF TAX EXPENSES:

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
CURRENT TAX		
In respect of current year	2,133.13	1,030.10
Total Current Tax expenses recognised in the current year	2,133.13	1,030.10
DEFERRED TAX		
In respect of current year	(366.22)	(275.26)
Total Deferred Tax expenses recognised in the current year	(366.22)	(275.26)
Total Tax expenses recognised in the current year	1,766.91	754.84

31.2 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows :

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Profit before tax	8,334.21	4,419.66
Income tax expense calculated at 25.168% and 25.168% for March 31, 2023 and March 31, 2022 respectively as applicable for corporate entities on taxable profits under the Indian tax laws.	2,097.55	1,112.34
Add: Effect of Expenses that are not deductible in determining Taxable Profit		
Effect of tax on capital gain	30.00	-
Expenses not allowed for tax purposes	17.60	18.87
Less : Effect of Expense/income that are deductible/not taxable in determining taxable profit		
Effect of tax on revaluation of land	193.56	87.38
Effect of other adjustments	184.68	288.98
Income tax expense recognised in profit or loss	1,766.91	754.84

The tax rate used for reconciliations above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax laws.

32. COMPONENTS OF OTHER COMPREHENSIVE INCOME

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Items that will not be reclassified to Statement of Profit or Loss		
Net fair value changes on investments in equity shares at FVTOCI	(87.29)	-
Remeasurement of defined benefit plans	26.58	24.37
	(60.71)	24.37

32.1 INCOME TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Deferred tax charge on:		
Net fair value changes on investments in equity shares at FVTOCI	6.49	-
Remeasurement gains of defined benefit obligation	(6.69)	(6.14)
Income tax recognized in Other Comprehensive income	(0.20)	(6.14)
Bifurcation of the income tax recognized in Other comprehensive income into:		
Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	(0.20)	(6.14)

33. Refer Company overview, basis of preparation and significant accounting policies

NOTE NO. 33**Company Overview, Basis of Preparation and Significant Accounting Policies****1. Corporate Information**

Star Paper Mills Limited ('the company') is a public limited company in India having its plant at Saharanpur the State of Uttar Pradesh and registered office at Duncan House, 2nd Floor, 31, Netaji Shubash Road, Kolkata in the State of West Bengal is engaged in the manufacture and supply of Paper and Paper Board as its core business. It produces a wide range of Industrial Packaging and cultural paper catering to all segment of the consumer.

The Company's shares are listed on the NSE Limited and BSE Limited.

The financial statements for the year ended March 31, 2023 were approved for issue by the Board of Directors of the company on May 29, 2023 and are subject to the adoption by the Shareholders in the ensuing Annual General Meeting.

2. Statement of Compliance and Recent Pronouncements

2.1 Statement of Compliance

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 to the extent notified and applicable.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to when existing main accounting standard requires a change in the accounting policies hitherto in use.

Company's financial statements are presented in India Rupees, which is also its functional currency. All amount in the financial statements and accompanying notes are presented in lakhs Indian Rupees and have been rounded-off to two decimal place in accordance with the provisions of Schedule III, unless stated otherwise.

2.2 Application of new and revised standards :

Effective April 01, 2022, the company has adopted the amendments vide Companies (Indian Accounting Standard) Amendment Rules, 2022 notifying amendment to existing Ind AS. These amendments to the extent relevant to the Company's operation were relating to Ind AS 16 "Property, Plant and Equipment" which clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" which specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

There were other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", and Ind AS 41 "Agriculture" which have not been listed herein above since these are not relevant to the Company.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

2.3 Recent Accounting Pronouncements :

Standards issued but not yet effective:

On March 31, 2023, Ministry of Corporate Affairs (MCA) has made certain amendments to existing Ind AS vide Companies (Indian

Accounting Standard) Amendment Rules, 2023. These amendments to the extent relevant to the Company's operation include amendment to Ind AS 1 "Presentation of Financial Statements" which requires the entities to disclose their material accounting policies rather than their significant accounting policies, Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which has introduced a definition of 'accounting estimates' and include amendments to help entities distinguish changes in accounting policies from changes in accounting estimates. Further consequential amendments with respect to the concept of material accounting policies have also been made in Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There are other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations, Ind AS 109 "Financial Instruments", Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes" which has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and Ind AS 102 "Share-based Payment" which have not been listed herein above since these are not relevant to the Company.

Even though the Company will evaluate the impact of above, none of these amendments as such are vital in nature and are not likely to have material impact on the financial statements of the Company

3. Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis except certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period and certain class of Property, Plant and Equipment i.e. freehold land which on the date of transition have been fair valued to be considered as deemed costs.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification.

Fair Value Measurement

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 under current market conditions.

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition except fair value of freehold land

on date of transition considered as deemed cost or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of an asset comprises its purchase price or its construction cost including import duties and non-refundable purchase taxes, inward freight, dismantling costs, installation expenses wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, after deducting trade discounts and rebates and recoverable taxes. For major projects, interest and other costs incurred on / pertaining to the borrowings utilised during construction period and related pre-operative expenses, if appropriate, are capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

Property, Plant and Equipment includes spare, stand by equipments and servicing equipments which are expected to be used for a period of more than twelve months and meet the recognition criteria of Plant, Property and Equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Capital Work-in-progress includes interest and other preoperative and development expenses, equipments to be installed, construction and erection materials, etc. Such costs are to be classified to the appropriate categories of PPE when completed and ready for intended use.

Depreciation and Amortization of Expenses:

Depreciation on Property, Plant and equipment commences when the assets are ready for their intended use.

Depreciation on Property, Plant and Equipment is provided based on straight line method/written down value method as per the useful life specified under Schedule II of the Companies Act, 2013. Subsequent additions to the cost of Property, Plant and Equipment are depreciated over the remaining life of mother asset.

No depreciation is charged on Freehold land.

Depreciation on PPE is provided on the basis of life reviewed and assessed by the company at the end of the year based on technical evaluation of relevant class of assets, as detailed below:

Buildings	30 Years
Plant and Equipments	10-15 Years
Furniture and Fixtures	5-10 Years
Vehicles	10 Years
Computer	3-5 Years
Office Equipment	10 Years

The residual value of an item of Property, Plant and Equipment has been kept at 5 percent or less of the cost of the respective assets.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.3 Derecognition of Tangible assets

An item of Property, plant and equipment (PPE) is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Impairment of Tangible Assets

Tangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognised in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.5 Leases

The Company's lease asset primarily consists of lease for building. The Company, at the inception of a contract, assesses whether the contract is a lease or not a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company has elected not to recognize Right-of-use Assets and lease liabilities for short-term leases i.e. lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense over the lease term. The Company recognizes a Right-of-use Asset and a lease liability at the lease commencement date. The Right-of-use Asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred. The Right-of-use Asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. Subsequently, lease liabilities are measured on amortized cost basis.

3.6 Financial Instruments

Financial assets and financial liabilities are recognized in the Balance sheet when the Company becomes a party to the contractual provisions of financial instruments. The Company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

The Company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- i) Level 1: Quoted prices (unadjusted) in active markets for identical financial assets or financial liabilities that the Company can access at the measurement date.
- ii) Level 2: Inputs other than quoted prices included within level 1 observable for the financial asset or financial liability, either directly or indirectly.
- iii) Level 3: Unobservable inputs for the financial asset or financial liability.

A. Financial assets

I. Initial recognition and measurement

The financial assets include investments, trade receivables, loans and advances, cash and cash equivalents, derivative financial instruments, bank balances other than cash and cash equivalents, and other financial assets.

Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

II. Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- i) at amortized cost,
- ii) at fair value through other comprehensive income (FVTOCI), and
- iii) at fair value through profit or loss (FVTPL)

a) Financial assets at amortized cost

A 'financial asset' is measured at the amortized cost if the following two conditions are met:

- i) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the Financial instruments or, where appropriate, a shorter period.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets, and contractual terms of the financial assets give rise to cash flows representing solely payments of principal and interest.

For the purpose of para (a) and (b) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are not classified in any of the categories above are classified at fair value through profit or loss.

d) Equity investments

Equity investments in the scope of Ind AS 109 are measured at fair value except for investments in subsidiaries and associates, which are carried at cost

The Company makes an election to present changes in fair value either through other comprehensive income or through profit or loss on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income. In addition, profit or loss arising on sale is also taken to other comprehensive income. The amount accumulated in this respect is transferred within the Equity on derecognition.

D. Offsetting of financial instruments

Financial assets and financial liabilities, including derivative financial instruments, are offset, and the net amount is reported in the Balance sheet if there is currently an enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

E. Impairment of financial assets

A financial asset is assessed for impairment at each Balance Sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

3.7 Biological Assets

Unharvested Clonal plants are measured at fair value less cost to sell with changes in fair value recognised in Statement of Profit and Loss.

3.8 Inventories

The inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods and wrapper represents material, labour and other manufacturing cost and appropriate portion of overheads but does not include interest, selling and distribution overheads. Cost in respect of process stock represents, cost incurred up to the stage of completion.

3.9 Asset Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.10 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and corresponding gain or loss is adjusted to the value of the concerned asset or liability. The company enters into derivative financial instruments to manage its exposure to foreign exchange rate risk using forward exchange contracts. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measurement to their fair value at each balance sheet date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged.

3.11 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Incremental costs directly attributable to the issuance of new equity shares and buy-back of equity shares are shown as a deduction from the Equity net of any tax effects.

3.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.13 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund etc, is being made in accordance with statute and are recognised as and when incurred.

Employees benefits using defined benefit plans for post retirement benefits are recognised using actuarial valuation techniques at the close of each year. Remeasurements comprising of actuarial gains and losses, are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income ("OCI") in the period in which they occur. Remeasurements are not reclassified to Profit or Loss in subsequent periods. The Liability recognised in the Balance Sheet in respect of post retirement benefits is the present value of the defined benefit obligation as at the balance sheet date. The defined benefit obligation is calculated by external actuaries using the projected Unit credit method.

Leave Encashment Benefits: Leave encashment benefits are payable to employees while in service, retirement and on death while in service or on termination of employment. With respect to accumulated leaves outstanding at the year-end, liability for leave are accounted for on the basis of actuarial valuation at the balance sheet date. The present value of such obligation is determined by the projected unit credit method as at the Balance Sheet date through which the obligations are settled. The resultant actuarial gains or losses on change in present value of defined benefit obligation or change in return of the plan assets is

recognized as an income or expense in the Statement of Profit and Loss. Bifurcation of liabilities into Current and Non-current are done based on actuarial valuation report.

3.14 Revenue

Revenue from contract with customer:

Revenue from Operations

Revenue from contracts with customers is accounted for only when it has commercial substance, and all the following criteria are met:

- i) parties to the contract have approved the contract and are committed to performing their respective obligations;
- ii) each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;
- iii) consideration in exchange for the goods or service to be transferred is collectible and determinable.

The revenue is recognized on satisfaction of performance obligation, when control over the goods or services has been transferred and/ or goods/ services are delivered/ provided to the customers. Delivery occurs when the goods have been shipped or delivered to a specific location, and the customer has either accepted the goods under the contract or the Company has sufficient evidence that all the criteria for acceptance have been satisfied.

Revenue is measured at the amount of transaction price (consideration specified in the contract with the customers) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of discounts offered by the company and excludes amounts collected on behalf of third parties.

Other Operating Revenue-Export Benefits :

Export incentives are accounted for in the year of export if the entitlements and realisability thereof can be estimated with reasonable accuracy and conditions precedent to such benefit is fulfilled.

Interest, Dividend and Claims

Dividend income is recognised when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted or settled which ever is earlier.

3.15 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.16 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognised in the income

statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.17 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.18 Segment Reporting

Operating Segments are identified and reported taking into account the different risk and return, organisation structure and internal reporting system.

3.19 Government Grants and Subsidies/ Incentives

Grant from government are recognised when there is reasonable assurance that the condition attached to them will be complied and grant/ subsidy will be received and their exists no significant uncertainty with regard to the collection. Export benefits are accounted for as and when the ultimate realisability of such benefits are established

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the

financial statements and reported amount of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialised and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions

of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.2 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. The deferred tax liability consequent to fair valuation of land and financial instruments involving estimation for timing differences has been recognised in these financial statements.

4.3 Provisions and Contingencies

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

4.4 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

34. FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(₹ in lakhs)				
FINANCIAL ASSETS (CURRENT AND NON-CURRENT)				
Financial Assets measured at Amortised Cost				
Cash and cash equivalents	346.92	346.92	432.99	432.99
Other Bank Balances	14,042.11	14,042.11	3,424.50	3,424.50
Other Financial Assets	738.35	738.35	269.34	269.34
Trade Receivables	254.92	254.92	601.04	601.04
Financial Assets designated at Fair Value through Profit and Loss Account				
Investment in Mutual Funds	2,869.13	2,869.13	9,438.63	9,438.63
Financial Assets designated at Fair Value through Other Comprehensive Income				
Investment in Equity Instruments	1,815.62	1,815.62	1,902.91	1,902.91
TOTAL FINANCIAL ASSETS	20,067.05	20,067.05	16,069.41	16,069.41
FINANCIAL LIABILITIES (CURRENT AND NON-CURRENT)				
Financial Liabilities designated at Amortised Cost				
Trade Payables	3,038.82	3,038.82	2,915.61	2,915.61
Lease Liability	13.56	13.56	67.25	67.25
Other Financial Liabilities	2,402.10	2,402.10	2,348.50	2,348.50
TOTAL OF FINANCIAL LIABILITIES	5,454.48	5,454.48	5,331.36	5,331.36

Fair Valuation Techniques

The fair values of the financial assets and liabilities are determined at the amount 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 following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, trade receivables and payables, current financial liabilities/financial assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

Investments in liquid and short-term mutual funds are determined using quoted market prices at the reporting date multiplied by the quantity held. Quoted Investments for which quotations are not available have been determined by an external independent valuer appointed in this respect with reference to the market value of the investment held by that company, P/E ratio of similar sector company along with premium/discount for controlling interest.

Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2023: (₹ in lakhs)

Particulars	As at March 31, 2023	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
FINANCIAL ASSETS				
Investment in Mutual Funds	2,869.13	2,869.13	-	-
	(9,438.63)	(9,438.63)	-	-
	-	-	-	-
Investment in Equity Instruments(Non-Current)	1,815.62	-	-	1,815.62
	(1,902.91)	-	-	(1,902.91)

(*) Figures in round brackets () indicate figures as at March 31, 2022

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- Level 3: Inputs for the asset or liability which are not based on observable market data.

During the year ended March 31, 2023, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

Inputs used in fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortized based on the borrowing rate of the company.

Equity Instruments are valued based on the market value of investments held by that company, P/E ratio of similar sector company along with premium/discount of controlling interest.

FINANCIAL RISK FACTORS

The Company's activities are exposed to variety of financial risks. The key financial risks includes market risk, credit risk and liquidity risk. The Company's focus is to for see the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed with the Company's policies and risk objectives.

MARKET RISK

Market risk is the risk or uncertainty arising from possible market price fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated transactions.

The Company evaluates exchange rate exposure arising from these transactions and follows established risk management policies.

OTHER PRICE RISK

The company's investments in mutual funds and equity instruments which are fair valued through profit and loss and other comprehensive income respectively. The company's investment in Equity instruments are strategic and long term in nature and these are further subject to impairment testing as per the policy followed in this respect and are not expected to be material whereas investments in mutual funds are for short term in nature for deployment of surplus with the company which are subject to market conditions.

CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Major supplies are through whole seller who have paid deposit to the company and the risk involved in payment default is minimum. Further, evaluating the credit worthiness of the customers has minimised the risk of default by other segment customers. Besides, the risk of export receivables is covered under Credit Insurance. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly. Further the company obtains necessary security including letter of credits and/or bank guarantee to mitigate its credit risk.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance

at the end of the year, there are three customer of ₹. 88.49 lakhs which accounted for more than 10% of the accounts receivable as at March 31, 2023.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables disclosed above includes certain amounts that are past due at the end of the reporting period but against which no credit losses has been expected to arise.

LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The company relies on internal accruals to meet its fund requirement.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as on March 31, 2023. The Company is not having any borrowings hence there is no interest risk.

Maturity Analysis of Financial Liabilities

As at March 31, 2023

(₹ in lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Other Liabilities	2,402.10	-	2,402.10			2,402.10
Trade and other payables	3,038.82	-	3,038.82			3,038.82

As at March 31, 2022

(₹ in lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Other Liabilities	2,348.50	-	2,348.50			2,348.50
Trade and other payables	2,915.61	-	2,915.61			2,915.61

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Since there is no debt outstanding as on March 31, 2023 and March 31, 2022, so the disclosures of Capital Gearing Ratio for the same period has not been furnished

35. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under :

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund & Family Pension Fund	98.75	102.89
Employer's State Insurance	23.17	24.52

b) Defined Benefit Plans

The company has a defined benefit Gratuity plan. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The Company makes annual contribution of Gratuity to Life Insurance Corporation of India.

The Company also extends benefit of compensated absences to the employee, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in lakhs)

Particulars	Gratuity (Funded)		Pension (Non Funded)		Leave Encashment (Non Funded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
a) Change in the Present value of the defined benefit obligation:						
Liability at the beginning of the year	578.21	639.18	311.85	352.66	116.85	108.77
Interest Cost	37.61	42.79	21.07	23.63	6.95	7.28
Current Service Cost	40.01	34.98	0.59	0.65	14.19	12.24
Actuarial (gain) / loss on obligations	(17.80)	9.82	(10.55)	(34.09)	30.94	26.24
Benefits paid	(139.81)	(148.57)	(42.54)	(31.00)	(41.95)	(37.68)
Liability at the end of the year	498.22	578.21	280.42	311.85	126.98	116.85
b) Changes in the Fair Value of Plan Asset						
Fair value of Plan Assets at the beginning of the year	431.00	337.00	-	-	-	-
prior period adjustment	-	-	-	-	-	-
Expected Return on Plan Assets	31.72	22.56	-	-	-	-
Contributions by the Company	135.00	220.00	42.54	31.00	41.95	37.68
Benefits paid	(139.81)	(148.57)	(42.54)	(31.00)	(41.95)	(37.68)
Actuarial gain / (loss) on Plan Assets	(1.66)	-	-	-	-	-
Fair value of Plan Assets at the end of the year	456.25	431.00	-	-	-	-
c) Actual return on Plan Asset						
Expected return on Plan assets	31.72	22.56	-	-	-	-
Actuarial gain / (loss) on Plan Assets	(1.66)	-	-	-	-	-
Actual Return on Plan Assets	30.06	22.56	-	-	-	-
d) Amount Recognized in Balance Sheet						
Liability at the end of the year	498.22	578.21	280.42	311.85	126.98	116.85
Fair value of Plan Assets at the end of the year	456.25	431.00	-	-	-	-
	41.97	147.21	280.42	311.85	126.98	116.85

(₹ in lakhs)

Particulars	Gratuity (Funded)		Pension (Non Funded)		Leave Encashment (Non Funded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
e) Components of Defined Benefit Cost						
Current Service Cost	40.01	34.98	0.59	0.65	14.19	12.24
Interest Cost	37.61	42.79	21.07	23.63	6.95	7.28
Expected Return on Plan Assets	(31.72)	(22.56)	-	-	-	-
prior period adjustment	-	-				
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(16.04)	9.71	(10.55)	(34.09)	30.94	26.24
TOTAL DEFINED BENEFIT COST RECOGNISED IN PROFIT AND LOSS AND OCI	29.86	64.93	11.11	(9.81)	52.08	45.76
f) Balance Sheet Reconciliation						
Opening Net Liability	147.21	302.18	311.85	352.66	116.85	108.77
Expenses as above	29.86	64.93	11.11	(9.81)	52.08	45.76
Employers Contribution	(135.00)	(220.00)	(42.54)	(31.00)	(41.95)	(37.68)
Amount Recognized in Balance Sheet	41.97	147.11	280.42	311.85	126.98	116.85
g) Principal Actuarial assumptions as at the Balance Sheet date						
Discount Rate(Per annum)	7.40%	6.70%	7.35%	7.25%	7.40%	7.25%
Salary Growth Rate (Per annum)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Rate of Return on Plan Assets	7.01%	8.00%	NA	NA	NA	NA

Notes: i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

ii) The Company contributed Rs 135.00 lakhs (Previous Year Rs. 220.00 lakhs) to Gratuity fund in 2022-23.

Recognised in Other Comprehensive Income

(₹ in lakhs)

Particulars	Gratuity	Pension
Remeasurement - Actuarial loss/(gain)		
For the year ended March 31, 2022	9.71	(34.09)
Remeasurement - Actuarial loss/(gain)		
For the year ended March 31, 2023	(16.04)	(10.55)

Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:

Sensitivity analysis:

(₹ in lakhs)

Particulars	Change in Assumption	Effect in Gratuity Obligation	Effect in Pension Obligation	Effect in Leave Obligation
For the year ended 31st March, 2022				
Discount Rate	+1%	-28.43	-22.31	-8.70
	-1%	32.42	25.49	10.31
Salary Growth Rate	+1%	32.65	0.30	10.45
	-1%	-29.09	-0.54	-8.95
For the year ended 31st March, 2023				
Discount Rate	+1%	-15.13	-4.63	-5.25
	-1%	16.51	5.14	5.76
Salary Growth Rate	+1%	16.30	1.02	5.37
	-1%	-15.18	-0.98	-4.98

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

Sensitivity due to mortality & withdrawal are not material & hence impact of change not calculated.

History of experience adjustments is as follows:

(₹ in lakhs)

Particulars	Gratuity	Pension	Leave
For the year ended 31st March, 2022			
Plan Liabilities - (loss)/gain	9.71	(34.09)	-
Plan Assets - (loss)/gain	-	-	-
For the year ended 31st March, 2023			
Plan Liabilities - (loss)/gain	(16.04)	(10.55)	-
Plan Assets - (loss)/gain	-	-	-

Maturity Profile of Defined Benefit Obligation

(₹ in lakhs)

Expected Cash Flows over the next (valued on undiscounted basis)	Gratuity	Pension	Leave
1 year	160.73	30.07	21.86
2 to 5 years	231.99	113.17	51.15
6 to 10 years	124.69	119.11	41.30
More than 10 years	151.42		74.90

36. CALCULATION OF EARNING PER SHARE IS AS FOLLOWS:

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Profit after tax for basic and diluted earnings per share as per Statement of Profit and Loss (₹ In Lakhs)	6,567.30	3,664.82
Net profit for basic and diluted earnings per share	6,567.30	3,664.82
No of equity shares outstanding as on 31 st March		
(b) Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value ₹ 10/- per share)	15,608,350	15,608,350
	15,608,350	15,608,350
(c) Weighted average number of equity shares outstanding	15,608,350	15,608,350
d) Earnings per share (EPS) of Equity Share of ₹ 10 each:		
a) Basic (₹)	42.08	23.48
b) Diluted (₹)	42.08	23.48

36 (i) The Board of Directors has recommended a dividend of ₹ 3.50 per share and a special dividend of ₹ 1.50 per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2023. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been recognised as a liability in these financial statements. The total estimated equity dividend to be paid is ₹ 780.42 lakhs.

37. COMMITMENTS NOT PROVIDED FOR

Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 18.91 lakhs) is ₹ 339.78 lakhs whereas for March,31 2022 (net of advances of ₹ 72.79 lakhs) is ₹ 110.72 Lakhs.

38. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Various show cause notices/demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forum / authorities:		
Sales Tax including Trade Tax(demand paid under protest ₹ 287.26 lakhs)	851.92	568.97
Excise Duty	4.84	4.84
Electric Duty	2.70	2.70
Employees State Insurances Corporation	11.57	6.37
Forest Department Dues	69.10	69.10
Entry tax on fuels, etc.(demand paid under protest Rs.25 lakhs)	49.00	124.37
Workers Claims	50.65	49.35
Compensation Claimed by Railway Authorities	3,200.00	3,200.00
Income Tax	1,583.35	53.55
GST(demand paid under protest Rs.10.76 lakhs)	1,145.82	4.36
Municipal Corporation (Nagar Nigam)	181.45	-
Others	560.00	560.00

Note: The Company's pending litigations comprises of claim against the company and proceedings pending with Taxation/ Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of above is dependent up to the outcome of judgment/decisions.

38.1 Disclosure as required by Indian Accounting Standard (IND AS) 37 Provisions , Contingent Liabilities and Contingent Assets**Contingent Assets :**

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. During the normal course of business , unresolved claims remains outstanding. The inflow of economic benefits , in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

39. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:**A) Names of related parties and description of relationship**

1) Key Management Personnel (KMP) and their members,relatives and Other Directors	Mr. G.P. Goenka - Relative of a director
	Mr. S. Sharma -Chairman
	Mr. M. Mishra - Managing Director
	Mr. S.V. Goenka - Director
	Mr. C.M. Vasudev - Director
	Mr. S. Srivastav - Director (Upto Aug 15, 2022)
	Mrs. Pragya Jhunjunwala- Director
	Mr. Sanjeev Garg - Chief Financial Officer
	Mr. Saurabh Arora - Company Secretary
	Mrs. M. Mishra - wife of Managing Director
2) Promoter Group Companies and Enterprise where Directors and/or their relative have significant influence or control	Kavita Marketing Private Limited
	Duncans Tea Limited
	Continuous Form (Calcutta) Limited
	ISG Traders Limited
	Albert Trading Company Private Limited
	Silent Valley Investments Limited
3) Enterprise who has significant influence on the company	ISG Traders Limited

B) Transactions With Related Parties

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Key Management Personnel (KMP)		
Short Term Employee Benefits*	459.63	372.15
Benefits to Non-Executive Directors inclusive of sitting fees	13.40	11.70

* Post-employment benefits and other long-term benefits have been disclosed based on actual payment made on retirement/ resignation of services, but does not include provision made on actuarial basis as the same is available for all the employees together.

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration		
Mr. M. Mishra	407.72	336.35
Mr. S. Sharma	4.00	3.30
Smt. Pragya Jhunjunwala	1.30	0.90
Mr. S.V. Goenka	3.90	3.00
Mr. C.M. Vasudev	3.60	3.00
Mr. S. Srivastav	0.60	1.50
Mr. Sanjeev Garg	35.15	19.15
Mr. Saurabh Arora	16.76	16.65
TOTAL	473.03	383.85
Consultancy Fee		
Mr. G.P. Goenka	270.00	270.00
Rent Paid		
Mrs. M. Mishra	25.35	21.48
Kavita Marketing Private Limited	3.30	3.30
Duncans Tea Limited	2.83	2.83
TOTAL	31.48	27.61
Dividend Paid		
ISG Traders Limited	172.56	124.21
Mr. S.V. Goenka	1.59	1.14
TOTAL	174.15	125.35

C) Closing Balance of Related Party

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Remuneration payable		
Mr. G.P. Goenka (Refer Note No.39, c.2)	169.00	169.00
Mr. M. Mishra	127.28	94.26
Mr. Sanjeev Garg	1.51	-
Mr. Saurabh Arora	0.74	0.76
TOTAL	298.53	264.02
Consultancy Fee payable		
Mr. G.P. Goenka	-	24.30

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Rent Payable		
Duncans Tea Limited	0.94	1.00
Kavita Marketing Private Limited	1.24	0.83
Mrs. M. Mishra	2.08	2.98
TOTAL	4.26	4.81
Security Deposit given		
Mrs. M. Mishra	14.00	14.00
Kavita Marketing Private Limited	35.00	35.00
TOTAL	49.00	49.00
Interest Payable		
ISG Traders Limited	6.77	6.77
Security Deposit received		
ISG Traders Limited	5.00	5.00
Investment in shares		
ISG Traders Limited (Refer Note No. 39. c.1)	1,815.62	1,902.91

39.c.1 Investment in ISG Traders Limited has been shown at fair value. Cost of investment in ISG Traders Limited is ₹ 3,579.89 lakhs (as at March 31, 2022 ₹ 3,579.89 lakhs).

39.c.2 Reference is invited to Note No.48 regarding disqualification of the director and the amount of remuneration paid in earlier years and lying unpaid as on this date.

39.1 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash. The Company has not provided any guarantee to related parties towards their borrowing facilities. For the year ended March 31, 2023, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (March 31, 2022 ₹ NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

39.2 The above related party information is as identified by the management and relied upon by the auditor.

40. SEGMENT REPORTING

a) The Company operates mainly in one business segment viz Paper being primary segment and all other activities revolve around the main activity. The secondary segment is geographical, information related to which is given as under :

Particulars	2022-23			2021-22		
	Within India	Outside India	Total	Within India	Outside India	Total
Sales (gross)	47,930.39	342.05	48,272.44	32,177.54	301.01	32,478.55
Non-Current Assets other than financial instruments	42,191.89	-	42,191.89	42,563.73	-	42,563.73

b) Sales to three Customers of the Company is ₹ 16354.81/- Lakhs (Previous Year ₹ 11900.91/-Lakhs) which is more than 10% of the Company's total turnover.

41. REVENUE FROM CONTRACTS WITH CUSTOMERS :

a) Disaggregated revenue information (Refer Note No. 40)



b) Contract Balances

(₹ in lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Trade Receivables	254.92	601.04
Contract Liabilities	358.39	211.43

Trade Receivables are generally non-interest bearing on agreed payment terms and interest is charged beyond agreed terms. Contract liabilities include advances received against delivery of Paper. The Performance obligation in relation to revenue recognition arising from contract with customer is satisfied upon customer's clearance of goods sold.

c) Reconciling the amount of revenue recognised in the statement of Profit & Loss with the contracted price :

(₹ in lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Revenue as per the Contracted Price	50,520.01	34,267.16
Claims, Discount, rebates etc.	(2,247.57)	(1,788.61)
Revenue from Contract with Customers	48,272.44	32,478.55

42. PARTICULARS OF LOANS GIVEN, GUARANTEE GIVEN OR SECURITY PROVIDED AND INVESTMENT AS PER SECTION 186(4) OF THE COMPANIES ACT, 2013.

(₹ in lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022	Purpose
Loan given to Emperor Commercial and Tradco Private Limited @11 % Interest*	45.00	45.00	For general corporate purposes

* The Company made provision for doubtful loan for Rs. 45 Lakhs during financial year 2021-22.

43. FAIR VALUE MEASUREMENTS FOR BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

The following table gives the information about how the fair value of the biological assets were determined:

(₹ in lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022	Fair value hierarchy	Valuation techniques and key inputs
Unharvested clonal plants	19.64	13.11	Level 2	Fair value is being arrived at based on the observable market prices of clonal plants. The same is applied on the quantity of the clonal plants unharvested using average plucking in various fields.

44. The financial risk associated to agriculture would include climate change, price fluctuation and input cost increases. Being dependent on rainfall, any shortfall would directly impact the production. The sale of clonal plant is largely through the farmer system, any price fluctuation would impact profitability. Increased wages also has a direct impact on the cost of production because of labour intensive nature of the business operations.

Management is continuously monitoring all the above factors. Investment in irrigation, a planned replanting programme to ensure higher yields and improving efficiency of labour and modernisation are some of the measures taken by the management to mitigate the risks.

45. Trade Receivables, Trade payables and advances recoverable are subject to confirmation /reconciliation and consequential adjustments, if any arising thereof. In the opinion of the management current assets, loans and advances will have on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet.

46. DISCLOSURE REGARDING BORROWED FUNDS HAVE BEEN CONSIDERED PART OF OTHER DISCLOSURES:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

47 RATIO ANALYSIS AND ITS ELEMENTS

Sr. No.	Ratio	Numerator	Denominator	31 st March 2023	31 st March 2022	% Change	Reason for variance (where change is more than 25 %)
1	Current ratio	Current Assets	Current Liabilities	5.25	4.27	23.04%	
2	Debt- Equity Ratio	Long Term Borrowing (+) Current Maturities on long term debt (+) Total lease liabilities	Total Equity Computed as : Share Capital(+) Other Equity	0.02	0.13	-81.86%	Reduction in lease liability due to repayment during the year.
3	Debt Service Coverage ratio	Profit for the year [i.e. Profit after tax] (+) Depreciation and Amortisation expense (+) Finance cost on leases	Finance cost(+) Current Lease Liabilities+ Current Maturities of Long Term Debt	523.42	77.57	574.79%	Profit after tax has increased in comparison to previous year.
4	Return on Equity ratio	Profit for the year [i.e. Profit After Tax]	Average Total Equity	0.12	0.07	64.52%	Profit after tax has increased in comparison to previous year.
5	Inventory Turnover ratio	Revenue from operations	Average total Inventory	5.65	4.28	31.98%	Revenue from operations has increased as compared to previous year.
6	Trade Receivable Turnover Ratio	Revenue from operations	Closing Trade Receivable	189.36	54.04	250.43%	Revenue from operations has increased as compared to previous year.
7	Trade Payable Turnover Ratio	Total Purchases	Closing Trade Payables	11.70	7.86	48.86%	Outstanding balance of Trade payables is higher as compared to previous year.
8	Net Capital Turnover Ratio	Revenue from operations	Average Working capital computed as Average Current Assets (-) Average Current Liabilities	2.44	2.10	16.39%	
9	Net Profit ratio	Profit for the year [i.e. Profit After Tax]	Revenue from operations	0.13	0.11	20.22%	
10	Return on Capital Employed	Profit Before tax (+) Exceptional Items (+) Interest on long term borrowings (+) Interest on Lease Liability	Average Capital Employed Capital Employed Computed as Total Equity(-) Intangible assets (+) Long Term Borrowings (+) Current maturities of long term debt(+) Total lease liabilities(+) Deferred tax liabilities	0.13	0.07	72.08%	Profit for the year increased as compared to previous year
11	Return on Investment						
	(a)Equity Instrument	Loss on fair valuation of equity instrument	Average Investment in Equity Instrument	(0.05)	-	-100.00%	Fair valuation of invetsment
	(b) Mutual Fund	Gain on sale and fair value of mutual fund	Average Investment in Mutual Fund	0.04	0.04	-7%	

48. An erstwhile Director who had been disqualified under section 164(2) with respect to an another company in which he was director, has filed a writ petition before the Honorable High Court Calcutta challenging the said disqualification and the matter is pending before the said court as on this date. Pending decision of the court, remuneration of ₹ 169 lakhs as agreed upon even though provided for in earlier years has not been paid. Remuneration of ₹ 555.13 lakhs paid prior to filing of the writ petition, however, remain charged out in the accounts and recoverability thereof is subject to the decision of the court. Consequential, adjustments depending on the decision of the court will be given effect to in the year of determination.

49. Charge in respect of working capital limit of ₹ 2900 lakhs sanctioned by the bank in earlier year has been satisfied.



50. Exceptional item represents losses arising due to incidences of fire on 2nd November 2022 and 06th March 2023 in the finishing house area of the mills and one of the godown of the Company respectively. In case of fire on 2nd November 2022, operations remained suspended for nine days till 10th November 2022. Losses incurred on account of destructions, damage of inventories amounting to ₹ 1196.58 Lakhs (including ₹ 338.47 Lakhs pertaining to fire on 06th March 2023) and repairs, clearing up expenses etc ₹ 29.15 Lakhs, have been aggregated and after adjusting the amount of recovery against sale of waste etc. have been shown under exceptional items in the financial results of the Company. The claim on account of insurance will be given effect to on crystallisation of the amount in this respect.

50.1 Detail of Exceptional Items are as under:

(₹ in lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Loss of Inventories:		
Stock in process	518.67	-
Finished Goods	365.92	-
Raw materials (wood)	338.47	-
Less: Recovery on sale of waste/scraps etc.	-26.48	-
Loss of Inventories(Net of Recovery)	1,196.58	-
Expenses on repairs, clearing up of site etc	40.83	-
Less: Recovery on sale of scrap of Property, Plant and Equipment	-11.68	-
Expenses(Net of Recovery)	29.15	-
Loss due to fire shown under Exceptional Items	1,225.73	-

51 OTHER INFORMATION

(a) Struck off companies balances

Based on the information to the extent available with the company, the following table depicts the details transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013:

Share Held By the Struck off Companies

Name of Companies	Nature of Transaction	Balance outstanding as at 31.03.2023		Balance outstanding as at 31.03.2022		Relationship with struck off companies
		No. of shares	Amount of Share Capital	No. of shares	Amount of Share Capital	
Ezra Trading & Finance Company Limited	Shares held by struck off companies	200	2000	200	2000	-
Rajdarshan Consultants & Executors Private Limited		100	1000	100	1000	
Aakriti Finvest Private Limited		100	1000	100	1000	

(b) The company has not been declared as a wilful defaulter by any Banks or Financial Institutions or any other Lender.

52. Previous year's figures have been regrouped/reclassified to conform with current year presentation wherever considered necessary.

53. These financial statements have been approved by the Board of Directors of the company on 29th May, 2023.

As per our report of even date
For Lodha & Co

Chartered Accountants
(Boman R.Parakh)
Partner

Place : New Delhi
Date : 29th May, 2023

Saurabh Arora
Company Secretary

Sanjeev K. Garg
Chief Financial Officer

Shiromani Sharma
Chairman

Madhukar Mishra
Managing Director

C.M. Vasudev
Shrivardhan Goenka
Dr. Sheela Bhide
Pragya Jhunjunwala
Directors

Statement of Cashflow

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
A CASH FLOW FROM THE OPERATING ACTIVITIES		
Net Profit before Tax	8,334.21	4,419.66
Adjustments for:		
Depreciation and Amortization expenses	527.62	536.17
Loss/(Profit) on sale of Property Plant and equipment	61.05	(9.15)
Provision for doubtful debts written back	-	(3.78)
Profit on sale of current investment	(173.13)	-
Foreign Exchange Fluctuations	1.22	0.07
Fair Value Adjustment	(52.39)	(328.04)
Provision of doubtful advances	-	45.00
Interest Received	(646.31)	(138.84)
Liabilities no longer required written back	(602.76)	-
Finance Costs	55.94	47.35
Operating Profit before Working Capital changes	7,505.45	4,568.44
Adjustments for:		
Change in Financial Assets and Non Financial Assets	278.26	(423.73)
Change in Inventories and Biological Assets	(2,038.98)	118.89
Change in Trade Receivables	346.12	(568.44)
Change in Financial and Other Liabilities and Trade Payables	609.99	(847.95)
Cash generated from Operations	6,700.84	2,847.21
Income Tax (Paid)	(2,024.22)	(980.03)
NET CASHFLOW FROM THE OPERATING ACTIVITIES (A)	4,676.62	1,867.18
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant and equipment	(474.70)	(232.44)
Sale of Property Plant and equipment	13.27	36.66
(Purchase)/ sale of Investments	6,788.54	(1,600.00)
(Maturity)/ Deposits with bank for more than 3 months	(10,617.61)	310.47
Interest Income	178.10	139.66
NET CASH USED IN INVESTING ACTIVITIES (B)	(4,112.40)	(1,345.65)
C CASH FLOW FROM THE FINANCING ACTIVITIES		
Repayment of lease liabilities	(56.38)	(56.39)
Dividend Paid	(540.66)	(390.21)
Interest Paid	(53.25)	(42.59)
NET CASH USED IN FINANCING ACTIVITIES (C)	(650.29)	(489.19)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(86.07)	32.34
Cash and Cash Equivalents at the Beginning of the Year (refer Note 9a)	432.99	400.65
Cash and Cash Equivalents at the End of the Year (refer Note 9a)	346.92	432.99

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS -7.



STAR BRAND

STAR PAPER MILLS LIMITED

2 Cash and Cash Equivalent includes:

(₹ in lakhs)

	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Balances with Banks		
-in Current Accounts	343.41	430.35
Cheques/Drafts in hand	-	0.88
Cash in hand	3.51	1.76
	346.92	432.99

3 Reconciliation of liabilities arising from financing activities :

(₹ in lakhs)

Particulars	As at March 31, 2022	Proceeds raised	Non cash adjustment	Repayment	As at March 31, 2023
Lease Liability	67.25	-	2.69	56.38	13.56
TOTAL	67.25	-	2.69	56.38	13.56

Significant Accounting Policies and Notes to Accounts (Note No. 1 – 53)

As per our report of even date
For Lodha & CoChartered Accountants
(Boman R.Parakh)
PartnerPlace : New Delhi
Date : 29th May, 2023**Saurabh Arora**
Company Secretary**Sanjeev K. Garg**
Chief Financial Officer**Shiromani Sharma**
Chairman**Madhukar Mishra**
Managing Director**C.M. Vasudev**
Shrivardhan Goenka
Dr. Sheela Bhide
Pragya Jhunjunwala
Directors



STAR PAPER MILLS LIMITED

Registered Office:

Duncan House, 2nd Floor,

31 Netaji Subhas Road, Kolkata-700 001