

Annual Report
2025-26

STAR PAPER MILLS LIMITED



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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. Shrivardhan Goenka

Non-Executive Director

Mr. Madhukar Mishra

Managing Director

Mrs. Pragya Jhunhunwala

Non-Executive Director

Dr. R.C. Lodha

Independent Director

Mr. Anoop Mishra

Independent Director

Mr. Atulmani Sharma

Independent Director

STATUTORY AUDITORS

M/s Lodha & Co., LLP

Chartered Accountants, Kolkata

COST AUDITORS

M/s K.B. Saxena & Associates,

Cost Accountants, Lucknow

SECRETARIAL AUDITORS

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, Serilingampally,
Hyderabad - 500 032, (Telangana)
Ph.: 040- 6716 2222
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e-mail : einward.ris@kfintech.com

Management Discussion & Analysis Report

GLOBAL ECONOMY

The Global economy entered the year on a reasonably solid footing, though with important divergences across countries reflecting varying exposure to trade tensions, policy shifts, and structural headwinds. Towards the end of financial year, the outbreak of war in the Middle East introduced a new and significant shock. The disruptions associated with the Iran-USA-Israel war including to energy markets and supply chains have lowered forecasts for GDP growth, pushed up inflation expectations, and made the outlook more uncertain. Financial markets have reflected these developments: Energy prices have surged, equity markets sold off, and interest rates moved higher.

Artificial Intelligence has also taken off in a big way. While there is no doubt that its impact will be truly transformative, the exact contours of changes are not yet clear. Large job losses are also being feared which may ultimately impact livelihoods and consumption negating economic gains from productivity improvements.

INDIAN ECONOMY & PAPER INDUSTRY

India displayed a steady economic growth despite various uncertainties. India's GDP growth for FY26 is estimated at 7.4% (Press Information Bureau, GOI). All major sectors contributed to it with agriculture stabilising rural demand, manufacturing gaining momentum and services leading expansion.

Despite a challenging global environment, the economy remained resilient, with robust growth, historically low inflation, improving labour market indicators, and strengthening external and financial buffers. Coordinated fiscal, monetary, and structural policies have reinforced macroeconomic stability while supporting investment, consumption, and inclusive growth.

Conflicts in the Middle East however caused energy price shocks and stagflationary pressures on the Indian economy in later part of the financial year. While strong domestic demand and policy buffers are offering some mitigation, the Middle East conflict administered a supply shock in India, threatening growth and increasing inflation through rising fuel and logistics costs which poses risks of stagflation. Steep depreciation of Indian Rupee and loss of export Markets will also have an effect.

During most of the year, Indian Paper Industry face the onslaught from cheap Imports. After break out of hostilities in Middle East, Notebook segment was impacted by changes in GST rates. Indian paper Industry too suffered rising energy costs and potential export market disruptions. West Asia is a significant market for the Industry. Geopolitical tensions in the region impacted energy supplies and chemical imports. Higher energy prices and supply disruptions triggered by the crisis directly impact production costs for Indian paper mills.

SWOT ANALYSIS

Strengths:

Growing literacy rates are supporting demand for educational materials like textbooks. Technological advancements in manufacturing are improving efficiency, cost-effectiveness, and product quality. Further, the booming e-commerce and consumer goods sectors are increasing demand for paper-based packaging solutions.

Weaknesses:

Higher input costs, expensive energy, relatively small scale, scarcity of raw materials at competitive prices and capital intensive nature of the Industry coupled with competition from duty free imports are some of its weaknesses.

Opportunities:

The cumulative impact of policy reforms over recent years should strengthen economy's growth potential. This, in turn, should lead to better prospects for the Industry.

Threats:

Due to Middle-East crisis, export-oriented nations like China and Indonesia may divert surplus paper to India, creating price pressure on domestic manufacturers. Further, Free Trade Agreements (FTA) has emerged as a major threat to the Industry. It is not clear how the ongoing Geo-political tensions will play out and may endanger Economic prospects across the World. India is particularly vulnerable due to import dependence for Energy requirements.

SOCIAL FARM FORESTRY

The Company's social farm forestry program has become driver for re-generation of green cover. The program is of immense importance to rural economy and facilitate sustained availability of raw material. As in the past, the company continued the propagation and distribution of plants and the area coverage with the help of farming community. Your company planted and distributed approximately 51.50 lacs clonal and 300 lacs seedling during the year covering an area of 13,016 Hectares. The program generates not only income for the farmers but also providing rural employment.

RISKS & CONCERN

Various risks are associated with the business operations of the company. Geo-political uncertainties, supply chain disruptions, Government policies, market risks, competition from imports etc. are some of the key risks associated with the company's business.

The company identifies and evaluates various risks associated with the organization and takes appropriate steps to the extent possible.

INTERNAL CONTROL SYSTEM

The company has established adequate internal control systems, which provide reasonable assurances with regard to safeguarding Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions. The company periodically reviews Internal control systems and procedures to ensure conduct of business effectively and efficiently. Internal control system ensures:

- a) Accurate recording of transactions with internal checks and prompt reporting.
- b) Adherence to applicable accounting standards.
- c) Periodic review to effectively manage working capital.
- d) Review of capital investments and long term business plans.
- e) Compliance with applicable statutes, policies and listing regulations.
- f) Effective use of resources and safety of assets.

FINANCIAL PERFORMANCE

Your company reported satisfactory financial and operational performance for the financial year ended 31st March'26 despite facing various challenges and constraints. Your company clocked a turnover of Rs. 409.94 Crores for the year 2025-26 vis-a-vis Rs. 436.34 Crores for the preceding year. The Profit after tax (PAT) for the year stood at Rs. 32.75 Crores as against Rs. 41.14 Crores for FY 2024-25.

KEY FINANCIAL RATIOS

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

Particulars	2025-26	2024-25
Operating Profits Margin (%) (Low paper prices and higher raw material cost resulted in drop in operating profit margin)	8.57	12.25
Net Profits Margin (%) (Low paper prices and higher raw material cost resulted in drop in net profit margin)	8	9
Debtors Turnover ratio (No. of times) (Decrease in sales for FY 2025-26 vis-a-vis previous year resulted in decrease in ratio)	65	89
Stock Turnover ratio (No. of times) (Decrease in sales and increase in inventory for FY 2025-26 vis-a-vis previous year resulted in decrease in ratio)	3.25	3.48
Debt-Equity ratio (%)	0.01	0.01
Current ratio (No. of times)	7.9	6.91
Interest-Service Coverage Ratio	-	-
Return on Networth (%) (Decrease in profit after tax for FY 2025-26 vis-a-vis previous year resulted in decrease in ratio)	5	6

HUMAN RESOURCES

The Union government's landmark step of notifying the implementation of the Labour Codes marks a significant reform in the regulatory framework. The consolidation of 29 central laws into four Labour Codes aims to simplify compliance, enhance labour market flexibility, and extend security to a broader section of the workforce, while maintaining safeguards for wages, occupational safety, and social security. There are 371 employees on the company's roll.

We have in place a healthy and productive learning climate for all the employees within the organization. The company's training programmes facilitate employees on growth, interpersonal relationships and enable them to meet individual and organizational objectives and to face the challenges of changing business environment. Industrial relations remained cordial throughout the year under review.

FUTURE OUTLOOK

Looking forward, India's economic prospects are projected to be steady. Headwinds to growth include elevated geopolitical and trade uncertainties and possible energy & commodity price shocks. However, position of Indian Economy is better than the other developing economies which provide stable environment and a hope for near-term growth.

FORWARD LOOKING STATEMENTS

This Report contains forward looking statements based upon the information available with the company, assumptions with regard to global economic conditions, Government policies etc. The company do not guarantee accuracy of the assumptions and perceived performance of the company in future. It is thus cautioned that the actual results may materially differ from those expressed or implied in the report.

Directors' Report 2025-26

Dear Shareholders,

The Directors of your company are pleased to present the Directors' Report together with Audited Financial Results of the company for the financial year ended 31st March, 2026.

1. FINANCIAL HIGHLIGHTS

Audited financial results for the financial year 2025-26 are summarised below:

AUDITED FINANCIAL RESULTS

(₹ in Crores)

Particulars	FY ended 31 st March, 2026	FY ended 31 st March, 2025
Profit before interest and depreciation	42.12	60.79
Interest and finance charges	0.93	0.96
Depreciation	6.97	6.39
Profit before Exceptional Items	34.22	53.44
Exceptional & non-recurring items	-	-
Profit before tax	34.22	53.44
Provision for Income Tax	1.47	12.30
Profit after tax (PAT)	32.75	41.14
Earning per share (EPS)- in Rupees	20.98	26.36

2. DIVIDEND & TRANSFER TO RESERVES

Considering the financial performance of the company for the financial year ended 31st March, 2026 and Global Geo-political as well as economic situation, the Board of Directors is pleased to recommend a dividend of Rs. 2.50/- per equity share (25%) of Rs. 10/- each for the year 2025-26 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 2025-26:

During the year subdued market conditions and competition from imports under FTA continued to prevail. These resulted in lower realizations as well as slightly lower Volume.

Apart from above, GST Council increased GST rates on paper from 12% to 18% w.e.f 22.09.2025 contrary to the Industry expectations. In addition, GST council announced Nil rate of GST with no Input Tax Credit (ITC) on Note Books, Graphic Books etc as well as Paper meant for these as against existing rate of 12% with ITC available. This made locally manufactured Paper less competitive for this end use.

Your company has been making continuous efforts to optimize product-mix based on market conditions/ requirements.

Capital Projects:

a) Turbine:

The installation and commissioning of 6.5 MV Turbine involving capex of Rs.13.30 Crores is underway. After implementation of the project, there would be substantial reduction in power costs along with reduction in carbon emissions.

b) Chlorine Dioxide (ClO₂):

The installation and commissioning of ClO₂ plant and resultant modifications in Bleach Plant having capital outlay of Rs. 30.95 Crores is underway. Post commissioning of the project, there will be increase in Pulp Brightness and strength. The commissioning of both the above projects is expected to complete by Dec'26.

c) Solar power:

We have commissioned the Roof-top Solar panels of 80.32 kWp capacity involving project cost of Rs. 34.83 lacs. The project is generating 1.05 lacs units per annum. The project promotes green renewable energy generation and helps reducing CO₂ emissions.

Amid various challenges, your company reported a Profit after tax (PAT) of Rs. 32.75 Crores for the year 2025-26 as against Rs. 41.14 Crores for the previous financial year.

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 2026-27:

The West Asia crisis due to ongoing war between Iran-USA-Israel threatens India with a major supply-side shock, elevating risks of stagflation, and higher trade deficits. Middle East region is a major destination for Indian Paper Exports which are also impacted. It is as yet unclear how long this will prevail and its final impact if any on Global paper trade and Indian Industry. We expect Domestic demand to grow in step with the Country's economy but Global factors will impinge on Paper Industry's performance.

4. ANNUAL- RETURN EXTRACTS

Pursuant to Section 134(3) of the Companies Act, 2013, Annual Return in the prescribed format is available at <https://starpapers.com/pdf/AnnualReturn31.03.2026.pdf>

5. BOARD MEETINGS/AUDIT COMMITTEE

- During the financial year ended 31st March, 2026, four (4) meetings of the Board of Directors were held on 29th May, 2025, 13th Aug., 2025, 13th Nov., 2025 and 13th Feb., 2026.
- 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 2025-26.

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. The company is accredited with IS/ISO 9001:2015, IS/ISO 14001: 2015, and IS/ISO 45001:2008 which signifies adoption of integrated quality, environment and safety management systems to harmonize Industrial activities with

environmental preservation with letter and spirit. Your company has the required environmental clearances from the Government Departments as per the statutory requirements.

STAR has been conferred the following awards during the financial year 2025-26:

- i) Four Gold & One Silver Awards in Chapter Convention on Quality Concepts held at Chandigarh organized by Quality Circle Forum of India, Hyderabad.
- ii) Par Excellence Awards to all the five teams in 39th National Quality Circle Conventions held at Noida (UP) organized by Quality Circle Forum of India, Hyderabad.
- iii) Award for outstanding achievement in 'Rural Development' in 11th CSR Awards, 2025 by Greentech Foundation, New Delhi.
- iv) Award for outstanding achievement in 'Environment Protection' in 24th Global Environment & sustainability Awards, 2025 by Greentech Foundation, New Delhi.

9. SOCIAL FARM FORESTRY

Your company continues to foster pulpwood plantations with active co-operation of the farmers. As in the past, momentum of social farm forestry program was maintained during the year. This program leads to enhanced rural incomes besides facilitating raw material availability to the company.

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, 2026. (Rs. Nil as on 31st March, 2025).

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

11. INTERNAL CONTROLS

The 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.

During the year, no instance of any fraud was 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 has 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 <http://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, 2026 is provided as **Annexure -I**.

13. DIRECTORS/KEY MANAGERIAL PERSONNEL/OTHERS

- i) Pursuant to Section 152 of the Companies Act, 2013, Mrs. Pragya Jhunjhunwala (DIN-02315132) shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her re-appointment as a Director of the company.
- ii) The shareholders of the company at their 86th AGM held on 25th Sept., 2025 have re-appointed Mr. Madhukar Mishra (DIN-00096112) as Managing Director of the company w.e.f. 1st July, 2025 for a period of five (5) years.

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 149 (6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The Board is of the opinion that the Independent Directors of the company hold highest standards of integrity and possess requisite expertise and experience required to act as Independent Directors. The company's familiarization program for Independent Directors is posted on the website of the company and can be accessed at https://starpapers.com/pdf/familiarisation_prog1.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 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding employees' remuneration is given hereunder:

– Name of the employee who is in receipt of remuneration of Rs. 8.50 lacs per month/ Rs. 102 lacs per annum or more during the financial year 2025-26:

Sr.	Name & Designation	Remuneration* recd.- (lacs)	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	560.86	Contractual	B. Sc., DMS (Mgt.) 46 years	01/07/2001	69 years	Sr. VP (Corporate Planning) -Dail Consultants Ltd.	Nil	No

*including employer's provident fund contribution.

Pursuant to Section 136 of the Companies Act, 2013, any shareholder may write to the company for details during 21 days before the Annual General Meeting.

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

Director	Director remuneration (DR)-Rs.	Median remuneration (MR) of employee -Rs.	Ratio (DR/MR)
Mr. Shrivardhan Goenka	4,40,000	4,00,562	1.09
Mrs. Pragya Jhunjhunwala	2,00,000	4,00,562	0.49
Dr. R.C. Lodha	4,00,000	4,00,562	0.99
Mr. Atul Mani Sharma	3,60,000	4,00,562	0.89

Director	Director remuneration (DR)-Rs.	Median remuneration (MR) of employee -Rs.	Ratio (DR/MR)
Mr. Anoop Mishra	4,80,000	4,00,562	1.19
Mr. Madhukar Mishra	5,60,85,776	4,00,562	140.01

b) % increase in remuneration of each director, CEO, CFO, CS in the financial year 2025-26

Official Name	Year 2025-26 Remuneration-Rs. In lacs	% increase in remuneration
Directors	Non-executive Directors are receiving only sitting fees for attending meetings @ Rs. 40,000/- per Board/Committee meeting.	
Managing Director	560.86	17.6%.
Chief Financial Officer	49.11	10%
Company Secretary	25.40	10%

- c) There was 5.8% increase in median remuneration of employees in the financial year 2025-26 vis-a-vis the preceding year.
- d) There were 371 permanent employees on the rolls of the company as on 31.03.2026.
- 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 9.4% vis-a-vis 12.5% in salary of managerial personnel for FY 2025-26.
- g) No director is getting any variable component of remuneration except performance pay to the Managing Director as decided by the Board of Directors every year based on performance of the company, terms of appointment and applicable statutory provision. Remuneration is 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 emerging needs of the company. Industrial relations remained cordial during the year 2025-26.

The 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 shareholders 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, Lucknow as the Cost Auditors of the Company for the financial year 2025-26.

25. SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013 & related Rules and Regulation 24A of SEBI (LODR) Regulations, 2015, the shareholders at their 86th Annual General Meeting held on 25th Sept., 2025 have appointed M/s D. Dutt & Co., a peer reviewed Practising Company Secretaries, Kolkata as Secretarial Auditors of the company for a term of five (5) consecutive financial years commencing from the financial year 2025-26.

26. AUDITORS' REPORT

i) Statutory Audit:

The observations of the auditor read with relevant notes on the financial statements are self-explanatory. There is no instance of fraud reported by the auditors.

ii) Secretarial Audit:

M/s D. Dutt & Co., company secretary in practice, secretarial auditor of the company has done secretarial audit for FY 2025-26. Secretarial audit report is attached as **Annexure-V**. The observations of the secretarial auditor in the report are self-explanatory.

27. 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

28. RISK MANAGEMENT

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

29. LISTING ON STOCK EXCHANGES

The company's equity shares are listed on National Stock Exchange of India Ltd. (NSE) and The BSE Limited, Mumbai (BSE). The company has paid the listing fees to the stock exchanges for the financial year 2025-26.

30. ACKNOWLEDGEMENT

The Board of Directors place on record their gratitude for valuable support and contribution of all the Stakeholders viz., employees, bankers, investors, customers, suppliers and the Government Departments during the year 2025-26.

For and on behalf of the Board

Date : 25th May, 2026

Shrivardhan Goenka
Director

Madhukar Mishra
Managing Director

Annexure – I to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2025-26

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/spm.asp?page=fs>
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- Nil
6. Average net profit of the Company as per section 135(5)- Rs. 6346 lacs
7. (a). Two percent of average net profit of the company as per section 135(5)- Rs. 126.92 lacs
 (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- Nil
 (d). Total CSR obligation for the financial year (7a+7b-7c)- Rs. 126.92 lacs
- 8 (a). CSR amount spent or unspent for the financial year:

Total amount spent for the FY 2025-26	Amount unspent (in Rs.)				
Rs. 142.63 lacs	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:

1 Sr.	2 Name of the projects	3 Item from the list of activities in Sch.-VII to the Act	4 Local area (Yes/No)	5 Location of the project -Distt & State	6 Amount spent for the projects (in lacs)	7 Mode of implementation -Direct (Yes/No)	8 Mode of implementation through implementing Agency- Name and CSR Registration number
1	Measures to help healthcare including preventive healthcare through various camps and awareness programmes, sanitation, and making available safe drinking water etc.	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)	24.94	Yes	N.A
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.	Yes	-do-	88.94	Yes	N.A
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.	Yes	-do-	7.37	Yes	N.A
4	Cleaning of ponds, installation of solar lights etc.	Ensuring environmental sustainability/ecological balance protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water etc.	Yes	-do-	21.06	Yes	N.A
5	Protection of national heritage, art and culture, works of art etc.	Protection of national heritage, art and culture including restoration of building and site of historical importance, works of art.	Yes	-do-	0.32	Yes	N.A

- (d) Amount spent in Administrative Overheads-
(e) Amount spent on impact assessment, if applicable-

NIL
N/A

- (f) Total amount spent for the financial year (8b+8c+8d+8e)- Rs. 142.63 Lacs
(g) Excess amount for set-off for, if any- NIL

Sl. No.	Particulars	Amount-Rs. In Lacs
(i)	Two percent of average net profit of the company as per section 135(5)	126.92
(ii)	Total amount spent for the financial year	142.63
(iii)	Excess amount spent for the financial year 2025-26 [(ii)-(i)]	15.71
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	Nil
(vi)	Amount available for set-off in succeeding financial years of 2025-26 [(iii)-(iv)]	15.71
	Total amount available for set-off in succeeding years .	15.71

- 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): NA
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

Madhukar Mishra
Managing Director
25th May, 2026

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:

- Replacement of all condenser tubes has minimized steam losses and enhanced condenser efficiency.
- Re-routing and modification of Digester No.-5 blow line, resulting in steam saving.
- Installation of Roof-top solar plant. The solar plant is operational and contributes to renewable energy generation, reducing dependency on grid power.
- Replacement of old motors with energy efficient motors. Energy efficient motors have lowered electricity consumption and improved operations.
- Replacement of Low Consistency Centri cleaning system with medium consistency centri-cleaner system at PM-II resulting in reduction of fiber losses, improvement in cleaning efficiency, savings in power consumption and better product quality.

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

Commissioning of new 6.6 MW extractions cum back pressure turbine. This turbine will optimize steam utilization, enhance co-generation and reduce overall energy costs

III. The projects given in I. & II. above involved a cost of approximately Rs. 1568.86 lacs. Impacts of aforesaid measures are as under:

- System improvement with reduction in energy consumption and thus energy costs.
- Upgraded systems enhance operational efficiency and stability

IV. Steps taken for utilizing alternate sources of energy:

Kindly refer sub-point c) & e) of Point I. above.

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 2025-26:

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

- Development of Industrial Grade Paper such as Star Absorbent Ebony.
- Development of Food Grade Paper such as Brown OGR.
- Development of new shade for various grades of paper.
- Development of new industrial grade variety for Moulded Packaging.
- Introduction of various grades of Elite Bond.
- Exploration of new species of Pulp wood.

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

- Extended market reach in special grades, high strength and food grade paper.
- Improved process of paper making along with cost reduction.

3. Future Plan of Action

- Development of new grades/varieties of paper.
- R&D exploring new pulp wood species for papers.
- Optimization of water and energy consumption.
- Optimization of paper making chemicals.
- Development of new vendors for cost reduction.

4. Expenditure on R&D-

	Rs. in lacs
a) Capital	Nil
b) Revenue	159.11
c) Total	159.11
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 :

Successful commissioning of Voith make medium consistency centri-cleaner system at PM-II resulting in reduction of fiber losses, improvement in cleaning efficiency, reduction in power consumption and better product quality.

III. INFORMATION RELATED TO IMPORTED TECHNOLOGY:

(a) Technology imported	Nil
(b) Year of import & country	Nil
(c) Has technology been fully absorbed?	N.A
(d) 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 -	Rs. 189.49 Lacs
Outgo-	Rs. 96.33 Lacs

For and on behalf of the Board

Date : 25th May, 2026

Shrivardhan Goenka
Director

Madhukar Mishra
Managing Director

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, 2026 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, 2026.
- (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) TThe 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

Date : 25th May, 2026

Shrivardhan Goenka
Director

Madhukar Mishra
Managing Director

Annexure-IV

CORPORATE GOVERNANCE REPORT

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

The Board of Directors of your company is pleased to present the Corporate Governance Report for the financial year ended 31st March, 2026.

I. Company's philosophy on Corporate Governance

The philosophy on corporate governance can be described as observing of such practices with the ultimate aim of enhancing long-term shareholders' value and remaining committed to high standards of business ethics. The key aspects of Corporate Governance are accountability and transparency. The fundamental objective of corporate governance is the enhancement of Shareholders' value, keeping in view the interest of other stakeholders. Your company is committed to maintain the highest standards in its interface with stakeholders supported by core values and corporate ethics to be practiced by everyone.

II. Board of Directors

The Board of Directors of the company comprises eminent persons with vast knowledge and expertise in the fields of business & operations, management and administration, finance, law, marketing, branding, information technology and governance.

(a) Composition

The following is the composition of the Board of Directors as on 31st March , 2026:

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. Shrivardhan Goenka DIN-00030375	Non-executive; Non-Independent Director	1	Nil	Nil
Dr. R.C. Lodha DIN-07177605	Independent Director	2	2 (M)	-Nitin Spinners Ltd.- (Independent Director) - Swadeshi Polytex Ltd.- (Independent Director)
Mr. Anoop Mishra DIN-02849054	Independent Director	3	3 (M); out of them in 2 (C)	VLS Finance Ltd. (Independent Director)
Mr. Atulmani Sharma DIN-10791352	Independent Director	Nil	Nil	Nil
Mrs. Pragya Jhunjhunwala DIN-02315132	Non-executive; Non-Independent Director	2	2 (M)	-India Power Exchange Ltd. - Mega Flex Plastics Ltd. (listed on SME Platform) (Independent Director)
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 inter-se except that Mr. Shrivardhan Goenka is son of Mr. G.P. Goenka, '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, 2026, four (4) meetings of the Board of Directors were held on 29th May, 2025, 13th Aug., 2025, 13th Nov., 2025 and 13th Feb., 2026.

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. Shrivardhan Goenka	4	Yes	45,500
Dr. R.C. Lodha	4	Yes	Nil
Mr. Madhukar Mishra	4	Yes	Nil
Mrs. Pragya Jhunjunwala	4	Yes	Nil
Mr. Anoop Mishra	4	Yes	Nil
Mr. Atul Mani Sharma	4	Yes	Nil

A meeting of Independent Directors was held on 6th March, 2026 through video conferencing mode for the financial year 2025-26. All the Independent Directors participated in the above 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 metrix 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 Managing Director since 2001.
Corporate planning and strategy, General Management	- Mr. Madhukar Mishra, Managing Director. - Mr. Anoop Mishra, Independent Director is retired IAS officer and has over 40 years of experience in the wide range of public service. He has worked as Secretary General, Lok Sabha, India and headed the civil administration of Uttar Pradesh, India as Chief Secretary and worked as a diplomat - Minister (Economic Affairs), Embassy of India, Washington DC, USA - in charge of economic engagement between USA and India. He has experience of working as Finance Secretary, UP and Joint Secretary, Dept. of Economic Affairs, Govt. of India, In-charge of finance and economic management. - Dr. R.C. Lodha, Independent Director is M.Com, M.B.A. (Gold Medalist), Ph.D (Finance), LL.B and CAIIB and having work experience of 40 plus years in Banking, Corporate planning and strategy, General Management. He retired as Executive Director from Central Bank of India. Presently, he is in profession of Insolvency Professional of IBBI and Advocate. He has also worked with Union Bank of India, Oriental Bank of Commerce, IIFCL & CERSAI. Further, he has served as a Director of Cent Bank Home Finance Limited. - 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. - Mr. Atul Mani Sharma, Independent Director is Graduated in Marine Engineering. He has worked as Chief Engineer with Shipping Corporation of India. He also worked with Lloyd's Register from as Surveyor and Senior Surveyor. He was also Member of United Nations team in the "Oil for Food" programme in Iraq "Expert in Mission" in 1998. He also worked as Associate Vice President with Indian Register of Shipping. He is presently a consultant providing independent third party QA / QC inspections and audits.
Operational & Financial Management.	- Mr. Madhukar Mishra, Managing Director. - Dr. R.C. Lodha, Independent Director. - Mr. Anoop Mishra, Independent Director.

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
Corporate Governance	- Mr. Anoop Mishra, Independent Director. - Dr. R.C Lodha, Independent Director. - Mr. Shrivardhan Goenka, Non-executive Director. - Mr. Madhukar Mishra, Managing Director. - Mrs. Pragya Jhunjhunwala, Non-executive Director. She is Master in commerce and a fellow member of The Institute of Company Secretaries of India (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, 2026. 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 supervision and attention into the affairs of the Company.

–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 Audit Committee and details of its meetings during the FY 2025-26 are as under:

Sr.	Name of the Director & Designation	Category	No. of meetings attended during FY 2025-26
1	Mr. Shrivardhan Goenka-Member	Non- executive, non-Independent	5
2	Dr. R.C. Lodha-Member	Non- executive, Independent	5
3	Mr. Anoop Mishra-Member	Non- executive, Independent	5
4	Mr. Atulmani Sharma (w.e.f. 13 th Aug., 2025)	Non- executive, Independent	2

During the year ended 31st March, 2026, five (5) meetings of the Audit & Risk Management Committee were held on 26th May, 2025, 29th May, 2025, 12th Aug., 2025, 13th Nov., 2025 and 13th Feb., 2026.

(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 2025-26 are as under:

Sr.	Name of the Director & Designation	Category
1.	Mrs. Pragya Jhunjhunwala, Chairperson	Non- Executive, Non-Independent
2.	Mr. Madhukar Mishra-Member	Executive
3.	Mr. Anoop Mishra, Member	Non- Executive, Independent

During the financial year ended 31st March, 2026, one meeting of Stakeholders' Relationship Committee was held on 12th Feb., 2026. All members of the Committee were present in the meeting.

Mr. Saurabh Arora, Company Secretary, is the compliance officer of the company.

Shareholders Complaint(s)

During the year 2025-26, one investor-complaint was received and satisfactorily resolved. There is no pending complaint at the end of the financial year.

(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 2025-26 are as under:

Sr.	Name of the Director & Designation	Category	No. of meetings held & attended during FY 2025-26
1	Mr. Anoop Mishra, Chairman	Non- Executive, Independent	1
2	Mr. Shrivardhan Goenka, Member	Non- Executive, Non-Independent	1
3	Mr. Atul Mani Sharma, Member	Non- Executive, Independent	1

During the financial year ended 31st March, 2026, one meeting of Nomination and Remuneration Committee was held on 29th May, 2025.

(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:

Sl. No	Name of the Director & Designation	Category
1	Mr. Shrivardhan Goenka, Chairman	Non- Executive, Non Independent
2	Mr. Madhukar Mishra, Member	Executive
3	Mr. Atul Mani Sharma, Member	Non- Executive, Independent

During the financial year ended 31st March, 2026, one meeting of CSR Committee was held on 28th May, 2025. All members of the Committee on that date were present in the meeting. The company secretary acts as the secretary to the Committees.

V. Remuneration of Directors

Remuneration-package of Executive Director(s) is 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, 2026 are as under:

(Rs.)

Director	Salary#	Perquisites and other benefits##	Sitting Fees	Total
Mr. Shrivardhan Goenka	-	-	4,40,000	4,40,000
Mrs. Pragya Jhunjhunwala	-	-	2,00,000	2,00,000
Dr. R.C. Lodha	-	-	4,00,000	4,00,000
Mr. Atul Mani Sharma	-	-	3,60,000	3,60,000
Mr. Anoop Mishra	-	-	4,80,000	4,80,000
Mr. Madhukar Mishra	4,96,43,800	64,41,976	-	5,60,85,776
Total			18,80,000	5,79,65,776

Salary includes allowances, performance pay etc. Performance pay is 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/Policymaterial.pdf>.

No loan or advance in the nature of loan was given to firms/companies in which directors are interested. There is no agreement requiring disclosure under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

- (ii) There has been no non-compliance and no penalty, strictures imposed upon the company on any matter related to capital markets by stock exchanges, SEBI or any other statutory authority.
- (iii) 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. All the recommendations made by the Committees of the Board during the financial year were accepted by the Board.
- (iv) 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.

(v) 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. - Rs. 13.85 lacs.

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

(vii) **Particulars of senior management including the changes therein since the close of the previous financial year:**

Sl. No	Name	Designation	Particulars of change, in any since last year
1	Mr. Sanjeev Kuma Garg	CFO	Continues in employment
2	Mr. Saurabh Arora	Company Secretary	-do-
3	Mr. I.J.Singh	VP (Works)	Promoted from CGM(Works) to VP (Works) w.e.f. 05.01.2026
4.	Mr. J.K .Singh	CGM (Works)	Appointed as CGM (Works) w.e.f. 05.01.2026

(viii) **Commodity price risk, foreign exchange risks and hedging activities-**

As there was negligible foreign exchange exposure, there was no hedging activities.

- (ix) The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have given requisite compliance certificate on financial statements and the cash flow statement for the year ended 31st March, 2026.
- (x) **IEPF:** Pursuant to sections 124 & 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), during the year 2025-26, the Company transferred unclaimed dividend of FY 2017-18 amounting to Rs. 3,47,958/- and 8,255 equity shares corresponding to unclaimed dividend of FY 2017-18 to IEPF Authority. The IEPF Authority holds 1,14,828 equity shares in the Company as on 31st March, 2026.

Particulars of directors seeking appointment/re-appointment at the AGM have been given in Notice of the 87th AGM to be held on 24th Sept., 2026.

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 generally published in the Business Standard, and 'Ajkal'. The financial results of the company are provided at the website www.starpapers.com. There is no presentation made to institutional investors or to the analysts. The website of the company also displays other important information.

IX. Shareholder Information

Ministry of Corporate Affairs vide its General Circular No. 3/2025 dated 22.09.2025 and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CFD-Pod-2/P/CIR/2024/133 dated 3rd Oct., 2024 have further permitted conducting the Annual General Meeting (AGM) through VC/OAVM facility till further orders in this regard. Consequently, 87th AGM of the company will be held through Video Conferencing/ Other Audio Visual Means (VC/OAVM facility) as per below details:

87th AGM through VC/OAVM facility

Date & Time	Deemed venue	Record - Date	Dividend payment date (if declared)
24 th Sept., 2026 11:00 AM	Regd. Office : Duncan House, 2nd Floor, 31 Netaji Subhas Road, Kolkata- 700 001.	17.09.2026	on or after 6 th Oct., 2026

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@kfintech.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

All activities related to share transfer as per Regulation 7(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are being maintained by Registrar and Share Transfer Agent: KFin Technologies Limited.

Pursuant to Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities cannot be transferred unless they are held in dematerialized form with a depository, except in case of transmission or transposition of securities. Further SEBI vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 mandated that transmission, transposition, duplicates, renewal, exchange, subdivision, splitting, consolidation shall be effected only in dematerialize form. SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, has mandated that holder of physical shares shall mandatorily furnish PAN, KYC and nomination details to the RTA without which RTAs shall not process any service request(s).

The Registrars and Share Transfer Agents process every fortnight requests for approving share transfers. The processing activities with respect to service requests received are completed within 10 days from the date of receipt of request. There were no shares pending for transfer as on 31st March, 2026.

There is no share under unclaimed suspense account at the beginning and the end of financial year. However, as on 31st March, 2026, 196 equity shares lying in Suspense Escrow Demat account related to one shareholder.

Compliance certificate of the Auditors

- The company has obtained certificate from the secretarial 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 2025-26 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, 2026 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, 2026, a total of 1,55,53,904 shares of the Company, which form 99.65% 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, 2026

Slab-Shs.	No. of Shareholders		No. of Equity Shares	
	Total	% of shareholders	Total	% to share capital
1-500	15556	91.82	1398267	8.96
501-1000	702	4.14	547351	3.51
1001-2000	350	2.07	527486	3.38
2001-3000	105	0.62	268839	1.72
3001-4000	46	0.27	164552	1.05
4001-5000	37	0.22	171488	1.1
5001-10000	74	0.44	531214	3.4
10001 and above	71	0.42	11999153	76.88
Total	16941	100.00	15608350	100.00

Category of Shareholders as on 31st March, 2026

Category	No. of Shares	% of Shareholding
Promoter Group	7012344	44.93
Financial Institutions/Banks	1341	0.01
Trusts	2400	0.02
Insurance Companies	300	0.00
Foreign Institutional Investors	262876	1.68
Non Resident Indian (NRI)	107341	0.69
Non Resident Indian-Non Repatriable	115490	0.74
Clearing Member (NSDL & CDSL)	500	0.00
Public – Bodies Corporate	1723233	11.04
– Individuals	5993927	38.4
– HUF	273770	1.75
– Others (IEPF)	114828	0.74
Total	15608350	100.00

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

Month	NSE		BSE	
	High	Low	High	Low
2025				
April	176.00	153.10	186.90	146.00
May	187.59	159.30	185.85	159.50
June	182.20	168.90	180.70	167.55
July	188.58	172.81	188.90	171.05
August	188.80	161.80	189.55	166.00
September	181.80	165.70	183.50	165.00
October	177.80	162.00	177.30	162.10
November	171.90	160.20	170.30	153.60
December	168.00	160.00	168.30	152.00
2026				
January	168.40	139.00	167.80	140.00
February	155.80	138.20	157.45	138.20
March	141.89	119.05	142.00	116.00

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 2025-26.

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

Financial Calendar 2026-27

The next financial year of the Company is 1st April 2026 to 31st March 2027.

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 resolutions passed (Y/N)
2024-25	Through VC/OAVM	25 th Sept., 2025 11.30 AM	Yes, i) To re-appoint Mr. Madhukar Mishra (DIN:00096112) as Managing Director of the company
2023-24	Through VC/OAVM	25 th Sept., 2024 11.30 AM	Nil
2022-23	Through VC/OAVM	22 nd Sept., 2023 11.30 AM	Nil

Postal Ballot

No special resolution was passed through postal ballot during the year 2025-26. At present, there is no proposal to pass Special Resolution through Postal Ballot. The procedure laid down in the Companies (Management & Administration) Rules, 2014 would be followed as and when required.

Credit rating

Acuite Ratings and Research Limited has reaffirmed credit rating Acuite A+ (Stable) on Rs. 100 Crores proposed long term bank facilities.

Sexual Harassment of Women

During the year 2025-26, 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

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, 2026.

Place: New Delhi
Date: 25th May, 2026

Madhukar Mishra
Managing Director

For and on behalf of the Board

Shrivardhan Goenka
Director

Madhukar Mishra
Managing Director

Date : 25th May, 2026

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

1. We have been engaged by Star Paper Mills Limited [CIN: L21011WB1936PLC008726] having its Registered Office at Duncan House, 31, Netaji Subhas Road, Kolkata – 700 001 [hereinafter referred to as 'the Company'] whose equity shares are listed on BSE Limited [Scrip Code: 516022] and National Stock Exchange of India Limited [Symbol: STARPAPER] to issue a Certificate as required under 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.
2. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Company as produced before us for the purpose of issue of this Certificate.
3. 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, 2026 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 the Company
1.	MS. PRAGYA JHUNJHUNWALA	02315132	25/06/2021
2.	MR. SHRIVARDHAN GOENKA	00030375	09/09/2002
3.	MR. MADHUKAR MISHRA	00096112	29/06/2001
4.	MR. ATUL MANI SHARMA	10791352	28/09/2024
5.	MR. ANOOP MISHRA	02849054	28/09/2024
6.	MR. RISHABH CHAND LODHA	07177605	24/05/2024

4. 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.

Place: Kolkata
Date: 25th May, 2026

For D. DUTT & CO.
Company Secretaries
Unique Code Number: I2001WB209400
Unique Identification Number: S2003WB060500

(DEBABRATA DUTT)
Proprietor
FCS-5401
C.P. No. 3824
Peer Review Certificate No. – 2277/2022
UDIN: F005401H000478291

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. We, have examined the compliance of conditions of Corporate Governance by Star Paper Mills Limited ('the Company') for the year ended on 31st March, 2026 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'] read with SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 as amended upto date, pursuant to the Listing Agreement of the Company with the Stock Exchanges.

Management's Responsibility:

2. 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:

3. 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.
4. 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.
5. 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.
6. 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.
7. 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:

8. 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, 2026.

Other relevant information:

9. 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.

For D. DUTT & CO.

Company Secretaries

Unique Code Number: I2001WB209400

Unique Identification Number: S2003WB060500

(DEBABRATA DUTT)

Proprietor

FCS-5401

C.P. No. 3824

Peer Review Certificate No. – 2277/2022

UDIN: F005401H000478302

Place: Kolkata
Date: 25th May, 2026

Annexure-V: Secretarial Audit Report

Form No. MR – 3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[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: L21011WB1936PLC008726. 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 2026 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, 2026 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) 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:
 - a. The Indian Forest Act, 1927
 - b. The Indian Boiler Act, 1923
 - c. Indian Explosives Act, 1884
 - d. 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 (BSE) and National Stock Exchange of India Limited (NSE) read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 [Listing Regulations] and SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/1/3762/2026 dated January 30, 2026.

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;

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) The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the year under review.
- (b) Adequate notice was given to all directors to schedule the Board Meetings, though, in some instances agenda and detailed notes on agenda were sent in advance in less than seven days, 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, 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

Unique Identification Number: S2003WB060500

(DEBABRATA DUTT)

Proprietor

FCS-5401

C.P. No.-3824

Peer Review Certificate No. – 2277/2022

UDIN: F005401H000478192

Place: Kolkata

Date: 25th May, 2026

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

Annexure – A

To
The Members,
Star Paper Mills Limited

Our Secretarial Audit Report for the financial year ended 31st March, 2026 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 are 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.

For D. DUTT & CO.

Company Secretaries

Unique Code Number: I2001WB209400

Unique Identification Number: S2003WB060500

(DEBABRATA DUTT)

Proprietor

FCS-5401

C.P. No.-3824

Peer Review Certificate No. – 2277/2022

UDIN: F005401H000478192

Place: Kolkata

Date: 25th May, 2026

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

Date : 25th May, 2026

Shrivardhan Goenka
Director

Madhukar Mishra
Managing Director

Independent Auditors' Report

To the Members of Star Paper Mills Limited Report on Audit of 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, 2026, 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 material 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, 2026, 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 on the financial statements.

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
Evaluation of provisions and Contingent Liabilities: 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. There are also a number of litigations including direct and indirect taxes, various claims, etc. pending before various forums against the Company.	Our audit procedures included the following - 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;

Key Audit Matters	Addressing the Key Audit Matters
The management's judgement is required for estimating the amount to be provided and/or disclosed as contingent liability. 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. (Refer Note No. 39 to the Financial Statements, read with the Material Accounting Policy No.35. 3.14.	• Evaluated the estimation made by the management for measurement, recognition of provisions considering the past events, risks and uncertainties surrounding the obligations and probability of the outflow of resources towards the possible obligation; • Discussed with the management regarding any material developments and status of matters requiring legal clarification; • 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; • Evaluated 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; • Assessed the adequacy and completeness of disclosures;
Verification of Inventories and Valuation thereof The total inventory of the Company amounts to Rs. 11,697.02 Lakhs (as on March 31, 2026) (Refer Note 5 and read with Material Accounting Policy No. 35.3.10). 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.	Our audit procedures included the following: • Evaluated and tested 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. • Attended and observed the verification of Inventories at the year end undertaken by the management and evaluation of procedures and documentation in this aspect. • Obtained and checked the necessary evidences, working papers and documents for the physical verification carried out as above. • Examined the valuation process/methodology and checks performed at multiple levels and ensure that the valuation is consistent with and as per the policy followed in this respect.

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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance (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 notified under section 133 of the Act, read with relevant rules, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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.

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.

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. 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 except for the matters stated in paragraph III(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
 - 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, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the maintenance of accounts and other matters connected therewith, reference is invited to paragraph II(b) above on reporting under section 143(3)(b) of the Act; and
 - g. 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 modified 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. 39 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 has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year;

- d. i) The Management has represented that, to the best of its knowledge and belief as disclosed in Note No.48 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.48 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. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and transactions recorded in the respective software as:
 - Audit trail feature on data changes was enabled at application level of the accounting software. However, while changing the master data only latest data is stored. Further audit trail in all cases, system saves User ID and date except time.
 - The feature of recording audit trail (edit log) facility has also been enabled at database level to log any direct data changes for the accounting software.

Audit trail (edit log) facility was enabled and operated throughout the year for the accounting software and we did not come across any instance of the audit trail feature being tampered with during the course of our audit.

As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023 and reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention, audit trail on data changes are preserved since the implementation of the said rule and as represented by the management, the same will be continued for the period as statutorily specified in this respect.

- 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., LLP

Chartered Accountants

Firm's ICAI Registration No.:301051E/E300284

Place: Kolkata
Date: May 25, 2026

Vikram Matta

Partner

Membership No:054087

UDIN: 26054087TRMQEO7944

ANNEXURE “A” the Independent Auditor’s Report on the financial statements of Star Paper Mills Limited for the year ended 31st March 2026.

(Referred to in paragraph I under “Report on Other Legal and Regulatory Requirement’s section of our report of even date)

- i)
 - a.
 - A. The Company has maintained proper records showing full particulars, including quantitative details and situations of Property, Plant and Equipment;
 - B. The Company has maintained proper records showing full particulars of 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. Based on verification of title deeds (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) produced to us by the management and according to the information and explanations given to us, in our opinion, the title deeds of immovable properties are held in the name of the company except in respect of a flat acquired under joint ownership with others under agreement to sale in the name of the Company, at New Delhi having Gross carrying value of Rs 21.13 Lakhs (Refer Note No. 1.(a) (i) of Financial Statements);
 - 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, 2026 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)

The Company has made investments during the year in units of mutual funds which are quoted. Other than these and according to the information and explanations given us and on the to 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, we are of the opinion that investments made in securities considering that these are quoted and have been made at prevailing market rates, the terms and conditions thereof as such are prima facie not prejudicial to the interest of the Company;
 - 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, loan of Rs.45 lakhs given to a body corporate in earlier years are outstanding as on this date. In absence of any term of repayment of principal and interest and these not being recovered since a considerable period of time, the same was fully provided in the books of accounts 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 and considering the possible outcome of steps taken for recovery in earlier year, the same was fully provided for in the financial statements. No further step for recovery as such in this respect has been taken in the current year;
- 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 and have fallen due during the year which has been renewed or extended or fresh loans have been granted to settle the over dues of existing loans or advances in the nature of loans 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, 2026 for a period of more than six months from the date they become payable except Rs.26.20 lakhs and Rs.28.22 Lakhs payable in respect of Mandi fees and Municipal Tax respectively 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	805.13	FY.2020-21, 2022-23, 2023-24 and 2024-25	Joint Commissioner, Corporate office Muzaffarnagar
Central Goods and Service Tax Act, 2017	Goods and Service Tax	931.05	FY. 2019-20 and 2020-21	Additional Commissioner, Saharanpur
Central Goods and Service Tax Act, 2017	Goods and Service Tax	67.30	FY. 2018-19	Hon'ble High Court at Allahabad
The UP Vat Act ,2008	Sales Tax	98.47	FY. 2015-16	Deputy Commissioner, Saharanpur
The UP Vat Act, 2008	Sales Tax	4.45	FY.2007-08	Additional Commissioner Appeals
The CST Act, 1956	Sales Tax	238.74	FY.1995-96	Hon'ble High Court at Allahabad
The CST Act, 1956	Sales Tax	14.59	FY.2015-16	Deputy Commissioner Saharanpur
The Entry Tax Act,2007	Sales Tax	22.92	FY.2015-16	Deputy Commissioner Saharanpur
The Entry Tax Act,2007	Sales Tax	24.00	(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 Income Tax Act,1961	Income Tax	136.82	A.Y. 2015-16 and 2017-18	CIT Appeal

Name of the statute	Nature of dues	Rupees in Lakhs	Period to which the amount relates	Forum where dispute is pending
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	661.20	FY.2022-23 to 2025-26	Hon'ble High Court at Allahabad
New Delhi Municipal Council Act 1994	Property Taxes	15.84	F.Y 2000-13	Hon'ble Patial House Court at Delhi
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 the company:
- 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;
 - The Company has not been declared wilful defaulter by any bank or financial institutions or any other lenders;
 - 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.
 - 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;
 - 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:
- 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
 - 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;
- According to the information and explanations given to us and based on our examination of the books and records of the Company, no report under sub section (12) of section 143 of the Act, in Form ADT-4, as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 (as amended from time to time) has been filed with the Central Government. Accordingly, reporting under clause (xi)(b) of paragraph 3 of the Order is not applicable to the Company; and
 - 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 are 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 in terms of 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 Reserve Bank of India (Core Investment Companies) Directions, 2025 as amended, issued by 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;
- xvii) Based on the examination of the books of accounts, we report that the Company has neither incurred cash losses in the current financial year covered by our audit 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. 49 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 standalone financial statements.

For Lodha & Co., LLP

Chartered Accountants

Firm's ICAI Registration No.:301051E/E300284

Place: Kolkata
Date: May 25, 2026

Vikram Matta

Partner

Membership No:054087

UDIN: 26054087TRMQEO7944

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph II (g) under ‘Report on Other Legal and Regulatory Requirements’ section 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, 2026 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, 2026, 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.

For Lodha & Co., LLP

Chartered Accountants

Firm's ICAI Registration No.:301051E/E300284

Place: Kolkata

Date: May 25, 2026

Vikram Matta

Partner

Membership No:054087

UDIN: 26054087TRMQEO7944

Balance Sheet

as at March 31, 2026

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	1a	42,005.16	42,368.34
(b) Capital Work-in-progress	1b	413.60	179.27
(c) Financial Assets			
(i) Investments	2	1,536.29	1,536.29
(ii) Other Financial Assets	3	201.62	177.40
(d) Other Non-Current Assets	4	1,619.29	1,143.66
Total Non Current Assets (A)		45,775.96	45,404.96
Current Assets			
(a) Inventories	5	11,697.02	13,538.08
(b) Biological Assets-Unharvested Colonial Plants	6	87.18	27.10
(c) Financial Assets			
(i) Investments	7	23,149.20	18,808.70
(ii) Trade Receivables	8	675.57	584.49
(iii) Cash and Cash Equivalents	9a	933.59	2,264.62
(iv) Other Bank Balances	9b	274.39	778.60
(v) Loans	10	-	-
(vi) Other Financial Assets	11	505.80	144.41
(d) Other Current Assets	12	672.04	699.29
Total Current Assets (B)		37,994.79	36,845.29
Total Assets (A)+(B)		83,770.75	82,250.25
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	1,560.83	1,560.83
(b) Other Equity	14	69,269.06	66,529.56
Total Equity (A)		70,829.89	68,090.39
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	15	354.02	399.28
(ii) Other Financial Liabilities	16	1,032.32	983.69
(b) Provisions	17	312.55	365.38
(c) Deferred Tax Liabilities (Net)	18	6,434.67	7,078.50
Total Non Current Liabilities (B)		8,133.56	8,826.85
Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	19	76.61	67.50
(ii) Trade Payables	20		
(i) Total outstanding dues of micro enterprises and small enterprises; and		1,316.88	1,055.76
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.		666.81	1,065.71
(iii) Other Financial Liabilities	21	1,694.66	2,106.98
(b) Other Current Liabilities	22	969.84	812.76
(c) Provisions	23	82.50	57.54
(d) Current Tax Liabilities (Net)	24	-	166.76
Total Current Liabilities (C)		4,807.30	5,333.01
Total Equity and Liabilities (A+B+C)		83,770.75	82,250.25

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

As per our report of even date**For Lodha & Co., LLP**

Chartered Accountants

(Vikram Matta)

Partner

Place : New Delhi

Date : 25th May, 2026**Saurabh Arora**

Company Secretary

Sanjeev K. Garg

Chief Financial Officer

Madhukar Mishra

Managing Director

Shrivardhan Goenka**Dr. R.C. Lodha**

Directors

Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
INCOME			
Revenue From Operations	25	40,993.82	43,633.50
Other Income	26	2,364.26	2,393.92
Total Income (I)		43,358.08	46,027.42
EXPENSES			
Cost of materials consumed	27	20,199.70	20,200.94
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	1,407.12	1,777.93
Employee benefits expense	29	3,150.81	3,073.16
Finance costs	30	93.08	96.41
Depreciation and amortisation expense	31	697.12	638.95
Other expenses	32	14,387.48	14,895.72
Total Expenses (II)		39,935.31	40,683.11
Profit before tax (I-II)		3,422.77	5,344.31
Tax expense:	33		
Current tax		794.77	1,296.14
Deferred tax		(647.34)	(66.28)
Profit for the year		3,275.34	4,114.45
Other Comprehensive Income	34		
(i) Items that will not be reclassified to profit or loss		13.96	(111.55)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.51)	(15.86)
Other Comprehensive Income for the year (net of taxes)		10.45	(127.41)
Total Comprehensive Income for the year comprising profit and other comprehensive income for the year		3,285.79	3,987.04
Earnings per equity share of par value of Rs. 10 each.	38		
(1) Basic (Rs.)		20.98	26.36
(2) Diluted (Rs.)		20.98	26.36

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

As per our report of even date

For Lodha & Co., LLP

Chartered Accountants

(Vikram Matta)

Partner

Place : New Delhi

Date : 25th May, 2026

Saurabh Arora

Company Secretary

Sanjeev K. Garg

Chief Financial Officer

Madhukar Mishra

Managing Director

Shrivardhan Goenka

Dr. R.C. Lodha

Directors

Statement of changes in Equity

for the year ended March 31, 2026

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 2024	1,560.83
Changes during the year	-
Balance as at March 31, 2025	1,560.83
Changes during the year	-
Balance as at March 31, 2026	1,560.83

B. Other Equity

As at March 31, 2026

(₹ 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, 2025	4,459.50	50.00	1,582.01	62,687.67	(2,249.62)	-	66,529.56
Profit for the year	-	-	-	3,275.34	-	-	3,275.34
Total Other Comprehensive Income for the year	-	-	-	-	-	10.45	10.45
Final Dividend				(546.29)			(546.29)
Transfer to retained earning				-		(10.45)	(10.45)
Transfer from Other Comprehensive Income	-	-	-	10.45	-	-	10.45
Balance at March 31, 2026	4,459.50	50.00	1,582.01	65,427.17	(2,249.62)	-	69,269.06

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

As at March 31, 2025

(₹ 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, 2024	4,459.50	50.00	1,582.01	59,150.39	(2,075.05)	-	63,166.85
Profit for the year	-	-	-	4,114.45	-	-	4,114.45
Total Other Comprehensive Income for the year	-	-	-	-	(174.57)	47.16	(127.41)
Dividends				(624.33)			(624.33)
Transfer to retained earning				-		(47.16)	(47.16)
Transfer from Other Comprehensive Income	-	-	-	47.16	-	-	47.16
Balance at March 31, 2025	4,459.50	50.00	1,582.01	62,687.67	(2,249.62)	-	66,529.56

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

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

As per our report of even date

For Lodha & Co., LLP

Chartered Accountants

(Vikram Matta)

Partner

Place : New Delhi

Date : 25th May, 2026

Saurabh Arora
Company Secretary

Sanjeev K. Garg
Chief Financial Officer

Madhukar Mishra
Managing Director

Shrivardhan Goenka
Dr. R.C. Lodha
Directors

Notes to Financial Statement

for the year ended March 31, 2026

1. a) PROPERTY, PLANT AND EQUIPMENT:

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Right of Use Asset- Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Total
Gross Block							
Balance as at 31st March, 2024	32,118.98	117.97	702.33	13,223.58	108.35	8.17	46,279.38
Additions		112.23		350.65	4.40	-	467.28
Deduction/Adjustment						-	-
Balance as at 31st March, 2025	32,118.98	230.20	702.33	13,574.23	112.75	8.17	46,746.66
Additions				331.33	24.81	34.64	390.78
Deduction/Adjustment				74.63	13.66	3.77	92.06
Balance as at 31st March, 2026	32,118.98	230.20	702.33	13,830.93	123.90	39.04	47,045.38
Accumulated Depreciation							
Balance as at 31st March, 2024	-	97.89	207.60	3,346.33	81.58	5.97	3,739.37
Depreciation		15.92	59.97	550.74	11.62	0.70	638.95
Deduction/Adjustment							-
Balance as at 31st March, 2025	-	113.81	267.57	3,897.07	93.20	6.67	4,378.32
Depreciation		17.77	59.97	570.40	39.13	9.85	697.12
Deduction/Adjustment				18.84	13.22	3.16	35.22
Balance as at 31st March, 2026	-	131.58	327.54	4,448.63	119.11	13.36	5,040.22
Net Block							
Balance as at 31st March, 2025	32,118.98	116.39	434.76	9,677.16	19.55	1.50	42,368.34
Balance as at 31st March, 2026	32,118.98	98.62	374.79	9,382.30	4.79	25.68	42,005.16

1. a)i) Gross block and Net block of Buildings include flat acquired under joint ownership with others under agreement to sale at New Delhi amounting Rs 21.13 Lakhs (March 31, 2025 Rs.21.13 Lakhs) and Rs 2.24 Lakhs (March 31, 2025 Rs.2.80 Lakhs) respectively.
1. a)ii) All title deeds/ lease deed of the immovable properties other than 1.a)i) above are held in name of the company.
1. a)iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) during the current year or previous year.

1. b) CAPITAL WORK-IN-PROGRESS(CWIP)

(₹ in Lakhs)

Particulars	Amount	Amount
As per last Balance Sheet		179.27
Add: Addition		519.16
Less: Capitalisation :		
- Plant and Equipments	284.83	284.83
As at March 31, 2026		413.60

(₹ in Lakhs)

Particulars	Amount	Amount
As per last Balance Sheet		316.77
Add: Addition		321.73
Less: Capitalisation:		
- Building	112.22	
- Plant and Equipments	347.01	459.23
As at March 31, 2025		179.27

1. b) i) Ageing of Capital work-in-progress

Capital work-in-progress as on 31.03.2026

(₹ 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/Mordernisation of Plant and Machinery	274.35	13.60	-	-	287.95
Project Temporary suspended					
Bag House at Cheema*(Net of Rs.27.60 lakhs being the adjustment for deductions from the vendor)	-	-	-	125.65	125.65
Total	274.35	13.60	-	125.65	413.60

*The bag house at cheema boiler has been kept on hold pending resolution of dispute/ litigation with vendor and expected date of completion is currently not determinable, however company is planning to make feasible Bag House by certain modifications.

Capital work-in-progress as on 31.03.2025

(₹ 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/Mordernisation of Plant and Machinery	26.02	-	-	-	26.02
Project Temporary suspended					
Bag House at Cheema*	-	-	-	153.25	153.25
Total	26.02	-	-	153.25	179.27

*The bag house at cheema boiler has been kept on hold pending resolution of dispute/ litigation with vendor and expected date of completion is currently not determinable.

2. INVESTMENTS (NON-CURRENT)

(Fully paid up except otherwise stated)

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	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)	17,45,786	1,536.29	17,45,786	1,536.29
Total -Non -Current Investments		1,536.29		1,536.29
Aggregate amount of Quoted Investments		1,536.29		1,536.29

- 2.1 The Company has made an irrevocable decision to consider equity instruments not held for trading to be recognized at Fair Value through Other Comprehensive Income (FVTOCI).
- 2.2 The equity shares of ISG Traders Limited are quoted but not traded since long. Therefore, the fair value of investment in these shares have not been derived with respect to the quotations available from the stock exchange. These has been arrived based on an Independent valuation report carried out by a firm of chartered accountants. This is based on the latest available audited financial statements for the year ended 31st March, 2025 and is updated on availability of audited financial statements for the respective year and consequential adjustments are given effect to on year to year basis.
Fair value of the shares as determined by the independent valuer remained unchanged from fair value determined in previous year and accordingly, there is no movement in the carrying value of the investment.
- 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, 2026	As at March 31, 2025
(Unsecured, Considered Good unless otherwise stated)		
At amortised cost		
Security Deposits	163.73	177.40
Fixed Deposits (Refer Note No. 3.1)	33.48	-
Interest receivable on fixed deposits	4.41	-
	201.62	177.40

3.1 Kept as lien against Bank Guarantee.

4. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured Considered Good		
Capital Advances	263.84	6.77
Advances Other than Capital Advances		
Balances/Deposits with Government Authorities (Under Protest)	579.42	575.12
Advance Tax including Tax Deducted at Source (Refer Note No. 4.1)	56.41	-
Income Tax Refundable (Refer Note No.4.2)	539.96	539.96
Prepaid expenses	179.66	21.81
	1,619.29	1,143.66

4.1 Advance Tax including Tax Deducted at source as on 31st March 2026 is net of provision for Income Tax of Rs.916.47 Lakhs .

4.2 Income Tax refundable represents the amount of Advance Tax (net of provision) as per the Income tax return filed by the Company pending assessment by the tax authorities.

5. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	6,763.66	6,773.78
Chemicals	337.15	327.86
Process stock	723.13	565.06
Finished goods	1,711.35	3,276.54
Stores and spares	2,178.53	2,594.84
Less: provision for non moving and obsolete items	(16.80)	-
	11,697.02	13,538.08

5.1 Refer Note No. 35 (3.10) For mode of Valuation

6. BIOLOGICAL ASSETS-CLONAL PLANT

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
As at opening (a)	27.10	57.90
Addition due to production during the year	354.87	337.69
Decrease due to sale/write off etc	294.79	368.49
Net Change in Fair Value of Biological Assets transferred to statement of Profit and Loss (b) (Refer Note No.26)	(60.08)	30.80
As at Closing (a) - (b)	87.18	27.10

7. CURRENT INVESTMENTS

(Fully paid up except otherwise stated as required in terms of section 186(4) of the Companies Act, 2013) (₹ in Lakhs)

Particulars	Face Value (Rs.)	As at March 31, 2026		As at March 31, 2025	
		Holding (No.)	Amount	Holding (No.)	Amount
Investment measured at fair value through Profit and Loss					
Investment in Mutual Funds					
Quoted					
KOTAK Equity Savings fund-Direct Growth	10	1,66,70,356.121	4,777.66	1,66,70,356.121	4,545.91
HDFC Equity Saving Fund	10	28,54,459.024	2,088.66	35,18,123.744	2,487.03
SBI Equity Saving Fund	10	-	-	2,87,02,628.253	7,179.33
Aditya Birla Sun Life Equity Saving Fund	10	93,06,703.375	2,312.72	1,00,99,104.326	2,366.22
Nippon India Hybrid Bond Fund	10	7,83,893.963	518.85	-	-
Bajaj Finserv Arbitrage Fund	10	76,36,337.946	910.33	-	-
Aditya Birla Sun Life Government Security Fund	10	-	-	3,51,343.579	303.79
Nippon India Gilt Security Fund	10	-	-	5,20,205.227	220.81
ICICI Prudential Multi Asset Fund	10	3,99,012.587	3,338.11	2,15,836.401	1,705.61
Aditya Birla Sun Life Multi Asset Allocation Fund	10	2,24,86,111.034	3,588.69	-	-
Nippon India Multi Asset Allocation Fund	10	2,15,76,694.337	5,288.53	-	-
Bajaj Finserv Multi Allocation Fund	10	27,75,821.704	325.65	-	-
Total			23,149.20		18,808.70
Aggregate amount and Market Value of Quoted Investments					
- In Mutual Funds			23,149.20		18,808.70

8. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Considered Good		
- Secured	356.74	328.57
- Unsecured	318.83	255.92
	675.57	584.49

8.1 AGEING OF TRADE RECEIVABLE

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Within Credit Period	Less than 6 Months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31, 2026							
(i) Undisputed Trade receivables – considered good	673.94	1.53	0.08	0.02	-	-	675.57
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Total	673.94	1.53	0.08	0.02	-	-	675.57
As at March 31, 2025							
(i) Undisputed Trade receivables – considered good	571.04	12.62	0.41	0.42	-	-	584.49
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Total	571.04	12.62	0.41	0.42	-	-	584.49

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

8.3 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, 2026	As at March 31, 2025
Balances with banks		
In current accounts	181.19	262.11
Fixed deposits with Banks(having original maturity of less than 3 months)	749.40	2,000.00
Cash in hand	3.00	2.51
	933.59	2,264.62

9.b) OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Margin Money Accounts {Refer Note No. 9.b)(i)}	247.89	750.89
Earmarked balances with bank		
Unclaimed Dividend Account {Refer Note No. 9.b)(ii)}	26.50	27.71
	274.39	778.60

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

9.b)(ii) – Balances with banks of unpaid dividend account represents money that can be utilised for dividend payment to equity shareholders.

10. LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured Considered Doubtful)		
At amortised cost		
Loan to Body Corporate (Refer Note No. 44)	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, 2026	As at March 31, 2025
Balance as at the beginning of the year	45.00	45.00
Recognised during the year	-	-
Less: Reversal during the year	-	-
Balance at the end of the year	45.00	45.00

11. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good)		
Security Deposit		
- Related parties (Refer Note No. 41)	49.00	49.00
- Others	-	6.37
Advance to Employees	10.02	10.28
Interest accrued on deposits	62.78	78.76
Insurance Claim Receivable (Refer Note No.26.3)	384.00	-
	505.80	144.41

12. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Advances other than Capital Advances		
Advances for supply of goods and rendering of services (Refer Note No. 12.a)	484.85	483.08
Export Incentive License pending utilisation	0.07	0.02
Prepaid expenses	171.41	198.13
Surplus in Gratuity Fund	-	18.06
Other Advances (Refer Note No.12.b)	15.71	-
	672.04	699.29

- 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 represents expenditure for Corporate Social Responsibility (CSR) in excess of the limit specified under section 135 of the Companies Act, 2013.

13. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Authorized		
10,000 5% Cumulative Tax Free Redeemable Preference Shares of Rs.100 each	-	-
39,900,000 (Previous Year 39,800,000) Equity Shares of Rs.10 each	3,990.00	3,990.00
100,000 'A' (Previous Year 100,000) Equity Shares of Rs.10 each	10.00	10.00
	4,000.00	4,000.00
Issued		
15,511,250 (Previous Year 15,511,250) Equity Shares of Rs.10 each	1,551.12	1,551.12
100,000 'A' (Previous Year 100,000) Equity Shares of Rs.10 each	10.00	10.00
	1,561.12	1,561.12
Subscribed and Paid-up		
15,508,350 (Previous Year 15,508,350) Equity Shares of Rs.10 each	1,550.83	1,550.83
100,000 'A' (Previous Year 100,000) Equity Shares of Rs.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 the preferential amounts if applicable, in proportion of their shareholding.
- 13.2 There has been no changes/movements in number of shares outstanding at the beginning and at the end of the reporting period.

13.3 Shareholders holding more than 5% equity shares

(₹ in Lakhs)

Name of share holders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of Total Shares	No. of shares	% of Total Shares
ISG Traders Limited	49,30,644	31.59	49,30,644	31.59
Albert Trading Company Private Limited	9,05,200	5.80	9,05,200	5.80
Lok Prakashan Limited	8,52,363	5.46	8,52,363	5.46
Anushree Himanshubhai Shah	8,64,057	5.54	-	-

13.4 Promoter's Shareholding :

(₹ in Lakhs)

Name of Promoters	As at March 31, 2026		% Change During the year 2025-2026	As at March 31, 2025		% Change During the year 2024-2025
	No. of Shares	% of Total Shares		No. of Shares	% of Total Shares	
I S G Traders Limited	49,30,644	31.59	-	49,30,644	31.59	-
Albert Trading Company Private Limited	9,05,200	5.80	-	9,05,200	5.80	-
Silent Valley Investments Limited	6,21,000	3.98	-	6,21,000	3.98	-
Continuous Form (Calcutta) Limited	5,10,000	3.27	-	5,10,000	3.27	-
Mr. Shrivardhan Goenka	45,500	0.29	-	45,500	0.29	-
	70,12,344	44.93	-	70,12,344	44.93	-

14. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
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	62,687.67	59,150.39
Profit for the year	3,275.34	4,114.45
Transfer from Other Comprehensive Income in respect of remeasurement of defined benefit plan	10.45	47.16
Less:- Final Dividend	(546.29)	(624.33)
As at Balance Sheet date (d) (Refer Note No. 14.4)	65,427.17	62,687.67
Other Comprehensive Income		
(i) Equity instrument through other comprehensive income		
As per last Balance Sheet	(2,249.62)	(2,075.05)
Other Comprehensive Income for the year (net of tax)	-	(174.57)
Total	(2,249.62)	(2,249.62)
(ii) Remeasurement of defined benefit plan		
As per last Balance Sheet	-	-
Other Comprehensive Income for the year (net of tax)	10.45	47.16
Transfer to Retained Earnings	(10.45)	(47.16)
Total	-	-
As at Balance Sheet date (e) (Refer Note No. 14.5)	(2,249.62)	(2,249.62)
Total (a to e)	69,269.06	66,529.55

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 on redemption of 5% Cumulative Tax Free Redeemable Preference Shares of Rs.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 amount of accumulated earnings of the company. This includes Rs. 24,713.07 Lakhs (March 31, 2025 Rs. 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 Land measured at fair value as on date of transition as deemed cost. This also includes other comprehensive loss of Rs. 27.14 Lakhs (March 31, 2025 Rs. 37.59 Lakhs) as at Balance sheet date relating to remeasurement of defined benefits plan (net of tax) which cannot be reclassify to the statement of profit and loss.

14.5 Other Comprehensive Income (OCI)

Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under 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 equity in OCI. This reserve represents the cumulative gains and losses arising on equity instruments being measured at fair value. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.
- b. This also includes actuarial gains and losses arising on defined benefit obligations recognised in OCI which is transferred to retained earning as stated in note no. 14.4.

- 14.6 Subsequent to the Balance Sheet date, the Board of Directors of the Company have recommended dividend @ 25% (Rs. 2.50 /- per share) on 15608350 equity shares of Rs.10 each/- for the financial year ended March 31, 2026. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been recognized as a liability in this financial statements. The total estimated equity dividend to be paid is Rs. 390.21 Lakhs.

15. LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Lease Liabilities	354.02	399.28
	354.02	399.28

15.1 Refer Note No. 32.5**16. OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Security Deposit (Refer Note No.16.1)	1,032.32	983.69
	1,032.32	983.69

- 16.1 Security Deposit includes Rs. 862.36 Lakhs (Previous year Rs.829.90 Lakhs) taken from Customers at interest rate of 7% per annum.

17. PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits (Refer Note No.37)	312.55	365.38
	312.55	365.38

18. 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, 2026	As at March 31, 2025
Deferred tax Assets	(108.38)	(110.21)
Deferred tax Liabilities	6,543.05	7,188.71
Net Deferred Tax (Assets)/Liabilities	6,434.67	7,078.50

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2026 are given below: (₹ in Lakhs)

Particulars	"As at April 01, 2025"	Charge/(Credit) recognised	Charge/(Credit) recognised in other comprehensive income	"As at March 31, 2026"
Deferred Tax Assets:				
Expenses allowable on payment basis	86.30	(1.68)	-	87.98
Remeasurement of defined benefit obligations	23.91	-	3.51	20.40
Total Deferred Tax Assets	110.21	(1.68)	3.51	108.38
Deferred Tax Liabilities:				
Timing difference with respect to Property, Plant and Equipment (Refer Note No. 18.1)	6,895.92	(546.47)	-	6,349.45
Recognition of Biological Assets	6.82	15.12	-	21.94
Fair value of Investment through Statement of Profit and Loss	285.97	(114.31)	-	171.66
Total Deferred Tax Liabilities	7,188.71	(645.66)	-	6,543.05
NET DEFERRED TAX (ASSETS)/ LIABILITIES	7,078.50	(647.34)	3.51	6,434.67

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2025 are given below: (₹ in Lakhs)

Particulars	"As at April 01, 2024"	Charge/(Credit) recognised	Charge/(Credit) recognised in other comprehensive income	"As at March 31, 2025"
Deferred Tax Assets:				
Expenses allowable on payment basis	93.03	6.73	-	86.30
Remeasurement of defined benefit obligations	39.77	-	15.86	23.91
Total Deferred Tax Assets	132.80	6.73	15.86	110.21
Deferred Tax Liabilities:				
Timing difference with respect to Property, Plant and Equipment	6,925.12	(29.20)	-	6,895.92
Recognition of Biological Assets	14.57	(7.75)	-	6.82
Fair value of Investment through Statement of Profit and Loss	322.03	(36.06)	-	285.97
Total Deferred Tax Liabilities	7,261.72	(73.02)	-	7,188.71
NET DEFERRED TAX (ASSETS)/ LIABILITIES	7,128.92	(66.28)	15.86	7,078.50

18.1 During the year, the carrying value of the deferred tax liabilities has been reassessed considering the variation in the indexation scheme and rate of taxation, etc. and Rs. 490.00 Lakhs has been written back in this respect and included under deferred tax for the year ended 31 March, 2026.

18.2 The amount of deductible temporary differences for which no deferred tax assets in absence of foreseeable utilisation against taxable income of the company has been recognised in the balance sheet are as below:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Effect of profit/loss on fair value of Investment through Other Comprehensive Income	292.23	292.23

19. LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current maturities of lease Liability	76.61	67.50
	76.61	67.50

19.1 Refer Note No. 32.5

20. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (Refer Note No.20.1)	1,316.88	1,055.76
Total outstanding dues of creditors other than micro enterprises and small enterprises.	666.81	1,065.71
	1,983.69	2,121.47

20.1 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, 2026	As at March 31, 2025
a) Principal & Interest amount remaining unpaid but not due as at year end	1,316.88	1,055.76
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

20.2 Ageing of Trade Payables :
Outstanding for following periods from due date of payment

(₹ in Lakhs)

As at March 31, 2026	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	1,265.64	-	-	-	-	1,265.64
(ii) Others	630.09	28.15	-	2.40	-	660.64
(iii) Disputed dues - MSME	46.80	4.44	-	-	-	51.24
(iv) Disputed dues - Others	-	-	-	1.92	4.25	6.17
Total	1,942.53	32.59	-	4.32	4.25	1,983.69

As at March 31, 2025	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	1,020.46	0.69	-	-	-	1021.15
(ii) Others	1,033.69	11.10	2.91	-	-	1047.70
(iii) Disputed dues - MSME	-	2.75	-	-	31.86	34.61
(iv) Disputed dues - Others	-	0.82	1.94	5.51	9.74	18.01
Total	2,054.15	15.36	4.85	5.51	41.60	2121.47

20.3 Trade payables are non interest bearing and are normally settled on agreed credit terms.

21. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Unclaimed dividends (Refer Note No. 21.1 and 21.2)	26.50	27.71
Liability for Capital Goods:		
- Total outstanding dues of micro enterprises and small enterprises	100.96	43.14
- Total outstanding dues of Creditors other than micro enterprises and small enterprises	184.09	226.69
Payable to Employees	502.79	525.31
Others (Refer Note No. 21.3)	880.32	1,284.13
	1,694.66	2,106.98

- 21.1 During the year an amount of Rs.3.48 Lakhs in respect of the dividend for the financial year 2017-18 has been transferred to Investor Education and Protection Fund (IEPF) within the prescribed time limit as required under Companies Act,2013.
- 21.2 During the previous year an amount of Rs.3.81 Lakhs in respect of the dividend for the financial year 2016-17 has been transferred to Investor Education and Protection Fund (IEPF) within the prescribed time limit as required under Companies Act,2013.
- 21.3 Includes provision for incentive/ charges against sales and purchases.

22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance from customers (Refer Note No. 22.1)	492.84	569.77
Statutory dues (Goods and Service Tax, Provident Fund, Tax Deducted at Source etc.) (Refer Note No. 22.2)	477.00	242.99
	969.84	812.76

- 22.1 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 provided in future period, revenue is recognised once performance obligation is met i.e. once the control over product or service has been transferred to the customer.
- 22.2 Includes Rs. 29.22 Lakhs (previous year 28.22 Lakhs) towards municipal tax payable in respect of property and water cess which has not been paid pending reconciliation and final settlement.

23. PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits (Refer Note No. 37)	82.50	57.54
	82.50	57.54

24. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for taxation (net of advance tax)	-	166.76
	-	166.76

- 24.1 Provision for Income Tax as on 31st March 2025 is net of Advance Tax including Tax Deducted at Source and Tax Collected at source of Rs.1,098.53 Lakhs .

25. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
a) Sale of products (Refer Note No.43(c))	40,497.16	43,166.21
b) Other Operating Revenue		
Sale of Scrap	494.67	467.17
Export Incentive	1.99	0.12
	496.66	467.29
	40,993.82	43,633.50

26. OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Interest Income:-		
On loans, deposits, overdue Trade Receivable etc.	97.99	118.72
On Financial Assets measured at amortised cost	1.45	1.35
Other non-operating income (net of expenses directly attributable to such income).		
Net change in fair value of biological assets	60.08	-
Net gain on sale / redemption of Current investments	565.22	245.65
Net gain on fair valuation of Current investments through profit and loss	409.25	1,022.16
Profit on sale of Property, Plant and Equipment (Net)	32.20	-
Insurance claim received (Refer Note No. 26.3)	423.92	161.70
Provision/ Liability no longer required written back	342.74	287.73
Miscellaneous income (Refer Note No. 26.1 and 26.2)	431.41	556.61
Total	2,364.26	2,393.92

26.1 Includes Rs.340.32 Lakhs (previous year Rs.420.41 Lakhs) in respect of sale of clonal plant.

26.2 Includes Rs.Nil (previous year Rs. 36.25 Lakhs) including interest thereon being the amount recovered from one of the customers on settlement of the matter disputed and pending before the court of law.

26.3 Includes insurance claim of Rs. 384.00 Lakhs received subsequent to the Balance Sheet date against loss of building and machinery due to fire in the finishing house in the earlier year.

27. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Raw Materials Consumed	20,199.70	20,200.94

27.1 DETAILS OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Wood, wood and paper waste and wood pulp	15,783.16	16,044.73
Chemical and Dyes Consumed	4,416.54	4,156.21
Total	20,199.70	20,200.94

28. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE & WORK-IN-PROGRESS (₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Opening Stock:		
Stock In Process	565.06	981.30
Finished Stock	3,276.54	4,638.23
	3,841.60	5,619.53
Closing Stock:		
Stock In Process	723.13	565.06
Finished Stock	1,711.35	3,276.54
	2,434.48	3,841.60
(Increase)/ Decrease in Stock of Paper and Work-in-Progress	1,407.12	1,777.93

29. EMPLOYEES BENEFIT EXPENSES (₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Salaries, Wages, Bonus and Benefits etc.	2,765.49	2,743.42
Contribution Provident and Other Funds	182.12	182.20
Employees Welfare Expenses	203.20	147.54
	3,150.81	3,073.16

Note : The Government of India has notified the new Labour Codes with effect from 21.11.2025. The present emoluments of the company broadly are in line with New Labour codes. The company is continuously monitoring further development including those relating to related rules and regulations and shall evaluate and give effect to the consequential adjustments if any arising in this respect.

30. FINANCE COSTS (₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Interest Expense on Security Deposit	59.54	57.54
Interest on Lease Liability	31.35	33.77
Interest on others	2.19	5.10
	93.08	96.41

31. DEPRECIATION AND AMORTIZATION EXPENSES (₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
- On Property, Plant and Equipment including Right of Use Assets	697.12	638.95
	697.12	638.95

32. OTHER EXPENSES (₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Stores and components consumed	1,451.51	1,466.85
Power and fuel	6,749.35	6,959.08
Repair to:-		
Buildings	328.11	506.65
Machinery	881.53	838.27
Others	15.92	13.41
Rent	132.56	117.66
Net Change in Fair Value of Biological assets	-	30.80
Rates and Taxes	200.68	155.35

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Insurance	320.11	293.67
Packing , Transportation and other selling expenses	229.82	283.32
Brokerage and Commission	349.25	416.73
Brand Usage Fees (Refer Note No. 32.4)	303.73	323.75
Legal and Professional Charges	731.32	699.38
Sundry balances written off	4.99	-
General manufacturing expenses	965.72	991.55
Directors Sitting Fees	18.80	19.20
Auditors Remuneration (Refer Note No. 32.1)	13.85	14.00
Corporate Social Responsibility Expenditure (Refer Note No. 32.2)	126.92	127.00
Miscellaneous expenses (Refer Note No. 32.3)	1,563.31	1,639.05
	14,387.48	14,895.72

32.1 AUDITORS REMUNERATION

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Statutory Audit	8.25	8.25
Tax Audit	2.00	2.00
Certification and Others	3.60	3.75
	13.85	14.00

32.2 DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES

- (a) Gross amount required to be spent by the Company during the year 2025-26 pursuant to the provision of section 135 of the Companies Act 2013 and rules made there under is Rs. 126.92 Lakhs (Previous year Rs. 127.00 Lakhs).
- (b) CSR expenditure under relevant clauses of Schedule VII of the Act: (₹ in Lakhs)

Particulars	2025-26			2024-25		
	Amount Spent	Amount Provided for	Net Amount	Amount Spent	Amount provided for	Net Amount
Promoting health care including preventive health care sanitation and making available safe drinking water.	24.94	-	24.94	24.12	-	24.12
Promoting education, including special education and employment enhancing vocational skill specially among children, women, elderly and differently abled and livelihood enhancement projects.	88.94	-	88.94	63.44	-	63.44
Promoting gender equality, empowering woman, distribution of sanitary napkins and care for senior citizens and economically backward groups.	7.37	-	7.37	5.97	-	5.97
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.	21.06	-	21.06	11.07	-	11.07
Protection of National Heritage, Art and culture, restoration of buildings and site of historical importance, works of art etc.	0.32	-	0.32	0.50	-	0.50
Total	142.63	-	142.63	105.10	-	105.10

(c) **Detail of carried forward amount:** (₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year ended 31 st March 2025
Opening balance of CSR Advance	-	21.90
Add: Payment During the Year	142.63	105.10
	142.63	127.00
Expense to be recognised in the Statement of Profit and Loss as per Section 135 of Companies Act, 2013	126.92	127.00
Excess amount carried forward (Refer Note No.12)	15.71	-

32.3 Includes Rs 159.11 Lakhs (March 31,2025 Rs. 215.54 Lakhs) on account of research and development expenses.

32.4 The company has entered into an agreement with ISG Traders Limited for payment of fees against usage of Brand name cum Logo 'Duncan Goenka' from the year 2023-2024. Accordingly, Rs. 303.73 Lakhs (Previous year Rs.323.75 Lakhs) being the amount payable in this respect has been recognised as Brand Usage fees and has been disclosed separately under Other Expenses.

32.5 **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 the inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements, except for short-term leases (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, incremental borrowing rate is considered for the purpose.

The weighted average incremental borrowing rate applied to leases recognised during the FY 2025-26 is 7%.

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 leases of low value assets. The aggregate lease rental of Rs. 132.56 Lakhs (Previous year Rs 117.66 Lakhs) **(Refer Note No.32)** on such lease has been charged to statement of Profit and Loss".

(c) **Lease Liabilities Reconciliation** (₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
(i) Opening Balance	466.78	500.51
(ii) Addition during the Year	-	-
(iii) Interest on lease liabilities (Refer Note No.30)	31.35	33.77
(iv) Repayment	67.50	67.50
(v) Closing Balance	430.63	466.78

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

Particulars	2025-26	2024-25
Not later than one year	76.61	67.50
Later than one year and not more than five years	437.68	420.30
Later than five years	23.50	117.48

(e) Lease Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Non-Current	Current	Total	Non-Current	Current	Total
Lease Liabilities	354.02	76.61	430.63	399.28	67.50	466.78
Total	354.02	76.61	430.63	399.28	67.50	466.78

33. TAX EXPENSES

33.1 COMPONENT OF TAX EXPENSES:

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Current Tax		
In respect of current year	916.47	1,265.29
In respect of earlier year	(121.70)	30.85
Total Current Tax expenses recognised in the current year	794.77	1,296.14
Deferred Tax		
In respect of current year	(647.34)	(66.28)
Total Deferred Tax expenses recognised in the current year	(647.34)	(66.28)
Total tax expense recognised in the current year	147.43	1,229.86

33.2 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 2026	Year Ended 31 st March 2025
Profit before tax	3,422.77	5,344.31
Income tax expense calculated at 25.168% as applicable for corporate entities on taxable profits under the Indian tax laws	861.48	1,345.06
Add: Effect of Expenses that are not deductible in determining Taxable Profit		
Effect of tax on capital gain	-	3.86
Expenses not allowed for tax purposes	31.94	31.97
Less : Effect of Expense/income that are deductible/not taxable in determining taxable profit		
Effect of difference in Tax rate for Profit and Gain of Business and Profession and Capital Gain	134.29	181.88
Reversal of Deferred Tax Liabilities on Land created in earlier year	490.00	-
Effect of Tax of earlier year	121.70	(30.85)
Income tax expense recognised in profit or loss	147.43	1,229.86

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.

34. COMPONENTS OF OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Items that will not be reclassified to Statement of Profit or Loss		
Net fair value changes on investments in equity shares at FVTOCI	-	(174.57)
Remeasurement of defined benefit plans	13.96	63.02
	13.96	(111.55)

34.1 INCOME TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Deferred tax charge/(credit) on:		
Remeasurement gains of defined benefit obligation	3.51	15.86
Income tax recognized in Other Comprehensive income	3.51	15.86
Bifurcation of the income tax recognized in Other comprehensive income into:		
Items that will be reclassified to profit or loss	3.51	15.86

34.2 COMPONENTS OF OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Items that will not be reclassified to statement of profit and loss		
Net fair value changes on investments in equity shares at FVTOCI (net of tax)	-	(174.57)
Remeasurement of defined benefit obligation (net of tax)	10.45	47.16
	10.45	(127.41)

35. Refer Company overview, basis of preparation and material accounting policies

35. COMPANY OVERVIEW, BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES
1. Corporate Information

Star Paper Mills Limited ('the company') having Corporate Identity Number ("CIN") L21011WB1936PLC008726 is a public limited company incorporated and domiciled in India having its plant at Saharanpur in the State of Uttar Pradesh and registered office at Duncan House, 2nd Floor, 31, Netaji Shubash Road, Kolkata in the State of West Bengal. The Company is engaged in the manufacture and supply of Paper, and Paper Board and other related products as its core business. It produces a wide range of Industrial Packaging and cultural paper catering various segments of the consumer. The Company's shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

2. Statement of Compliance and Recent Accounting Pronouncements
2.1 Statement of Compliance

These financial statements ("financial statements") have been prepared under Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act (to the extent notified) and presentation requirements of Division II of Schedule III to the Act, as applicable to the financial statements.

The financial statements for the year ended 31 March, 2026 were approved for issue by the Company's Board of Directors on 25th May 2026 and are subject to adoption by the shareholders in the ensuing Annual General Meeting.

All Ind AS issued and notified till the financial statements are approved for issue by the Board of Directors have been considered in preparing these financial statements.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

2.2 Application of New and Revised Standards :

Effective April 01, 2025, the Company has adopted the amendments notified by the Ministry of Corporate Affairs (MCA) related to Indian Accounting Standard (Ind AS) 21 "The Effects of Changes in Foreign Exchange Rates" which provided guidance for assessing lack of exchangeability between currencies and estimating the spot exchange rate when a currency is not exchangeable. Additional disclosure requirements have also been introduced in such scenarios, including the nature and financial effect of the currency in exchangeability, the estimation methodology used, and risks arising therefrom.

Ministry of Corporate Affairs (MCA) vide notification dated May 07, 2025, has amended Indian Accounting Standard (Ind AS) 21 "The Effects of Changes in Foreign Exchange Rates" and Ind AS 101 "First-time Adoption of Indian Accounting Standards". These amendments are applicable for annual reporting periods beginning on or after April 01, 2025. The key amendment relates to providing guidance for assessing lack of exchangeability between currencies and estimating the spot exchange rate when a currency is not exchangeable. Additional

disclosure requirements have also been introduced in such scenarios, including the nature and financial effect of the currency in exchangeability, the estimation methodology used, and risks arising therefrom.

Further, vide notification dated August 13, 2025 MCA has further amended Ind AS 7 "Statement of Cash Flows" and Ind AS 107 "Financial Instruments: Disclosures" it provides for disclosure with respect to Supplier Finance Arrangement with the objective to assess how supplier's finance arrangement affect and entity's liabilities, cash flow and their effect on the company's exposure to liquidity risk.

The adoption of these amendments to the extent applicable to the Company did not have impact on the profit or loss and earnings per share of the Company for the year.

2.3 Recent Accounting Pronouncements : Standards issued but not yet effective :

Ministry of Corporate Affairs (MCA) vide notification dated August 13, 2025 has further amended Ind AS 1 relating to Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after April 1, 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Company does not expect this amendment to have an impact on its operations or financial statements.

3. Material Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis except for:

- certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period.
- 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; and
- Defined benefit plans- Plan Assets measured at fair value

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.

Functional /presentation currency and rounding-off of amounts

The items included in the financial statements (including notes thereon) are measured using the currency of the primary economic environment in which the Company operates ("the functional currency") and are, therefore, presented in Indian Rupees ("INR" or "Rupees" or "Rs." or "₹"). All amounts disclosed in the financial statements, including notes thereon, have been rounded off to the nearest two decimals of Lakhs unless otherwise stated.

3.2 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.

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 (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements

and regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

3.3 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition i.e. PPE which have been fair valued on transition to be considered as deemed cost or cost of 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 duties and taxes (net of input tax credit availed), inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences 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 discounts and rebates. In addition, Interest on Borrowings utilised to finance the construction of qualifying assets are capitalised as part of cost of the asset until such time that the asset is ready for its intended use.

Parts of an item of Property, Plant and Equipment 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 carrying amount of the replaced part of property, plant and equipment consequent to additions made thereto is derecognised. The costs of servicing and repairs and maintenance of property, plant and equipment are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company's lease assets comprising of Building have been separately shown under PPE as Right-of-Use (ROU) Assets.

Property, plant and equipment that are not ready for intended use on the balance sheet date are disclosed as "Capital work-in-progress". Capital work in progress includes purchase price, duties and taxes (net of input tax credit availed) and any directly attributable cost (including finance costs relating to borrowed funds utilised for construction or acquisition of property, plant and equipment incurred till projects are under implementation) of bringing the assets to their working condition and trial run expenses up to the date of installation. Such items are classified to the appropriate categories of Property, Plant and Equipment when gets completed and are ready for intended use. Amount paid towards acquisition of PPE outstanding as at each reporting date are recognized as capital advances under "Other Non-Current Assets."

Depreciation and Amortization, Estimated useful lives and residual value:

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 to allocate their cost, net of their residual value. Subsequent additions to the cost of Property, Plant and Equipment are depreciated over the remaining life of mother asset.

Leasehold Building classified as ROU assets are amortised on straight line basis over the estimated useful lives (or lease term if shorter).

No depreciation is charged on Freehold land.

Useful life of Property, Plant and Equipment are reviewed and assessed by the Company at the end of the year based on technical evaluation of relevant class of assets. Based on the above the estimated useful life of assets are as follows:

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

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.

3.4 Leases

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1. the contract involves the use of an identified asset,
2. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and,
3. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considered for arriving at ROU and lease liabilities when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset (under PPE) have been separately disclosed in the Balance Sheet and lease payments have been classified as part of financing cash flows.

3.5 Derecognition of Tangible and ROU assets

An item of Property, plant and equipment (including ROU assets) 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 Property, Plant and Equipment 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.

3.6 Impairment of Tangible and ROU assets

Tangible and ROU 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 using pre-tax discount rate 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.

3.7 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.

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. However, dividends on equity instruments on fair value through other comprehensive income (FVTOCI) is recognised in profit or loss.

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.

III. **De-recognition**

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to the third party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the assets' carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI (except equity instruments) the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

IV. **Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

B. **Financial liabilities**

I. **Initial recognition and measurement**

The financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, etc. Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

II. **Subsequent measurement**

For subsequent measurement, financial liabilities are classified into two categories:

- (i) Financial liabilities at amortised cost, and
- (ii) Derivative instruments at fair value through profit or loss (FVTPL).

Financial liabilities at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. When the financial liabilities are derecognized, gains and losses are recognized in profit or loss. 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.

III. **De-recognition**

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

C. **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.

D. **Derivative and Hedge Accounting**

Initial Recognition and Subsequent measurement

The company enters into derivative financial instruments such as foreign exchange forward and swap

contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset/ financial liability, at fair value through profit or loss. Transaction costs attributable are also recognized in Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

Hedging instrument which no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity remains therein till that time and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of profit and loss.

3.8 Impairment of assets

A. Non financial assets

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs of disposal, and its value in use.

To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If, at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognised is reversed so that the asset is recognised at its recoverable amount but not exceeding the value which would have been reported in this respect if the impairment loss had not been recognised.

B. 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 recognises loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortised cost.

The company recognises lifetime expected credit losses for trade receivables. Loss allowance equal to the lifetime expected credit losses are recognised if the credit risk on that financial asset 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.

3.9 Biological Assets

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

3.10 Inventories

The inventories are valued at lower of cost or net realisable value after providing for obsolescence, if any. 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 of traded goods include cost of purchase and other cost incurred in bringing the inventory to their present location and condition.

Cost in respect of process stock represents, cost incurred up to the stage of completion.

Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

3.11 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.

Non-current asset classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a Non-current asset classified as held for sale are presented separately from other liabilities in the balance sheet.

3.12 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. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in the Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.13 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.

3.14 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.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is 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.

Provisions, Contingent liabilities, and Contingent assets are reviewed at each balance sheet date.

3.15 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employee.

Short term Employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

Other Long Term Employee 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 cost of providing long term employee benefits consisting of leave encashment that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation. Bifurcation of liabilities into Current and Non-current are done based on actuarial valuation report.

Post Employment Benefits

The Company operates the following post employment schemes:

- Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets (funded to Life Insurance Corporation of India), together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Bifurcation of liabilities into Current and Non-current are done based on actuarial valuation report.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

- Defined Contribution Plans

In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the company and employee contribute monthly to Provident Fund Scheme the Central Government/Trust at a determined rate. The Company's contribution is charged off to the Statement of Profit and Loss as and when incurred.

3.16 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 rebates, claims and discounts, returns, Goods and Service Tax (GST) and such other taxes collected on behalf of third party not being economic benefits flowing to the company are excluded from revenue. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

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.

3.17 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized 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.

3.18 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.

Deferred tax items in correlation to the underline transactions relating to Other Comprehensive Income and Equity are recognised in Other Comprehensive Income and Equity respectively.

3.19 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.

3.20 Segment Reporting

Operating segments are identified and reported taking into account the different risk and return, organisation structure and in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). CODM is responsible for allocating resources and assessing performance of the operating segments, financial results, forecasts or plan for the segment and accordingly is identified as the chief operating decision maker.

The company operates in one business segment of Paper, Paper Board and related products being primary segment and all other activities revolve around the main activity.

3.21 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 there exists no significant uncertainty with regard to the collection. Revenue grants including subsidy/rebates are credited to the Statement of Profit and Loss Account under "Other Operating Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and transferred to the Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to the Statement of Profit and Loss over the periods as specified for meeting the obligations related to such grants.

3.22 Exceptional items

Exceptional items include income or expenses that are part of ordinary activities. However, they are of such significance and nature that separate disclosure enables the user of financial statements to understand the impact more clearly. These items are identified by their size or nature to facilitate comparison with prior periods and assess underlying trends in the Company's financial performance.

3.23 Statement of Cash Flows

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

For reporting Statement of Cash Flows, cash and cash equivalents consist of cash on hand, cheques on hand, balance with banks, and short term highly liquid investments, as stated above, net of outstanding book overdrafts, as they are considered an integral part of the Company's cash management.

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 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. The notes dealt with in 4.1 to 4.6 below provide an overview of the areas that involved

a high degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements are included in the relevant notes together with information about basis of calculation of each affected line item in the financial statements.

4.1 Depreciation / Amortization and Impairment on Property, Plant and Equipment and ROU assets

Property, Plant and Equipment (including ROU assets) are depreciated/ amortized on Straight Line Basis/ Written Down Value Basis over the estimated useful lives (or lease term, if shorter) in accordance with Schedule II to the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.2 Right-of-use assets and lease liability

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account among other thing, the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

4.3 Impairment allowances 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. In case of variation in financial condition the amount of impairment as recognised may vary having a significant impact on the Financial Statements.

4.4 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. Also there are matters pending before various judicial authorities outcome whereof are uncertain. Further, material judgement and assumptions are involved for arriving at timing differences and consequential adjustments on account of deferred taxation.

4.5 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.

4.6 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.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

36. Financial Instruments

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

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Cash and cash equivalents	933.59	933.59	2,264.62	2,264.62
Bank Balances Other than Cash and Cash Equivalents	274.39	274.39	778.60	778.60
Other Financial Assets	707.42	707.42	321.81	321.81
Trade Receivables	675.57	675.57	584.49	584.49
Financial Assets designated at Fair Value through Profit and Loss Account				
Investment in Mutual Funds	23,149.20	23,149.20	18,808.70	18,808.70
Financial Assets designated at Fair Value through Other Comprehensive Income				
Investment in Equity Instruments	1,536.29	1,536.29	1,536.29	1,536.29
(a) Total Financial Assets	27,276.46	27,276.46	24,294.51	24,294.51
Financial Liabilities (Current and Non-Current)				
Financial Liabilities designated at Amortised Cost				
Trade Payables	1,983.69	1,983.69	2,121.47	2,121.47
Lease Liability	430.63	430.63	466.78	466.78
Other Financial Liabilities	2,726.98	2,726.98	3,090.67	3,090.67
Total of Financial Liabilities	5141.30	5141.30	5678.92	5678.92

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 and borrowings 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, Price to Earnings 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, 2026:

(₹ in Lakhs)

Particulars	As at March 31, 2026	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Investment in Mutual Funds	23,149.20	23,149.20	-	-
	(18,808.70)	(18,808.70)	-	-
Investment in Equity Instruments (Non-Current)	1,536.29	-	-	1,536.29
	(1,536.29)	-	-	(1,536.29)

(*) Figures in round brackets () indicate figures as at March 31, 2025

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:

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

During the year ended March 31, 2026, 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, Price to Earning 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.

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 four customers aggregating to Rs.404.98 Lakhs which accounted for more than 10% of the accounts receivable as each case at March 31, 2026.

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 if considered necessary 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 it's 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, 2026. The Company does not have any borrowings hence there is no interest risk.

MATURITY ANALYSIS OF FINANCIAL LIABILITIES

As at March 31, 2026

(₹ in Lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Other Liabilities	2,726.98	-	1,694.66	-	1,032.32	2,726.98
Trade and other payables	1,983.69	-	1,983.69	-	-	1,983.69

As at March 31, 2025

(₹ in Lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Other Liabilities	3,090.67	-	2,106.98	-	983.69	3,090.67
Trade and other payables	2,121.47	-	2,121.47	-	-	2,121.47

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, 2026 and March 31, 2025, so the disclosures of Capital Gearing Ratio for the same period has not been furnished

37. 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 31 st March, 2026	For the year ended 31 st March, 2025
Employer's Contribution to Provident Fund & Family Pension Fund	125.49	122.35

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 there 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)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
a) Change in the Present value of the defined benefit obligation:						
Liability at the beginning of the year	471.33	531.17	260.87	270.04	162.03	144.55
Interest Cost	28.70	35.43	17.05	18.37	8.62	8.02
Current Service Cost	45.26	45.75	0.52	0.55	15.89	19.58
Actuarial (gain) / loss on obligations	(4.82)	(64.05)	(4.74)	2.42	8.48	36.56
Benefits paid	(75.57)	(76.97)	(26.95)	(30.51)	(63.52)	(46.68)
Liability at the end of the year	464.91	471.33	246.77	260.87	131.51	162.03
b) Changes in the Fair Value of Plan Asset						
Fair value of Plan Assets at the beginning of the year	489.39	457.17	-	-	-	-
prior period adjustment	-	-	-	-	-	-
Expected Return on Plan Assets	29.90	32.80	-	-	-	-
Contributions by the Company	-	75.00	26.95	30.51	63.52	46.68
Benefits paid	(75.57)	(76.97)	(26.95)	(30.51)	(63.52)	(46.68)
Actuarial gain / (loss) on Plan Assets	4.41	1.39	-	-	-	-
Fair value of Plan Assets at the end of the year	448.13	489.39	-	-	-	-
c) Actual return on Plan Asset						
Expected return on Plan assets	29.90	32.80	-	-	-	-
Actuarial gain / (loss) on Plan Assets	4.41	1.39	-	-	-	-
Actual Return on Plan Assets	34.30	34.19	-	-	-	-
d) Amount Recognized in Balance Sheet						
Liability at the end of the year	464.91	471.33	246.77	260.87	131.51	162.03
Fair value of Plan Assets at the end of the year	448.13	489.39	-	-	-	-
	16.78	(18.06)	246.77	260.87	131.51	162.03
e) Components of Defined Benefit Cost						
Current Service Cost	45.26	45.75	0.52	0.55	15.89	19.58
Interest Cost	28.70	35.43	17.05	18.37	8.62	8.02
Expected Return on Plan Assets	(29.90)	(32.80)	-	-	-	-
prior period adjustment	-	-	-	-	-	-
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(9.22)	(65.44)	(4.74)	2.42	8.48	36.56
Total Defined Benefit Cost recognised in Profit and Loss and OCI	34.84	(17.06)	12.83	21.34	32.99	64.17

Particulars	Gratuity (Funded)		Pension (Non Funded)		Leave Encashment (Non Funded)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
f) Balance Sheet Reconciliation						
Opening Net Liability	(18.06)	74.00	260.87	270.04	162.04	144.55
Expenses as above	34.84	(17.06)	12.83	21.34	32.99	64.17
Employers Contribution	-	(75.00)	(26.95)	(30.51)	(63.52)	(46.68)
Amount Recognized in Balance Sheet	16.78	(18.06)	246.76	260.87	131.52	162.04
g) Principal Actuarial assumptions as at the Balance Sheet date						
Discount Rate(Per annum)	7.32%	6.62%	7.59%	6.89%	7.32%	6.62%
Salary Growth Rate (Per annum)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Rate of Return on Plan Assets	6.62%	7.19%	NA	NA	NA	NA

Notes:

- 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.
- The Company contributed Rs .Nil (Previous Year Rs. 75.00 Lakhs) to Gratuity fund in 2025-26.

h) Recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	Gratuity	Pension
Remeasurement - Actuarial loss/(gain)		
For the year ended March 31, 2025	(65.44)	2.42
Remeasurement - Actuarial loss/(gain)		
For the year ended March 31, 2026	(9.22)	(4.74)

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

In respect of Funded Gratuity, the funds are managed by the insurer and therefore the percentage or amount that each major category constitutes the fair value of total plan assets and effect thereof on overall expected rate of return on assets is not ascertainable.

j) 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, 2025				
Discount Rate	+1%	(18.28)	(3.99)	(7.29)
	-1%	20.08	4.44	8.05
Salary Growth Rate	+1%	18.78	0.59	7.47
	-1%	(17.34)	(0.57)	(6.88)
For the year ended 31st March, 2026				
Discount Rate	+1%	(18.10)	(17.13)	(6.95)
	-1%	19.87	19.61	7.75
Salary Growth Rate	+1%	18.96	0.45	7.23
	-1%	(17.51)	(0.43)	(6.59)

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.

k) History of experience adjustments is as follows: (₹ in Lakhs)

Particulars	Gratuity	Pension	Leave
For the year ended March 31, 2025			
Plan Liabilities - (loss)/gain	(65.44)	2.42	36.56
Plan Assets - (loss)/gain	-	-	-
For the year ended March 31, 2026			
Plan Liabilities - (loss)/gain	(9.22)	(4.74)	8.48
Plan Assets - (loss)/gain	-	-	-

i) Maturity Profile of Defined Benefit Obligation (₹ in Lakhs)

Expected Cash Flows over the next (valued on undiscounted basis)	Gratuity	Pension	Leave
1 year	94.59	41.79	20.96
2 to 5 years	241.25	149.78	70.79
6 to 10 years	168.51	137.53	56.84
More than 10 years	251.16		70.76

38. CALCULATION OF EARNING PER SHARE IS AS FOLLOWS:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Net profit for basic and diluted earnings per share as per Statement of Profit and Loss (Rs. in Lakhs)	3,275.34	4,114.45
Net profit for basic and diluted earnings per share	3,275.34	4,114.45
No of equity shares outstanding as on 31 st March:		
(b) Weighted average number of equity shares for calculation of basic and dilute earnings per share (Face value Rs. 10/- per share)		
No of equity shares outstanding as on 31st March	1,56,08,350	1,56,08,350
	1,56,08,350	1,56,08,350
(c) Weighted average number of equity shares outstanding	1,56,08,350	1,56,08,350
d) Earnings per share (EPS) of Equity Share of Rs. 10 each:		
a) Basic (Rs.)	20.98	26.36
b) Diluted (Rs.)	20.98	26.36

39. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 37 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS
39.1 Contingent Liabilities and Commitments (to the extent not provided for)
A. CONTINGENT LIABILITIES (₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Various show cause notices/demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forum / authorities:		
1. Sales Tax including Trade Tax (demand paid under protest is Rs. 445.80 Lakhs)	744.08	843.20
2. Electric Duty	2.70	2.70
3. Employees State Insurances Corporation	11.57	11.57
4. Forest Department Dues	69.10	69.10
5. Entry tax on fuels, etc.(demand paid under protest Rs.25 Lakhs)	71.92	71.92
6. Workers Claims	55.78	54.77
7. Compensation Claimed by Railway Authorities	3,200.00	3,200.00
8. Income Tax	763.89	772.09
9. Goods and Services Tax (GST) (demand paid under protest Rs.60.03 Lakhs)	1,863.51	2,374.23
10. Municipal Corporation (Nagar Nigam)	661.20	505.62

11. Singrauli Punarasthanan Charged by Northern Coalfields Limited	88.77	-
12. 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 disclosures, 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, if any, in respect of the above is dependent upon the outcome of judgments / decisions.

B. Capital Commitment :

Estimated amount of contracts remaining to be executed on capital account (net of advances of Rs.263.84 Lakhs) Rs.1,166.37 Lakhs whereas for March 31, 2025 (net of advances of Rs.6.77 Lakhs) Rs.57.41 Lakhs.

40. 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.

41. 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 - Chairman Emeritus, Relative of a director
	Mr. M. Mishra - Managing Director
	Mr. S.V. Goenka - Director
	Mr. Shiromani Sharma-Director (Upto 27 th September, 2024)
	Mr. C.M. Vasudev-Director (upto 27 th September 2024)
	Dr. (Mrs.) Sheela Bhide (upto 31 st May 2024)
	Dr. R.C. Lodha-Director (with effect from 24 th May 2024)
	Mr. Anoop Mishra-Director (with effect from 28 th September 2024)
	Mr. Atul Mani Sharma-Director (with effect from 28 th September 2024)
	Mrs. Pragya Jhunjhunwala- 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 Forms (Calcutta) Limited
	I S G Traders Limited
	Albert Trading Company Private Limited
	Silent Valley Investments Limited
	Odyssey Travels Limited
3) Enterprise who has significant influence on the company	I S G Traders Limited

B) Transactions With Related Parties

(₹ in Lakhs)

Particulars	For the Year March 31, 2026	For the Year March 31, 2025
Key Management Personnel (KMP)		
Short Term Employee Benefits*	635.37	544.63
Benefits to Non-Executive Directors inclusive of sitting fees	18.80	19.20

* 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 March 31, 2026	For the Year March 31, 2025
Remuneration		
Mr. M. Mishra	560.86	476.89
Mr. S. Sharma	-	2.80
Smt. Pragya Jhunjhunwala	2.00	2.40
Mr. S.V. Goenka	4.40	4.40
Mr. C.M. Vasudev	-	2.80
Dr. (Mrs.) Sheela Bhide	-	0.40
Dr. R. C. Lodha	4.00	2.80
Mr. Anoop Mishra	4.80	2.40
Mr. Atul Mani Sharma	3.60	1.20
Mr. Sanjeev Garg	49.11	44.64
Mr. Saurabh Arora	25.40	23.10
Total	654.17	563.83

(₹ in Lakhs)

Particulars	For the Year March 31, 2026	For the Year March 31, 2025
Consultancy Fee		
Mr. G.P. Goenka	342.00	342.00
Interest		
I S G Traders Limited	0.35	0.35
Brand Usage Fees (Refer Note No. 32.4)		
I S G Traders Limited	303.73	323.75
Rent and Repair and Maintenance		
Mrs. M. Mishra	25.35	25.35
Kavita Marketing Private Limited	17.92	5.01
Total	43.27	30.36
Dividend		
I S G Traders Limited	172.56	197.22
Mr. S.V. Goenka	1.59	1.82
Silent Valley Investments Limited	21.74	24.84
Continuous Form (Calcutta) Limited	17.85	20.40
Albert Trading Company Private Limited	31.68	36.21
Total	245.42	280.49

Particulars	For the Year March 31, 2026	For the Year March 31, 2025
Travelling Expenses		
Odyssey Travels Limited	0.14	1.07
Total	0.14	1.07

C) Closing Balance of Related Parties (₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Remuneration		
Mr. G.P. Goenka	169.00	169.00
Mr. M. Mishra	17.67	7.60
Mr. Sanjeev Garg	1.83	1.62
Mr. Saurabh Arora	1.18	0.99
Total	189.68	179.21
Rent Payable		
Kavita Marketing Pvt. Ltd.	-	3.19
Mrs. M. Mishra	2.08	2.08
Total	2.08	5.27
Security Deposit given		
Mrs. M. Mishra	14.00	14.00
Kavita Marketing Private Limited	35.00	35.00
Total	49.00	49.00
Advance Received		
I S G Traders Limited	3.00	2.72
Brand Usage Fees		
I S G Traders Limited	83.99	82.73
Security Deposit received		
I S G Traders Limited	5.00	5.00
Investment in shares		
I S G Traders Limited (Refer Note No. 41.C.1)	1,536.29	1,536.29

41.C.1 Investment in I S G Traders Limited has been shown at carrying fair value. Cost of investment in I S G Traders Limited is Rs. 3,579.89 Lakhs (as at March 31, 2025 Rs.3,579.89 Lakhs). **(Refer Note No.2.2).**

41.C.2 Reference is invited to Note No.50 regarding disqualification of the director and the amount of remuneration paid in earlier years and lying unpaid as on this date.

41.1 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, 2026, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (March 31, 2025 Rs. 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.

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

42. SEGMENT REPORTING

- a) The Company operates mainly in one business segment viz Paper , Paper Board and related products 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 :

(₹ in Lakhs)

Particulars	2025-26			2024-25		
	Within India	Outside India	Total	Within India	Outside India	Total
Sales	40,272.30	224.86	40,497.16	42,932.24	233.97	43,166.21
Non-Current Assets other than financial instruments	44,038.05	-	44,038.05	43,691.27	-	43,691.27

- b) Sales to a customer of the Company aggregates to Rs. 10,408.04 Lakhs (Previous Year Rs.9,883.41 Lakhs) which is more than 10% of the Company's total turnover.

43. REVENUE FROM CONTRACTS WITH CUSTOMERS :

- (a) Disaggregated revenue information **(Refer Note No. 42)**

- (b) Contract Balances

(₹ in Lakhs)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Trade Receivables	675.57	584.49
Contract Liabilities	492.84	569.77

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 despatch of goods to customer.

- (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, 2026	As at 31 st March, 2025
Revenue as per the Contracted Price	43,366.31	46,020.71
Claim ,Discount, Rebates etc.	(2,869.15)	(2,854.49)
Revenue from Contract with Customers	40,497.16	43,166.21

44. PARTICULARS OF LOANS GIVEN, AS PER SECTION 186(4) OF THE COMPANIES ACT, 2013.

(₹ in Lakhs)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025	Purpose
Loan given to Emperor Commercial and Tradco Private Limited (Refer Note No.44.1)	45.00	45.00	For general corporate purpose

- 44.1 In absence of certainty with regard to the recovery thereof, amount of Rs.45 Lakhs has been considered doubtful and provided in the books of accounts in earlier year and since then no interest on the same has been recognised in the books of accounts.

45. 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, 2026	As at 31 st March, 2025	Fair value hierarchy	Valuation techniques and key inputs
Unharvested clonal plants	87.18	27.10	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.

46. 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.

47. Trade Receivables, Trade payables and advances recoverable are subject to confirmation/reconciliation and consequential adjustments, if any which are not expected to be material, 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.

48. DISCLOSURE REGARDING BORROWED FUNDS

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.

49. RATIO ANALYSIS AND ITS ELEMENTS

Sl. No.	Ratio	Numerator	Denominator	31 st March 2026	31 st March 2025	% Change	Reason for variance (where change is more than 25 %)
(1)	Current ratio	Current Assets	Current Liabilities	7.90	6.91	14.40%	
(2)	Debt- Equity Ratio	"Long Term Borrowing (+) Current Maturities on long term debt (+) Total lease liabilities"	"Total Equity Computed as : Share Capital(+) Other Equity"	0.01	0.01	-11.31%	
(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+ Repayment of Lease Liability"	40.50	47.27	-14.32%	
(4)	Return on Equity ratio	Profit for the year [i.e. Profit After Tax]	Average Total Equity	0.05	0.06	-23.89%	
(5)	Inventory Turnover ratio	Revenue from operations	Average total Inventory	3.25	3.48	-6.72%	
(6)	Trade Receivable Turnover Ratio	Revenue from operations(excluding export incentive)	Average Trade Receivable	65.06	89.51	-27.31%	Revenue from operations has decreased and closing trade Receivables has increased as compared to previous year.

Sl. No.	Ratio	Numerator	Denominator	31 st March 2026	31 st March 2025	% Change	Reason for variance (where change is more than 25 %)
(7)	Trade Payable Turnover Ratio	Total Purchases	Average Trade Payables	10.91	9.93	9.85%	
(8)	Net Capital Turnover Ratio	Revenue from operations	"Average Working capital computed as Average Current Assets (-) Average Current Liabilities"	1.27	1.47	-13.89%	
(9)	Net Profit ratio	Profit for the year [i.e. Profit After Tax]	Revenue from operations	0.08	0.09	-15.27%	
(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"	0.04	0.07	-37.48%	Profit before tax has decreased as compared to last year.
(11)	"Return on Investment"						
	(a) Equity Instrument	"Loss on fair valuation of equity instrument"	Average Investment in Equity Instrument	-	(0.11)	100.00%	No change in fair valuation of invetsment.
	(b) Mutual Fund	"Gain on sale and fair value of mutual fund"	Average Investment in Mutual Fund	0.05	0.07	-33.16%	Fair valuation of invetsment in mutual fund has decreased as compared to previous year.

50. 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 descision of the court, remuneration of Rs.169 lakhs as agreed upon even though provided for in earlier years has not been paid. Remuneration of Rs.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.

51. OTHER DISCLOSURE REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013:

(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

(₹ in Lakhs)

Name Of Companies	Nature of Transaction	Balance outstanding as at 31 st March, 2026		Balance outstanding as at 31 st March, 2025		Relationship with struck off companies
		No. of shares	Amount of Share Capital	No. of shares	Amount of Share Capital	
Rajdarshan Consultants and Executors Private Limited	Shares held by struck off companies	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.



- (c) The Company does not have any Benami Property, where any proceeding has been initiated or pending against the Company for holding any Benami Property.
 - (d) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
 - (e) The company has not traded or invested in Crypto currency or Virtual currency during the financial year.
 - (f) The company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under Income Tax Act, 1961.
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 25th May, 2026.

As per our report of even date

For Lodha & Co., LLP

Chartered Accountants

(Vikram Matta)

Partner

Place : New Delhi

Date : 25th May, 2026

Saurabh Arora

Company Secretary

Sanjeev K. Garg

Chief Financial Officer

Madhukar Mishra

Managing Director

Shrivardhan Goenka

Dr. R.C. Lodha

Directors

Statement of Cash Flow

for the year ended March 31, 2026

(₹ in Lakhs)

	Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
A.	Cash Flow from Operating Activities		
	Net Profit before Tax	3,422.77	5,344.31
	Adjustments for:		
	Depreciation and Amortization expenses	697.12	638.95
	Profit on sale of Property Plant and Equipment	(32.20)	-
	Profit on sale of current investment	(565.22)	(245.65)
	Foreign Exchange Fluctuations	-	0.09
	Fair Value Adjustment	(469.34)	(991.35)
	Interest Income	(99.44)	(120.07)
	Liabilities no longer required written back	(342.74)	(287.73)
	Finance Costs	93.08	96.41
	Operating Profit before Working Capital changes	2,704.03	4,434.96
	Adjustments for:		
	Change in Financial Assets and Non Financial Assets	(497.15)	121.51
	Change in Inventories and Biological Assets	1,841.07	(1,990.00)
	Change in Trade Receivables	(91.08)	(194.03)
	Change in Financial and Other Liabilities and Trade Payables	(29.57)	248.22
	Cash generated from Operations	3,927.30	2,620.66
	Income Tax Paid	(1,017.94)	(1,136.80)
	Net Cash Flow from Operating Activities (A)	2,909.36	1,483.86
B.	Cash Flow From Investing Activities		
	Purchase of Property Plant and Equipment including Capital Work-in-Progress and Capital Advances	(866.98)	(378.19)
	Sale of Property Plant and Equipment	89.06	-
	Sale of Mutual Funds	8,923.97	12,894.96
	Purchase of Mutual Funds	(12,290.00)	(12,759.51)
	Maturity (Net) with banks for more than 3 months	470.73	620.12
	Interest Received	109.56	70.90
	Net Cash Flow (used in)/from Investing Activities (B)	(3,563.66)	448.28
C.	Cash Flow from Financing Activities		
	Repayment of lease liabilities	(67.50)	(67.50)
	Dividend Paid	(544.02)	(620.00)
	Transferred to IEPF	(3.48)	(3.81)
	Interest Paid	(61.73)	(62.64)
	Net Cash Flow used in Financing Activities (C)	(676.73)	(753.95)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,331.03)	1,178.19
	Cash and Cash Equivalents at the Beginning of the year (Refer Note No.9a)	2,264.62	1,086.43
	Cash and Cash Equivalents at the End of the year (Refer Note No.9a)	933.59	2,264.62

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS - 7.
- Cash and Cash Equivalent includes:** (₹ in Lakhs)

Particulars	Year Ended 31 st March 2026	Year Ended 31 st March 2025
Balances with Bank:		
In Current Accounts	181.19	262.11
In Fixed Deposits with Banks (having original maturity of less than 3 months)	749.40	2,000.00
Cash in Hand	3.00	2.51
	933.59	2,264.62

- Reconciliation of liabilities arising from financing activities :** (₹ in Lakhs)

Particulars	As at March 31, 2025	Proceeds raised	Non cash adjustment	Repayment	As at March 31, 2026
Lease Liability	466.78	-	31.35	67.50	430.63
Total	466.78	-	31.35	67.50	430.63

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

As per our report of even date

For Lodha & Co., LLP

Chartered Accountants

(Vikram Matta)

Partner

Place : New Delhi

Date : 25th May, 2026

Saurabh Arora

Company Secretary

Sanjeev K. Garg

Chief Financial Officer

Madhukar Mishra

Managing Director

Shrivardhan Goenka

Dr. R.C. Lodha

Directors



STAR PAPER MILLS LIMITED

Registered Office: Duncan House, 2nd Floor,
31, Netaji Subhas Road, Kolkata-700 001