



STAR BRAND

## STAR PAPER MILLS LIMITED

SAHARANPUR - 247 001 (U.P.) INDIA

CIN No. :- L21011WB1936PLC008726

Phones : +91 132 2714101 to 2714105, FAX : +91 132 2714121

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C/SA/SE/347

31<sup>st</sup> Aug., 2021

To,

The National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E)  
Mumbai – 400 051  
**Symbol-'STARPAPER'**

The Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001  
**Stock code-'516022'**

Dear Sir,

**Sub: Annual Report 2020-21**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached here with copy of Annual Report for the year 2020-21 & Notice convening 82<sup>nd</sup> AGM of the company which have been sent to the Shareholders of the company.

Submitted for kind information and record please.

Thanking you

Yours faithfully  
**For Star Paper Mills Limited**

**Saurabh Arora**  
**Company Secretary**



ANNUAL REPORT

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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 –**

- 1. Mr. Shiromani Sharma**  
Chairman/Independent Director
- 2. Mr. Shrivardhan Goenka**  
Non-Independent Director
- 3. Mr. C.M. Vasudev**  
Independent Director
- 4. Mr. M.P. Pinto**  
Independent Director  
(Upto 6<sup>th</sup> May 2021)
- 5. Mr. Madhukar Mishra**  
Managing Director
- 6. Mr. Sunil Srivastav**  
Independent Director
- 7. Mrs. Pragya Jhunjhunwala**  
Additional Director  
(w.e.f. 25<sup>th</sup> June, 2021)

### **STATUTORY AUDITORS –**

M/s Jain Pramod Jain & Co.  
Chartered Accountants, New Delhi

### **COST AUDITORS –**

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

### **SECRETARIAL AUDITORS –**

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

### **Mr. Sandeep Rastogi**

Chief Financial Officer

### **Mr. Saurabh Arora**

Company Secretary

### **BANKERS –**

Bank of Baroda  
Punjab National Bank

### **MILL –**

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

### **REGISTERED OFFICE –**

'Duncan House', II 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 Pvt. Ltd.  
6<sup>th</sup> Floor, Karvy Selenium Tower-B  
Plot No. 31 & 32, Gachibowli, Nanakramguda  
Seri Lingampally, Hyderabad-500 032 (Telangana)  
Ph. : (040) 6716 1585  
Toll Free : 1800-309-4001  
e-mail : einward.ris@kfintech.com





## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

FY 2020-21

### **GLOBAL ECONOMY**

Global Economy was ravaged by the Corona Pandemic during 2020-21. Every country struggled to cope and devised measures as it thought appropriate but none the less suffered the effects of pandemic. East Asian and Far East Countries were able to cope better and China got better of the disease comparatively early. This impacted Global trade, manufacturing and jobs.

Global growth prospects are improving as fiscal support is stepped up sharply, economies adapt to social distancing and vaccination rollout gathers momentum. Along with better-than-expected outturns in later part of fiscal year 2020-21-particularly in Europe and emerging markets (EM)-World GDP expected to be far better than the preceding year.

As economic prospects have improved with signs of a rebound in goods trade and industrial production, Global GDP growth is now projected to be 5.6% this year, an upward revision of more than 1 percentage point from the December OECD Economic Outlook. World output is expected to reach pre-pandemic levels by 2022 but much will depend on the battle between vaccination and emerging variants of the virus.

Some Pharma companies have predicted that annual Vaccine shots may be required indicating persistence of Virus and uncertain outlook on degree of restoration of pre-Covid way of life.

### **INDIAN ECONOMY & PAPER INDUSTRY**

Indian Economy and the Paper Industry too got adversely impacted due to most severe and longest lock-down and other restrictions imposed by the Government to combat the pandemic.

The past year saw a massive spike in income and wealth inequalities. Similarly various sectors of Industry were impacted differently. There was however a satisfactory economic recovery post easing of COVID-19 restrictions.

While Country has rolled out a rapid vaccination program, there is a second wave of COVID in India which seems to be more virulent than the one last year. At this time impact of this wave and time taken to recover therefrom is unclear.

Cultural Paper segment of the Industry has particularly suffered in the wake of prolonged closure of Educational Institutes but should recover once normalcy is restored.

### **STRENGTHS**

The lower per capita consumption of paper in India, rising awareness in consumers and growth of the organised food sector, increased usage of packaging paper and improved logistical capabilities are the factors providing ample scope for long term growth of the Paper Industry.

### **WEAKNESSES**

Higher cost of factors of production, relatively small scale, fiber scarcity and capital intensive nature of the industry are some of its weaknesses.

### **OPPORTUNITIES**

Once the effects of COVID -19 wear out, India is expected to regain its growth trajectory and so will the Paper Industry. The Government is also expected to support the pace of economic recovery through its various policies, schemes and incentives.

### **THREATS**

The second wave of infections presents a risk to growth forecast as the reimposition of virus management measures will curb economic activity and could dampen market and consumer sentiments.

### **SOCIAL FARM FORESTRY**

Under Social Farm Forestry programme, large scale plantation is undertaken on the farmers' land. This program not only supplements farmers' income but also helps in generating rural employment.

As in the past, momentum of Social Farm Forestry Program was maintained during the year. Your company planted and distributed approx 383 lacs seedlings during FY 2020-21. Moreover, an area of 23,440 Hectares were added under the plantations making a total area coverage of 1,82,972 Hectares.

### **RISKS & CONCERN**

There will always be a concern on the economic growth until eradication of the Coronavirus. There are frequent changes in the virus-dynamics which weigh on the growth prospects across the globe.

It is therefore very difficult to predict future performance with any degree of certainty in view of unprecedented nature of the situation.

## INTERNAL CONTROL SYSTEM

Your 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

Financial and operational performance of your company for the financial year 2020-21 was satisfactory amid ongoing COVID-19 pandemic and various challenges & constraints emerged therefrom.

## KEY FINANCIAL RATIOS

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

Particulars	2020-21	2019-20
Operating Profits Margin (%)	10.5	14.3
Net Profits Margin (%)	7.2	10.7
Debtors Turnover ratio (No. of times)	62.1	62.1
Stock Turnover ratio (No. of times)	2.7	4.6
Debt-Equity ratio (%) (No debt on the company)	NA	NA
Current ratio (No. of times)	3.5	3.5
Interest-Service Coverage Ratio (No. of times)	41.8	76.8
Return on Networth (%) [decreased due to lower net profits for the year 2020-21 vis-a-vis previous year]	3.5	7.9

## HUMAN RESOURCES

The Company considers the manpower as its invaluable asset. Your company, from time to time, conducts skill enhancing programs at all levels of the organization. Industrial relations continued to remain cordial throughout the year 2020-21. There are 417 employees on the company's roll.

## FUTURE OUTLOOK

COVID-19 pandemic emerged as a big threat to global growth in the previous year. With the launch of vaccination and increasing coverage, growth will return to Industry. Thus while long term prospects appear bright, challenges remain in the short term.

## 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**

Dear Shareholders,

The Board of Directors of your company is pleased to present the Directors' Report together with Audited Financial Results of the company for the year ended 31<sup>st</sup> March 2021.

### **1. FINANCIAL HIGHLIGHTS**

Audited financial results for the year ended 31<sup>st</sup> March, 2021 are summarised below:

#### **AUDITED FINANCIAL RESULTS**

(Rs. in Crores)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>	<b>Year ended 31<sup>st</sup> March, 2020</b>
Profit before interest and depreciation	30.69	54.96
Interest and finance charges	0.58	0.65
Depreciation	5.23	5.16
Profit before Exceptional Items	24.88	49.15
Exceptional & non-recurring items	-	-
Profit before tax	24.88	49.15
Provision for Income Tax	7.37	11.88
Profit after tax (PAT)	17.51	37.27
Earning per share (EPS)- in Rupees	11.22	23.88

### **2. DIVIDEND & TRANSFER TO RESERVES**

In view of challenging scenario due to COVID-19 pandemic and performance of the company for the year 2020-21, the Board of Directors is pleased to recommend a dividend of Rs. 2.50/- per equity share (25%) 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 2020-21 :**

COVID-19 pandemic has impacted businesses globally and in India. There was severe disruption to regular business operations and supply-chain due to lockdowns during the first quarter of FY 2020-21. However, pace of the pandemic gradually slowed down from June, 2020 onwards.

Production and Sales volume for the year 2020-21 got impacted due to subdued market conditions on account of the pandemic. In the depressed market, we adopted appropriate business strategies to garner volumes and protect realisation to the extent feasible. Situation had improved by end of the period on both Realisation and Volume fronts. Input prices particularly Chemicals and Engineering items showed a rising trend.

Your company reported a Profit after tax (PBT) of Rs. 17.51 Crores for the year 2020-21 as against Rs. 37.27 Crores for FY 2019-20.

There is no change in the nature of the business of the company during the year. The company does not have any major pending contract/agreement, non-fulfilment of which may have significant impact on company's business. Your company has continued its assessment of any adverse impact on economic environment in general and financial risks on account of COVID-19.

#### **Expectations for the year 2021-22:**

The Country is currently facing second wave of COVID-19 pandemic, the impact of which appears to be quite severe. Many consuming sectors have been impacted due to restrictions placed to combat spread of the Pandemic. Paper Industry performance would also largely depend upon re-opening of school, colleges and other educational institutions at the full scale as well as complete revival of other consuming sectors. Pace and extent of demand recovery is uncertain at this point in time.

It is therefore very difficult to forecast anything with certainty in the current situation.

### **4. ANNUAL- RETURN EXTRACTS**

Pursuant to section 134(3)(a) of the Companies Act, 2013, Annual Return in the prescribed format is available at :

[https://starpapers.com/ann\\_return\\_2021.pdf](https://starpapers.com/ann_return_2021.pdf)

## 5. BOARD MEETINGS/AUDIT COMMITTEE

- a) During the year ended 31st March, 2021, Four (4) meetings of the Board of Directors were held on 31<sup>st</sup> July, 2020; 26<sup>th</sup> Aug., 2020; 9<sup>th</sup> Nov., 2020; 10<sup>th</sup> Feb., 2021.
- b) Audit & Risk Management Committee-  
The Company has constituted the Audit & Risk Management Committee of the Board pursuant to Section 177 of the Companies Act, 2013 and its terms of reference are in conformity with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The composition of Committee is mentioned in the Corporate Governance Report.

## 6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report for 2020-21.

## 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 all its stakeholders. The company is accredited with ISO 9001 : 2015, ISO 14001: 2015, and ISO 18001 :2007 which signifies adoption of integrated quality, environment and safety management systems to harmonize Industrial activities with environmental preservation with letter and spirit. The company has requisite environmental consents from the Government authorities.

Your company has been honoured with the following awards during the financial year 2020-21:

- i) Awards for outstanding achievement in Environment protection in 20th Annual Environment Award by Greentech Foundation, New Delhi .
- ii) Award for outstanding achievement in ensuring Environmental sustainability in 7th CSR Awards by Greentech Foundation, New Delhi
- iii) Excellence Award in National Conventional on Quality Concepts-2020 organised by Quality Circle Forum of India.
- iv) Platinum Award in 45th International convention on QC Circles-2020 organised by Bangladesh Society for Total Quality Management (BSTQM) in Dhaka, Bangladesh.

## 9. SOCIAL FARM FORESTRY

Your company has been promoting and encouraging social farm forestry to increase green cover, enhance raw material base and supplement rural income generation.

Social farm forestry program of the company maintained its momentum during the year too. Your company further stepped-up propagation and distribution of clonal plants and the area coverage during the year.

## 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, 2021. (Rs. Nil as on 31st March, 2020).

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

## 11. INTERNAL CONTROLS

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

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

## 12. REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company adopted a policy on Corporate Social Responsibility (CSR) to fulfill its obligation towards the society. The CSR Policy may be accessed on the company's website at <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, 2021 is annexed herewith marked as **Annexure-I**.



### 13. DIRECTORS/KEY MANAGERIAL PERSONNEL/OTHERS

- i) Pursuant to Section 152 of the Companies Act, 2013, Mr. Shrivardhan Goenka (DIN-00030375) shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his appointment.
- ii) Mr. G.P. Goenka and Ms. Savita L. Acharya have resigned from directorship of the company on 30th July, 2020 due to personal reasons and some other pre-occupations respectively.
- iii) The members in their last AGM held on 28th Sept., 2020 have appointed Mr. G.P. Goenka as 'Chairman Emeritus' of the company w.e.f. 28th Sept., 2020 for a period of 3 years.
- iv) Mr. M.P. Pinto has resigned from directorship of the company w.e.f. 7th May, 2021 due to old age/personal reason.

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

### 14. NOMINATION AND REMUNERATION COMMITTEE/POLICY

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

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

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

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

### 15. LOAN, GUARANTEE, INVESTMENTS ETC.

The particulars of loan, guarantees or investments have been given in the financial statements.

### 16. SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

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

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

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

### 18. PARTICULARS OF EMPLOYEES AND REMUNERATION

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

**Name of the employee who is in receipt of remuneration of Rs. Rs. 8.50 lacs per month/ Rs. 102 lacs per annum or more during the financial year 2020-21:**

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. G.P Goenka, Executive Chairman (upto 30.07.2020)	76.57	Contractual	B. Sc. 59 years	07/08/2019	80 Y	Executive Director-Duncan Industries Ltd.	Nil	Yes, father of Mr. Shrivardhan Goenka
2	Mr. Madhukar Mishra, Managing Director	298.30	-do-	B. Sc., DMS (Mgt.) 42 years	01/07/2001	64 Y	Sr. VP(Corporate Planning) -Dail Consultants Ltd.	Nil	No

\*including employer's provident fund contribution, if any.

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. G.P. GOENKA	Not comparable as employed for part of the year		
MR. SHRIVARDHAN GOENKA	3,60,000	3,17,233	1.13
MR. SHIROMANI SHARMA	3,90,000	3,17,233	1.23
MR. C.M. VASUDEV	3,00,000	3,17,233	0.94
MR. M.P. PINTO	2,10,000	3,17,233	0.66
MR. SUNIL SRIVASTAV	1,50,000	3,17,233	0.47
MR. MADHUKAR MISHRA	2,98,30,186	3,17,233	94.03

b) % increase in remuneration of each director, CEO, CFO, CS in the financial year 2020-21

Official name	Year 2020-21 Remuneration-Rs. In lacs	% increase in remuneration
Directors	Directors are receiving only sitting fees for attending meetings at a rate of Rs. 30,000/- per Board/Committee meeting.	
Executive Chairman (upto 30.07.2020)	76.57	NA
Managing Director	298.30	4.6%
Chief Financial Officer	33.17	0.5%
Company Secretary	13.22	0.8%

c) % increase in median remuneration of employees in the financial year 2020-21 vis-a-vis the preceding year was **7%**.

d) There were 417 permanent employees on the rolls of the company as on 31.03.2021.

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.

h) Average percentage increase in salaries of employees vis-a-vis managerial personnel - Average percentage increase in salaries of employees was **3.9%** vis-a-vis **2%** in salary of managerial personnel for FY 2020-21.

i) No director is getting any variable component of remuneration except commission to Executive Chairman and performance pay to the Managing Director are decided by the Board of Directors every year based on performance of the company, terms of appointment and applicable statutory provision. Remuneration is paid as per remuneration policy of the company.

## 19. PERFORMANCE EVALUATION

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

## 20. HUMAN RESOURCES AND WELFARE

Your company continues to lay emphasis on regular employee-skill development programs to address the changed working conditions and environment and also needs of the organisation. Your company enjoys cordial and harmonious relations with its employees at all levels.

Your Directors further state that during the year under review, there was no case reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 21. DIRECTORS' RESPONSIBILITY STATEMENT

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



## 22. CORPORATE GOVERNANCE

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

## 23. AUDITORS

The members at its 78th Annual General Meeting held on 14th Sept., 2017 appointed M/s Jain Pramod Jain & Co., Chartered Accountants, New Delhi as statutory auditors of the company to hold office from till the conclusion of 83rd AGM of the company.

## 24. COST AUDITORS

Pursuant to Section 148(3) of the Companies Act, 2013 read with the Rules made thereunder, the company is required to maintain cost records and accordingly such accounts and records are maintained. The Board of Directors on the recommendation of Audit & Risk Management Committee has appointed M/s K.B. Saxena & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year 2020-21.

## 25. AUDITORS' REPORT

i) Statutory Audit:

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

ii) Secretarial Audit:

M/s D. Dutt & Co., company secretary in practice, secretarial auditor of the company has done secretarial audit for FY 2020-21. Secretarial audit report is attached as **Annexure-V**. The observations of the secretarial auditor in the report are self-explanatory.

## 26. TRANSACTIONS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the company had not entered into any contract / arrangement / transaction with related parties which could be considered material. Information pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies(Accounts) Rules, 2014 are given in **Annexure-VI** in Form AOC-2 and the same forms part of this report.

## 27. RISK MANAGEMENT

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

## 28. LISTING ON STOCK EXCHANGES

Your company's equity shares are listed on National Stock Exchange of India Ltd. (NSE) and The Stock Exchange, Mumbai (BSE). The company has paid the listing fees to the stock exchanges for the financial year 2020-21.

## 29. ACKNOWLEDGEMENT

The Board of Directors place on record their gratitude for the excellent support and efforts put in by all the Stakeholders viz., employees, bankers, investors, dealers, suppliers and Government authorities in the current challenging time of COVID-19 pandemic.

For and on behalf of the Board

Place : New Delhi  
Date : 25<sup>th</sup> June, 2021

**Shiromani Sharma**  
Chairman

## ANNEXURE-I

### TO DIRECTORS' REPORT

#### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2020-21

- 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. 5387.14 lacs
7. (a) Two percent of average net profit of the company as per section 135(5) - Rs. 107.75 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. 107.75 lacs
- 8 (a) CSR amount spent or unspent for the financial year:

Total amount spent for the FY 2020-21	Amount unspent (in Rs.)				
	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)		
Rs. 123.17	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	2	3	4		6	7	8
Sr.	Name of the projects	Item from the list of activities in Sch.-VII to the Act	Local area (Yes/No)	Location of the project -Distt & State	Amount spent for the projects - Rs. in Lacs	Mode of implementation - Direct (Yes/No)	Mode of implementation through implementing Agency-Name and CSR Registration number
1.	Measures undertaken to reduce hunger/poverty during tough time of COVID 19, Promoted healthcare including preventive healthcare through various camps and awareness programmes, Installation of handpumps, water coolers for safe drinking water.	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)	65.53	Yes	N.A
2.	Organised various camps for employment enhancing vocational skill specially for women, and time to time encouragement to students to further excel in studies.	Promoting education, including special education and employment enhancing vocational skill specially among children, women, elderly and differently abled and livelihood enhancement projects.	-do-	-do-	2.85	-do-	N.A
3.	Promoting gender equality, woman empowerment and care for senior citizen, children and economically backward people through public awareness.	Promoting gender equality, empowering woman, setting up homes and hostels for woman and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	-do-	-do-	25.38	-do-	N.A
4.	Installation of Solar LED street lights, promoting social farm forestry, development and cleaning of ponds etc.	Ensuring environmental sustainability/ ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water etc.	-do-	-do-	29.41	-do-	N.A



- (d) Amount spent in Administrative Overheads - NIL
- (e) Amount spent on impact assessment, if applicable - N/A
- (f) Total amount spent for the financial year  
(8b+8c+8d+8e) - Rs.123.17 Lacs
- (g) Excess amount for set-off, if any - Rs.15.42 Lacs

Sl. No.	Particulars	Amount-Rs. In Lacs
(i)	Two percent of average net profit of the company as per section 135(5)	107.75
(ii)	Total amount spent for the financial year	123.17
(iii)	Excess amount spent for the financial year [(ii)-(i)]	15.42
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	NIL
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	15.42

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

**Madhukar Mishra**  
Managing Director  
25<sup>th</sup> June, 2021

**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:

- a) System improvement to avoid venting of H.P steam in every start-up and shut down of Chemical Recovery Boiler.
- b) Ash conveyor belt system of Multi-fuel boiler modified resulting in stoppage of one conveyor belt thus saving in energy.
- c) Installation of online oxygen analyzer in Multi fuel boiler to control excess air which resulted in increased boiler efficiency.
- d) Fire Hydrant / Road cleaning system charged with treated effluent resulted in reduction in fresh water abstraction and thus reduction in pumping power.
- e) Installation of high efficient secondary sludge re-circulation pump.
- f) Replacement of conventional lights with energy efficient LEDs for power saving.
- g) Relocation of pipe lines of Bleached high density tower transfer pump resulted in power saving.
- i) Replacement of old electric motors with high efficient motors in different sections of the plant.
- j) Commissioning of APFC panels resulted in power saving.
- k) Retrofit of Waste Heat Recovery Boiler (WHRB) in DG Plant.

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

-Replacement of existing MG Hood of PM-III with new one.

#### III. The above projects given in I. above involved a cost of approximately Rs. 200 lacs. Impacts of aforesaid measures are as under:

-Reduction in energy consumption and thus energy costs.

#### IV. Steps taken for utilizing alternate sources of energy:

- a) Partial replacement of coal with agro-fuel.
- b) Replacement of conventional lights with solar energy driven lights.

### 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 2020-21:

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

- a) Development of new varieties of Paper
- b) Pulping of new species of fibrous raw material.
- c) Development of new shades for coloured grade papers.
- d) Installation of a synchro cutter to improve sheeting quality.

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

- a) With the introduction of new varieties, the company has a better market coverage
- b) Improvement in the quality of existing products and cost reduction.
- c) Improvement in the quality of treated effluents.

#### 3. Future Plan of Action

- a) Development of new grades of paper.
- b) Optimization of water and energy consumption.

#### 4. Expenditure on R&D-

	Rs. in lacs
a) Capital	Nil
b) Revenue	78.49
c) <b>Total</b>	<b>78.49</b>
d) R&D Expenditure as a percentage of total Turnover	0.04%



## II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

**Efforts made, in brief, towards Technology absorption, adaptation & innovation and benefits derived are as under :**

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

## III. INFORMATION RELATED TO IMPORTED TECHNOLOGY:

- |  |   |                              |
|--|---|------------------------------|
| (a) Technology imported  | - | Synchro Sheeter              |
| (b) Year of import & country   | - | 2018 & 2019 from Switzerland |
| (c) Has technology been fully absorbed?  | - | Yes                          |
| (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. 130.70 lacs |
| Outgo    | - | Rs. 292.81 lacs |

**For and on behalf of the Board**

Place : New Delhi  
Date : 25<sup>th</sup> June, 2021

**Shiromani Sharma**  
Chairman

## ANNEXURE-III

### DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 134(5) of the Companies Act, 2013 the Board wishes to confirm for the financial year ended 31st March, 2021 that:

- In preparation of accounts, applicable accounting standards have been followed .
- 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, 2021.
- 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.
- The accounts have been prepared on going concern basis.
- The directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively.
- The directors had devised proper system to ensure compliance with the provisions of all applicable laws and with laid down internal financial controls to be followed by the company and such system are adequate and operating effectively.

**For and on behalf of the Board**

Place : New Delhi  
Date : 25<sup>th</sup> June, 2021

**Shiromani Sharma**  
Chairman



## ANNEXURE-IV

### CORPORATE GOVERNANCE REPORT

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

The Directors of your company are pleased to present the Corporate Governance Report for the financial year ended 31<sup>st</sup> March, 2021.

#### I. Company's philosophy on Corporate Governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all the stakeholders. Your company has a strong legacy of fair, transparent and ethical corporate governance practices. The company has sought and will continue to seek corporate excellence through ethics, passion and perseverance.

#### II. Board of Directors

The Board of Directors is the apex body constituted by the Shareholders for overseeing the company's overall functioning. It provides strategic direction, leadership and guidance to the company's management and also periodically monitors performance of the company.

##### (a) Composition

The Board currently comprises of 6 Directors, out of which 5 directors are Non-executive Directors. The Board has a Non-executive Independent Chairman apart from 3 other Independent directors.

The composition of the Board of Directors during the financial year 2020-21 was as under :

Director & DIN	Category of Director	Total no. of Directorships in other Public limited companies (*)	Total No. of Memberships(M)/ Chairmanships ('C) of Committees in other Public limited companies (**)	Name of other listed entities in which the directorship held and category thereof
<b>Executive Director</b>				
Mr. G.P. Goenka*** DIN-00030302 (upto 30.07.2020)	Executive Chairman /Promoter	NA	NA	NA
Mr. Madhukar Mishra DIN-00096112	Managing Director	Nil	Nil	Nil
<b>Non - Executive Directors</b>				
Mr. Shrivardhan Goenka DIN-00030375	Non-executive; non-independent Director	2	2 (M)	Nil
Mr. Shiromani Sharma**** DIN-00014619	Chairman/Independent Director	Nil	Nil	Nil
Mr. C.M. Vasudev DIN-00143885	Independent Director	3	2 (M)	Nil
Mr. M.P. Pinto***** DIN-00021565	Independent Director	2	1 (C)	Nil
Ms. Savita L. Acharya*** DIN:07038198 (upto 30.07.2020)	Independent Director	NA	NA	NA
Mr. Sunil Srivastav DIN-00237561	Independent Director	5	1 (C) 2 (M) 3 Total	a) Eros International Media Ltd.- Independent Director b) Paisalo Digital Limited Independent director c) Security & Intelligence Services (I) Ltd.- Independent director d) Solar Industries India Ltd. Independent director

\* 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.

\*\*\* resigned from directorship of the company on 30<sup>th</sup> July, 2020 due to personal reasons.

\*\*\*\*elected as Chairman of the Board w.e.f 31<sup>st</sup> July, 2020.

\*\*\*\*\* resigned from directorship of the company from 7<sup>th</sup> May, 2021 due to old age (personal reason). Mr. Pinto also confirmed that there was no other material reason of his resignation.

There is no relationship between the directors of the company except Mr. Shrivardhan Goenka, being son of Mr. G.P. Goenka, was related to him till Mr. G.P Goenka was on the Board. 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](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 31<sup>st</sup> March, 2021, Four (4) meetings of the Board of Directors were held on 31<sup>st</sup> July, 2020, 26<sup>th</sup> Aug., 2020, 9<sup>th</sup> Nov., 2020, 10<sup>th</sup> Feb., 2021.

#### Attendance of Directors at Board Meetings and Last Annual General Meeting :

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

A meeting of Independent Directors were held on 12<sup>th</sup> March, 2021 for the financial year 2020-21. All Independent Directors were present at the meeting.

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

The Board comprises the qualified members who bring in the required skills and expertise to enable them to effectively contribute at deliberations at Board and Committee meetings. The below matrix summarizes the skill and expertise of of Board members in context of company' business:

Skills/expertise/competency identified by the Board in context of company's business	Name of Directors having such skills/expertise/competency available with the Board
Knowledge of paper industry and company's operations	-Mr. Madhukar Mishra, Managing Director. He is serving the company as MD since 2001.
Corporate planning and strategy, General Management	-Mr. Madhukar Mishra, Managing Director.  -Mr. Shiromani Sharma, Independent Director. He is retired IAS officer. He had worked on many senior positions under the Government of Uttar Pradesh.  -Mr. C.M. Vasudev, Independent Director. He is retired IAS officer. He had served on key finance positions under the Central Government. He as served as Chairman of HDFC Bank Ltd.



	-Mr. Shrivardhan Goenka, a Non-executive Director, is B.com, and MBA from Kelloggs School of Management, USA. He is on the Board of the company since 2002.
Operational & Financial Management.	-Mr. Madhukar Mishra, Managing Director.  -Mr. Sunil Srivastav, Independent Director. He has retired as Dy. Managing Director-corporate accounts from SBI.
Corporate Governance	-Mr. Shiromani Sharma, Independent Director.  -Mr. C.M. Vasudev, Independent Director.  -Mr. Shrivardhan Goenka, Non-executive Director.  -Mr. Madhukar Mishra, Managing Director.

### 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, 2021. There were no material personal interest/personal benefits received by the Board members/senior management personnel, which could lead to potential conflict of interest with the Company as a result of their position.

### IV. Committees of the Board

The Board of Directors has the following Committees for better and more focused attention to the affairs of the Company before placing the same before the Board –i) Audit & Risk Management Committee; ii) Stakeholders' Relationship Committee; iii) Nomination and Remuneration Committee (NRC); iv) Corporate Social Responsibility (CSR) Committee.

#### (a) Audit & Risk Management Committee

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

#### Composition

The composition of the Committee and details of its meetings during the FY 2020-21 are as under :

Sl. No	Name of the Director & Designation	Category	No. of meetings attended during FY 2020-21
1	Mr. Shiromani Sharma- Chairman	Non- executive, Independent	4
2	Mr. C.M Vasudev-Member	Non- executive, Independent	4
3	Mr. Shrivardhan Goenka-Member	Non- executive, non-Independent	4

During the financial year ended 31<sup>st</sup> March, 2021, four (4) Committee meetings were held on 30<sup>th</sup> July, 2020, 26<sup>th</sup> Aug., 2020, 9<sup>th</sup> Nov., 2020, 10<sup>th</sup> Feb., 2021.

#### (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 2020-21 are as under:

Sl. No.	Name of the Director & Designation	Category	No. of meetings held/ attended during FY 2020-21
1.	Mr. Shiromani Sharma - Chairman	Non- Executive, Independent	3
2.	Mr. Madhukar Mishra-Member	Executive	3
3	Mr. Shrivardhan Goenka-Member	Non- Executive, Non-Independent	3

During the financial year ended 31<sup>st</sup> March, 2021, three (3) Stakeholders' Relationship Committee meetings were held on 30<sup>th</sup> July, 2020, 26<sup>th</sup> Aug., 2020 and 10<sup>th</sup> Feb., 2021.

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

#### Shareholders Complaint(s)

During the year, no investor complaint was received. There is no pending complaint at the end of the year.

#### (c) Nomination & Remuneration Committee

A Nominations 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 2020-21 are as under :

Sl No.	Name of the Director & Designation	Category	No. of meetings held/attended during FY 2020-21
1	Mr. C.M. Vasudev- Chairman	Non- Executive, Independent	1
2	Mr. Shiromani Sharma - Member	-do-	1
3	Mr. M.P. Pinto-Member	-do-	1

During the financial year ended 31<sup>st</sup> March, 2021, there was one (1) meeting of Nomination & Remuneration Committee which was held on 30<sup>th</sup> July, 2020.

#### (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. M.P. Pinto-Member	Non- Executive, Independent
3	Mr. Madhukar Mishra-Member	Executive

During the financial year ended 31<sup>st</sup> March, 2021, there was one (1) meeting of CSR Committee which was held on 30<sup>th</sup> July, 2020.

#### V. Remuneration of Directors

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

The details of remuneration of the directors for the financial year ended 31<sup>st</sup> March, 2021 are as under:

Director	Salary#	Perquisites & other benefits ##	Sitting Fees	Total
Mr. G.P. Goenka (upto 30.07.2020)	71,22,742	53,41,58	-	76,56,900
Mr. Shiromani Sharma	-	-	3,90,000	3,90,000
Mr. Shrivardhan Goenka	-	-	3,60,000	3,60,000
Mr. C.M. Vasudev	-	-	3,00,000	3,00,000
Mr. M.P. Pinto	-	-	2,10,000	2,10,000
Mr. Sunil Srivastav	-	-	1,50,000	1,50,000
Mr. Madhukar Mishra	2,64,11,494	34,18,692	-	2,98,30,186
<b>Total</b>			<b>14,10,000</b>	<b>3,88,97,086</b>

(Rs. )





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

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

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

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

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

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

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

### **VI. The company has no subsidiary or holding company.**

#### **VII. Disclosures**

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

(ii) The Board periodically reviews risk management policy of the company. We are in compliance with applicable corporate governance requirements as given in Reg. 17 to 27 and Reg. 46(2) of SEBI (LODR), Regulations, 2015 except appointment of woman director on the Board for which a fine of Rs. 3.10 lacs plus GST has been imposed by both National Stock Exchange (NSE) and the BSE Ltd separately. The company has paid the fine to the above Exchanges. Search and selection of suitable candidate for appointment as woman director on the Board has been impacted due to long continuing COVID-19 pandemic. Currently, search for a suitable woman director is going-on and vacancy is expected to fill soon.

Apart from above, both NSE and the BSE Ltd imposed a fine of Rs. 0.36 lac plus GST for late filing of Corporate Governance Report for the Quarter ended 31st March, 2020 which was later on waived-off by both the Exchanges on company's request citing genuine reasons of lockdown and other restrictions due to COVID-19. There is no other penalty/strictures imposed on the company by stock exchanges/SEBI during the year. Further, there was no other non-compliance during the last three years by the company on any matter relating to the Capital Markets.

(iii) The company has established a Vigil mechanism/Whistle blower policy for directors and employees to report their genuine concerns. The company oversees this 'Vigil Mechanism' through the Audit & Risk Management Committee of the Board and no one has been denied access to the Audit Committee. There were no pecuniary relationships or transactions with non-executive directors. The Management Discussion and Analysis Report forms part of the Annual Report.

(iv) Fees to statutory auditors etc. - Total fees for all services rendered by the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.- Rs. 11.57 lacs.

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

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

(vii) The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have given requisite compliance certificate on financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2021.

-Particulars of directors seeking appointment/re-appointment at the AGM have been given in Notice of the 82nd AGM to be held on 24<sup>th</sup> Sept., 2021.

#### **VIII. Means of communication**

The quarterly results of the Company are normally announced within 45 days from the end of each quarter, except for March quarter which are announced within 60 days of the close of the financial year; such results are published in the The Financial Express /Business Standard, and 'Aajkal'.

The financial results of the company is provided at the website [www.starpapers.com](http://www.starpapers.com). There is no presentation made to institutional investor or to the analysts. The website of the company also displays other important information.

### IX. General Shareholders' Information

In view of ongoing COVID-19 pandemic, Ministry of Corporate Affairs vide its Circular 20/2020 dated 5<sup>th</sup> May, 2020 and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, interalia, permitted conduct of Annual General Meeting through VC/OAVM facility. Consequently, 82<sup>nd</sup> AGM of the company will be held through Video Conferencing/ Other Audio Visual Means (VC/OAVM facility) as per below details:

#### 82<sup>nd</sup> AGM through VC/OAVM facility

Date & Time	Deemed venue	Book Closure Dates	Dividend payment date (if recommended)
24 <sup>th</sup> Sept., 2021 11:00 AM	Regd. Office : Duncan House, 2 <sup>nd</sup> Floor, 31 Netaji Subhas Road, Kolkata- 700 001.	18.09.2021 to 24.09.2021 (Both days inclusive)	5 <sup>th</sup> Oct., 2021 onwards

#### Registrar & Share Transfer Agents:

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

Address for correspondence :

#### **Kfin Technologies Private Limited.,**

Karvy Selenium Tower B, Plot No 31 & 32,

Gachibowli, Financial District,

Nanakramguda, Serilingampally

Hyderabad – 500 032.

Phone : 040-67161585

e-mail : [kishore.bv@kfinotech.com](mailto:kishore.bv@kfinotech.com)

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

#### Transfer System

The Registrars and Share Transfer Agents process every fortnight requests for approving share transfers. The processing activities with respect to requests received for share transfer are completed within 7-10 days from the date of receipt of request. There were no shares pending for transfer as on 31<sup>st</sup> March, 2021.

#### Compliance Certificate of the Auditors

-The company has obtained certificate from the statutory auditors certifying compliance of conditions of corporate governance as stipulated under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and the same is annexed. This certificate forms part of the Annual Report for 2020-21 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021, a total of **1,55,14,027** shares of the Company, which form **99.40%** 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 31<sup>st</sup> March, 2021

Slab-Shs.	No. of Shareholders		No. of Equity Shares	
	Total	% of shareholders	Total	% to share capital
1-500	19276	90.74	2143592	13.73
501-1000	1071	5.04	875954	5.61
1001-2000	455	2.14	711154	4.56
2001-3000	179	0.84	457057	2.93
3001-4000	66	0.32	238680	1.53
4001-5000	57	0.27	267286	1.71
5001-10000	77	0.36	573653	3.68
10001 and above	61	0.29	10340974	66.25
<b>Total</b>	<b>21242</b>	<b>100.00</b>	<b>15608350</b>	<b>100.00</b>

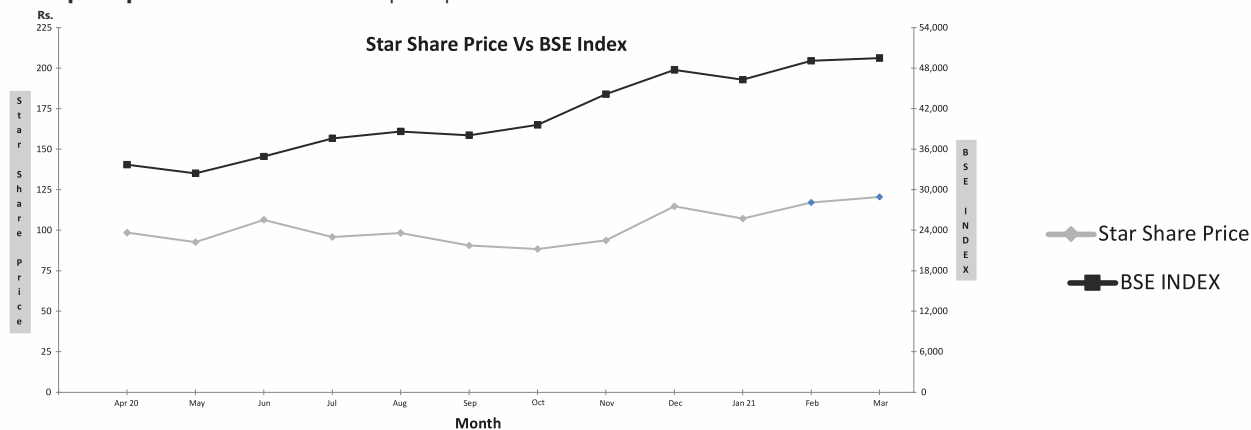
### Category of Shareholders as on 31<sup>st</sup> March, 2021

Category	No. of Shares	% of Shareholding
Promoter Group	7050444	45.17
Financial Institutions/Banks	24267	0.16
Mutual Funds	0	0
Insurance Companies	550	0
Foreign Institutional Investors	20000	0.13
Non Resident Indian (NRI)	107822	0.69
Clearing Member (NSDL & CDSL)	59896	0.38
Public - Bodies Corporate	573624	3.68
- Individuals	7264751	46.54
- HUF	419560	2.69
- Others	87436	0.56
<b>Total</b>	<b>15608350</b>	<b>100.00</b>

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

Month	NSE		BSE	
	High	Low	High	Low
<b>2020</b>				
April	109.90	69.00	108.90	69.00
May	102.10	85.40	102.00	88.00
June	118.30	91.80	118.20	93.05
July	111.60	95.05	111.50	95.45
August	114.60	94.65	119.50	94.65
September	100.00	87.15	103.00	87.40
October	101.00	87.90	100.75	87.80
November	98.40	80.80	98.40	85.00
December	127.40	94.00	127.10	94.00
<b>2021</b>				
January	125.50	103.65	125.65	104.15
February	123.95	105.05	123.80	105.45
March	138.60	117.40	138.50	117.45

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





### Listing on stock exchanges

The Company's equity shares are listed with the BSE Limited (Bombay Stock Exchange (BSE), Mumbai) and the National Stock Exchange of India Limited, Mumbai (NSE) under Stock Codes '516022' and 'STARPAPER' respectively, The Company has paid the requisite listing fees to the stock exchanges for the financial year 2020-21.

#### Registered Office :

Duncan House, 2nd Floor  
31, Netaji Subhash Road  
Kolkata 700 001

#### Plant location :

Seth Baldeodas Bajoria Road,  
Saharanpur - 247 001,  
(Uttar Pradesh)

#### Offices at :

2<sup>nd</sup> Floor, Express Building,  
9-10, B.S.Z Marg, New Delhi 110 008

ii) 23, Mauji Colony, Malviya Nagar  
Jaipur 302 017

### Financial Calendar 2020-21

The next financial year of the Company is 1st April 2021 to 31st March 2022.

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 <sup>th</sup> August
2.	Second quarter and half yearly results	Latest by 14 <sup>th</sup> November
3.	Third quarter results	Latest by 14 <sup>th</sup> February
4.	Fourth quarter & Annual results	Latest by 30 <sup>th</sup> May

### Details of Past Three Annual General Meetings

Year	Venue	Date & Time	Special resolutions passed (Y/N)
2019-20	Through VC/OAVM	28 <sup>th</sup> Sept., 2020 3.00 P.M	Yes,  i) Approval of payment as per revised terms of remuneration to Mr. G.P. Goenka erstwhile 'Executive Chairman' for the period 1 <sup>st</sup> Oct., 2019 to 30 <sup>th</sup> July, 2020.  ii) Approval for payment of remuneration to Mr. Madhukar Mishra for his current term from 1 <sup>st</sup> July, 2019 to 30 <sup>th</sup> June, 2022.
2018-19	Kala Kunj', 48, Shakespeare Sarani, Kolkata 700 017	19 <sup>th</sup> Sept., 2019 10.30 A.M	Yes,  i) Appointment of Mr. G.P. Goenka (DIN:00030302) as an Executive Director designated as 'Executive Chairman'.  ii) Re-appointment of Mr. Madhukar Mishra (DIN:00096112) as Managing Director of the company.  lii) Re-appointment of Mr. Shiromani Sharma (DIN:00014619) as an Independent Director.  (iv) Re-appointment of Mr. Chander Mohan Vasudev (DIN:00143885) as an Independent Director.  (v) Re-appointment of Mr. Michael Philip Pinto (DIN:00021565) as an Independent Director.
2017-18	Kala Kunj', 48, Shakespeare Sarani, Kolkata 700 017	13 <sup>th</sup> Aug., 2018 10.30 A.M	Yes,  i) Re-appointment of Mr. G.P. Goenka (DIN:00030302) as an Executive Director of the company;



### **Credit rating**

The company has not obtained any credit ratings during the financial year 2020-21.

### **Sexual Harassment of Women**

During the financial year 2020-21, there was no case reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Details are as under:

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

### **Postal Ballot**

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

### **Declaration of Managing Director under SEBI Listing Regulations, 2015.**

I hereby declare that to the best of my knowledge & belief, all the members of the Board and the senior management personnel of the company have affirmed their respective compliance with the code of conduct of the company for the financial year ended 31<sup>st</sup> March, 2021.

Place: New Delhi  
Date: 25<sup>th</sup> June-2021.

**Madhukar Mishra**  
Managing Director

For and on behalf of the Board

Place : New Delhi  
Date : 25<sup>th</sup> June, 2021

**Shiromani Sharma**  
Chairman

## **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

### **To the Members of Star Paper Mills Limited**

1. We have examined the compliance of regulations of Corporate Governance by Star Paper Mills Limited ('the Company') for the year ended March 31, 2021 as stipulated in regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

### **Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The management along with the Board of Directors are also responsible for ensuring compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **Auditors' Responsibility**

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtain necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our Scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as whole.

### **Opinion**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us and considering the relaxations granted by the Ministry Of Corporate Affairs And Securities And Exchange Board Of India warranted due to the spread of COVID-19 pandemic, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing regulations, as applicable for the year ended March 31, 2021 referred to in paragraph 1 above.

### **Other matters and Restriction on Use**

10. This Certificate in neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. The Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other persons or for any other purpose. Accordingly, we do not accept or assume any liability or any duty or care or for any other purpose or to any other party to whom it is shown or into whose hand it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For Jain Pramod Jain & Co.  
Chartered Accountants  
ICAI Firm Registration No. 016746 N

Place: New Delhi  
Date: 25.06.2021

**(P.K. Jain)**  
Partner  
Membership No. 010479



## ANNEXURE-V

### Form No. MR – 3 SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 31<sup>st</sup> March 2021, *subject to our observations made at Annexure-A below*, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 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 [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 [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 [not applicable to the Company during the audit period]; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [not applicable to the Company during the audit period];
- (v) Other laws applicable specifically to the Company:
  - The Factories Act, 1948 and allied state laws.
  - The Indian Forest Act, 1927
  - The Indian Boiler Act, 1923
  - UP Agriculture Produce Mandi Act, 1964
  - Indian Explosives Act, 1884
  - The Petroleum Act, 1936



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

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

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

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

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

**We further report that :**

- (a) *Subject to our observations made at Annexure-A below*, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. It had, however, no woman Director since 31st July, 2020. The changes in the composition of the Board of Directors that took place during the year could not be carried out/e-filed in compliance with the provisions of the Act since DIN of two Directors were marked as 'Disqualified'.
- (b) Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notices and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting member's views are captured and recorded as part of the Minutes.

**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 and Chief Financial Officer and taken on record by the Board of Directors at its meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Place: Kolkata  
Date: 25.06.2021

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

(DEBABRATA DUTT)  
Proprietor  
FCS-5401  
C.P. No.-3824  
UDIN No.: F005401C000627011.





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

## **Annexure-A**

Our observations on Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2021 :

- a) Mr. Gouri Prasad Goenka [having DIN: 00030302] and Ms. Savita Laxmipathy Acharya [having DIN: 07038198] have been disqualified by the Registrar of Companies (ROC), Ministry of Corporate Affairs under section 164(2) of the Companies Act, 2013 for the period from 01.11.2017 to 31.10.2022. These two Directors resigned from the Board effective from 29.05.2019. However, pursuant to separate Interim Orders of Hon'ble High Court of Orissa, Cuttack dated 01.08.2019 keeping the disqualifications in abeyance, both of them were re-appointed by the Board as Additional Directors w.e.f. 07.08.2019 and also as Directors by the Members at the Annual General Meeting held on 19.09.2019. Non-filing of Balance Sheet / Annual Return with ROC which resulted in above disqualification does not pertain to Star Paper Mills Limited. Subsequently by separate Orders of Hon'ble High Court of Orissa, Cuttack the writ petitions were disposed off as withdrawn with liberty to file in the competent Court and the interim orders passed in the writ petitions stood vacated. These two Directors have resigned from the Board on 30th July, 2020.
- b) During 01.04.2020 to 30.07.2020 (part of the financial year), the Board of Directors was constituted including these two directors. Due to the DINs having been marked as disqualified, respective E-form DIR-12 for appointment / change in designation / cessation subsequent to 28.05.2019 in respect of above Directors could not be filed in accordance with the Companies (Registration Offices and Fees) Rules, 2014. However it was physically submitted with the Office of Registrar of Companies, Kolkata.
- c) In view of disqualification u/s164(2) remuneration paid/provided to those two directors is recoverable, subject to removal of disqualification granted by competent authority. Mr. G.P Goenka has filed a detailed representation to Registrar of Companies, Kolkata (West Bengal) for removing the disqualification.
- d) Details of above two Directors (whose DINs were marked as 'Disqualified') and respective dates of their appointment / change in designation / cessation could not be filled in and filed through Annual Return in E-form MGT-7 for the financial year ending 31st March, 2020.
- e) Quarterly Corporate Governance Report for the Quarter ended 31.03.2020 was not filed within extended due date of 15.05.2020, but has been filed on 04.06.2020. The Company has received notices from BSE and NSE for non-compliance of Regulation 27(2) imposing fine. The Company filed detailed reply explaining the reasons for delayed compliance due to unprecedented happenings of lockdown and other natural calamities and requested BSE & NSE to withdraw the fines. BSE vide its email dated 23/12/2020 and NSE vide its letter dated 17/03/2021 communicated approval to the Company's request for waiver of fines.
- f) The Company has no woman Director since 31st July, 2020 as per the requirements of second proviso to Section 149(1) of the Companies Act, 2013 read with Regulation 17(1) of the SEBI Listing Regulations. However, based on recommendation of Nomination & Remuneration Committee, the Board of Directors in its meeting held on 25<sup>th</sup> June, 2021 has appointed a woman director on the Board and the vacancy has been filled-in.
- g) The Company has received notices from BSE and NSE for non-compliance of Regulation 17(1) imposing fine and other consequences for not having woman Director in its Board for the quarters ended December 2020 and March 2021.
- h) The Company has:
  - (i) paid requisite fines [amounting to Rs. 3,65,800/- each on 08/03/2021] to BSE and NSE as imposed by them for the quarter ending December 2020; and
  - (ii) filed its written reply on 04<sup>th</sup> June, 2021 to BSE and NSE against the letters issued by them imposing further fines for the quarter ending March 2021.



## **Annexure-B**

To  
The Members,  
Star Paper Mills Limited

Our Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2021 of even date is to be read along with this letter.

### **Management's Responsibility :**

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

### **Auditor's Responsibility :**

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

### **Disclaimer:**

5. We have not verified the correctness and appropriateness of financial records, books of accounts, compliances of applicable direct and indirect tax laws of the company.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules, regulations, guidelines, standards and happening of events etc.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
8. This Report has been prepared upon receipt / exchange of requisite information and documents through electronic mail and other online verification / examination process of secretarial records as facilitated by the Company during the periods of sporadic lockdown due to Covid-19 pandemic as notified by Government of West Bengal.
9. In view of difficulties arising due to resurgence of Covid-19 infections in the State of West Bengal, partial and sporadic lockdown, consequential increased safety protocols including restrictions on movement, restricted entry in offices, staggered office hours, work from home etc. being followed by the Company we could not verify the original records of minutes of meetings of the Board of Directors and its various Committees and/or other relevant papers; physical verification of documents were inaccessible and dispensed with.

Place: Kolkata  
Date: 25.06.2021

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

(DEBABRATA DUTT)  
Proprietor  
FCS-5401  
C.P. No.-3824  
UDIN No.: F005401C000627011.



## ANNEXURE-VI

### Form No. AOC – 2

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

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

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

For and on behalf of the Board

Place : New Delhi  
Date : 25<sup>th</sup> June, 2021

**Shiromani Sharma**  
Chairman

## INDEPENDENT AUDITORS' REPORT

To the Members of **Star Paper Mills Limited**  
**Report on the Audit of the Annual Ind AS Financial Statements**

### Opinion

We have audited the accompanying Annual Ind AS financial statements of Star Paper Mills Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021 the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Annual Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Annual Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Annual Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Annual Ind AS financial statements.

### Emphasis of Matters

We draw attention to the following matters in the notes of the financial statement.

- (a) In view of disqualification u/s164(2) remuneration aggregating to Rs. 727.53 Lacs paid/provided to two directors is recoverable subject to removal of disqualification granted by competent authority ( Note No. 30.5)
- (b) Fair value of investment in ISG Traders Limited has not been evaluated after 31.12.2019 (Note No. 30.4).  
Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Annual financial statements of the current period. These matters were addressed in the context of our audit of the Annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibility for the audit of the Annual Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Annual Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Annual Ind AS financial statements.

S.No.	Key Audit Matter	Auditor's Response
1	<p><b>Valuation of Trade Receivable</b></p> <p>Trade receivables is a significant item in the Company's financial statements as at March 31, 2021 and assumptions used for estimating the credit loss on receivables is an area which is determined by management's judgment.</p>	<p>Our audit procedure included, among others :</p> <ul style="list-style-type: none"> <li>• Evaluated the accounting policy of the company.</li> <li>• Inquired with senior management regarding status of collectability of the receivable.</li> <li>• Amount recovered subsequent to the Balance Sheet date.</li> </ul>



The Company makes an assessment of the estimated credit losses on n trade receivables based on credit risk, project status, past history, latest discussion/ correspondence with the customer.

Given the significance of these receivables in the financial statements as at 31st March, 2021, we determined this to be a key audit matter.

- Assessed the information/assumptions used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, and the level of credit loss over time;

Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of trade receivables

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2020-21. Our opinion on the Annual Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### Responsibilities of Management for the Annual Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Annual Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Annual Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Annual Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Annual Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(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 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.
- Evaluate the overall presentation, structure and content of the Annual Ind AS financial statements, including the disclosures, and whether the Annual Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 Annual Ind AS financial statements for the financial year ended March 31, 2021 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**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) In our opinion, Managerial remuneration for the year ended 31.03.2021 has been paid /provided by the company to its director in accordance with the provisions of section 197 read with schedule V to the Act
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors)



Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Jain Pramod Jain & Co.  
Chartered Accountants  
(Firm Registration No. 016746N)

Place: New Delhi  
Date:25.06.2021

**(P.K. Jain)**  
Partner  
Membership No. 010479

## **ANNEXURE – A**

### **to Independent Auditors' Report of Star Paper Mills Limited**

(Referred to in Paragraph 1 under the heading of  
"Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) Fixed assets have been physically verified by the management according to the regular programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification;
- (c) The title deeds of immovable properties are held in the name of the company.
- ii. The inventories of the Company at all its locations (except stock in transit) have been physically verified by the management at reasonable intervals and the discrepancies which were noticed on physical verification of inventory as compared to book records were not material;
- iii. The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in section 189 of the Companies Act, 2013;
- iv. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 with respect of loans, investments, guarantees and securities;
- v. The Company has not accepted any deposit from public;
- 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 Companies Act, 2013 and are of the opinion that, prima-facie, prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete;
- vii. (a) According to the information and explanations and records of the Company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Goods and Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues for a period of more than six months from the date they became payable as on 31st March, 2021;

(b) According to the records and information and explanations given to us, there are no dues in respect of custom duty that have been deposited on account of any dispute. In our opinion and according to the information and explanations given to us, the dues in respect of income tax or sales tax or service tax or Goods and Service Tax or excise duty or value added tax that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below :

Name of Statute	Nature of dues	Amount involved (Rs. in lacs)	Period to which it relates	Forum where matter is pending
The U.P Act, 2018	VAT	20.28	F.Y. 2010-2011 2014-2015	Tribunal
	VAT	24.40	2009-2010	Tribunal
The Central Sales Tax Act, 1956	Sales Tax	406.00	1995-1996	Tribunal
	Sales Tax	118.29	2010-2011 2011-2012 2015-2016	Additional Commissioner (A) Trade Tax
The Central Excise Act	Excise Duty	4.84	2009-10 to 2011-12	CESTAT, Allahabad
The Central goods & service Tax Act, 2017	Goods & service tax	127.14	2019-20 & 2020-21	The Joint Commissioner Corporate Circle, Commercial Tax Saharanpur Zone, UP

- viii The Company has not defaulted in repayment of loans or borrowings to banks;
- ix. The Company did not raise any money by way of initial/further public offer (including debt instruments) and the company has not taken any term loans during the year.
- x. Based upon the audit procedure performed and information and explanation given to us, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit;
- xi. Managerial Remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule V of the Companies Act, 2013 except with respect to the recoverability of Rs. 727.53 Lacs as disclosed in Note No. 30.5.
- xii. Provision of Nidhi Company is not applicable to the Company;
- xiii. According to the information and explanation give to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements, etc as required by the applicable accounting standard;
- xiv. The company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year under review;
- xv. The company has not entered into any non-cash transaction with Directors or persons connected with him;
- xvi. The company is not required to be registered under section 45-1A of the Reserve Bank of India Act 1934.

For JAIN PRAMOD JAIN & CO.  
Chartered Accountants)  
(FRN 016746 N)

Place: New Delhi  
Date: 25.06.2021

**(P. K. JAIN)**  
Partner  
M. No. 010479





## **ANNEXURE-B**

### **to the Independent Auditors' report of even date on the Financial Statement of Star Paper Mills Limited .**

Report on the Internal Financial Controls under Clause (i) of sub –section 3 of section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Star Paper Mills Limited** as at March 31,2021 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 Control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on Audit of "the Internal Financial Controls over Financial Reporting issued by the institute of Chartered Accountants of India." These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we Comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls system over financial reporting and their operating effectiveness, our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and disposition of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and may not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the internal control over financial reporting criteria established by the Company Considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For JAIN PRAMOD JAIN & CO.  
Chartered Accountants)  
(FRN 016746 N)

Place: New Delhi  
Date: 25.06.2021

**(P. K. JAIN)**  
Partner  
M. No. 010479



## BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in lakhs)

	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1a	41,405.54	41,101.79
(b) Capital work-in-progress		575.36	748.90
(c) Right of use Assets	1b	86.09	124.36
(d) Financial Assets			
(i) Investments	2	1,902.91	1,902.91
(ii) Loans	3	231.66	231.26
(e) Other non-current assets	4	643.94	594.44
		<b>44,845.50</b>	<b>44,703.66</b>
<b>Current assets</b>			
(a) Inventories	5	7,644.64	7,953.29
(b) Biological Assets other than bearer plants	6	4.64	3.63
(c) Financial Assets			
(i) Investments	7	7,515.35	6,992.37
(ii) Trade receivables	8	32.60	359.87
(iii) Cash and cash equivalents	9a	400.65	566.09
(iv) Bank balances other than (iii) above	9b	3,734.97	1,766.73
(v) Loans	10	45.00	45.00
(vi) Other financial assets	11	42.95	17.25
(d) Other current assets	12	766.82	641.66
		<b>20,187.62</b>	<b>18,345.89</b>
<b>Total Assets</b>		<b>65,033.12</b>	<b>63,049.55</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	13	1,560.83	1,560.83
(b) Other Equity	14	48,627.86	47,268.64
		<b>50,188.69</b>	<b>48,829.47</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Other financial liabilities	15	992.91	1,035.73
(b) Provisions	16	694.75	817.03
(c) Deferred tax liabilities (Net)	17	7,275.56	7,115.59
		<b>8,963.22</b>	<b>8,968.35</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	18		
- Due to micro and small enterprises		696.17	537.42
- Due to others		3,810.40	3,852.76
(ii) Other financial liabilities	19	510.92	266.91
(b) Other current liabilities	20	680.01	411.27
(c) Provisions	21	68.86	83.37
(d) Current Tax Liabilities (Net)	22	114.85	100.00
		<b>5,881.21</b>	<b>5,251.73</b>
<b>Total Equity and Liabilities</b>		<b>65,033.12</b>	<b>63,049.55</b>

Significant Accounting Policies and Notes to Accounts (Note No. 33-46)

As per our report of even date  
For Jain Pramod Jain & Co.  
Chartered Accountants

(P.K. Jain)  
Partner

Place : New Delhi  
Date : 25.06.2021

Saurabh Arora  
Company Secretary

Sandeep Rastogi  
Chief Financial Officer

Madhukar Mishra  
Managing Director

Shiromani Sharma  
Chairman

C.M. Vasudev  
Shrivardhan Goenka  
Sunil Srivastav  
Directors

On behalf of the Board,



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>REVENUE FROM OPERATIONS</b>			
Revenue From Operations	23	23,337.47	34,094.85
Other Income	24	948.73	690.73
<b>Total Income (I)</b>		<b>24,286.20</b>	<b>34,785.58</b>
<b>EXPENSES</b>			
Cost of materials consumed	25	8,822.56	13,915.69
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	671.41	(956.55)
Employee benefits expense	27	2,250.04	2,786.71
Finance costs	28	57.97	64.78
Depreciation and amortisation expense	29	523.38	515.90
Other expenses	30	9,472.69	13,544.09
<b>Total Expenses (II)</b>		<b>21,798.05</b>	<b>29,870.62</b>
<b>Profit before tax (I-II)</b>		<b>2,488.15</b>	<b>4,914.96</b>
Tax expense:	31		
Current tax		618.36	1,415.50
Deferred tax		118.20	(227.30)
<b>Profit for the year</b>		<b>1,751.59</b>	<b>3,726.76</b>
<b>Other Comprehensive Income</b>	32		
A (i) Items that will not be reclassified to profit or loss		(3.05)	84.80
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.89	(6.89)
<b>Other Comprehensive Income for the year (net of taxes)</b>		<b>(2.16)</b>	<b>77.91</b>
<b>Total Comprehensive Income for the year</b>		<b>1,749.43</b>	<b>3,804.66</b>
<b>Earnings per equity share of par value of Rs. 10 each.</b>	36		
(1) Basic (Rs.)		11.22	23.88
(2) Diluted (Rs.)		11.22	23.88

### Significant Accounting Policies and Notes to Accounts (Note No. 33-46)

As per our report of even date  
For Jain Pramod Jain & Co.  
Chartered Accountants

On behalf of the Board,

(P.K. Jain)  
Partner

Shiromani Sharma  
Chairman

Place : New Delhi  
Date : 25.06.2021

Saurabh Arora  
Company Secretary

Sandeep Rastogi  
Chief Financial Officer

Madhukar Mishra  
Managing Director

C.M. Vasudev  
Shrivardhan Goenka  
Sunil Srivastav  
Directors

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. Equity Share Capital	Amount (Rs. in lakhs)
Balance as at April 1, 2019	1,560.84
Changes during the year	-
Balance as at March 31, 2020	1,560.84
Changes during the year	-
Balance as at March 31, 2021	1,560.84

### B. Other Equity

As at March 31, 2021

(Rs. in lakhs)

Particulars	Reserves and Surplus				Items of other comprehensive income		Total
	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Re-measurement of defined benefit plans	
Balance as at April 01, 2020	4,459.50	1,582.01	50.00	42,958.23	(1,687.68)	(93.42)	47,268.64
Profit for the year	-	-	-	1751.59	-	-	1,751.59
Total Other Comprehensive Income for the year	-	-	-	-	-	(2.16)	(2.16)
Dividends	-	-	-	(390.21)	-	-	(390.21)
Transfer to retained earning	-	-	-	(95.58)	-	95.58	-
	-	-	-	-	-	-	-
<b>Balance at March 31, 2021</b>	<b>4,459.50</b>	<b>1,582.01</b>	<b>50.00</b>	<b>44,224.03</b>	<b>(1,687.68)</b>	<b>-</b>	<b>48,627.86</b>

As at March 31, 2020

(Rs. in lakhs)

Particulars	Reserves and Surplus				Items of other comprehensive income		Total
	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Re-measurement of defined benefit plans	
Balance as at April 01, 2019	4,459.50	1,282.01	50.00	40,035.05	(1,777.25)	(81.75)	43,967.56
Total Comprehensive Income for the year	-	-	-	-	89.57	(11.67)	77.90
Profit for the year	-	-	-	3726.76	-	-	3,726.76
Dividends including dividend distribution tax	-	-	-	(472.82)	-	-	(472.82)
Adjustment for lease Assets As per IND-AS-116 (Net of Tax)- Note-32.7	-	-	-	(30.76)	-	-	(30.76)
Transfer to General Reserve	-	300.00	-	(300.00)	-	-	-
	-	-	-	-	-	-	-
<b>Balance at March 31, 2020</b>	<b>4,459.50</b>	<b>1,582.01</b>	<b>50.00</b>	<b>42,958.23</b>	<b>(1,687.68)</b>	<b>(93.42)</b>	<b>47,268.64</b>

As per our report of even date

For Jain Pramod Jain & Co.

Chartered Accountants

On behalf of the Board,

(P.K. Jain)

Partner

Shiromani Sharma  
Chairman

C.M. Vasudev  
Shrivardhan Goenka  
Sunil Srivastav  
Directors

Place : New Delhi  
Date : 25.06.2021

Saurabh Arora  
Company Secretary

Sandeep Rastogi  
Chief Financial Officer

Madhukar Mishra  
Managing Director



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

### 1. a) PROPERTY, PLANT AND EQUIPMENT:

(Rs. in lakhs)

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Total
<b>Gross Block</b>						
Cost as at 1st April, 2019	32,145.82	120.16	9,848.31	45.54	26.62	42,186.45
Additions during the year	-	-	525.06	7.52	0.04	532.62
Deduction/Adjustment during the year	-	-	-	0.53	-	0.53
<b>Balance as at 31st March, 2020</b>	<b>32,145.82</b>	<b>120.16</b>	<b>10,373.37</b>	<b>52.53</b>	<b>26.66</b>	<b>42,718.54</b>
Additions during the year	-	-	762.69	26.58	-	789.27
Deduction/Adjustment during the year	-	-	-	1.41	-	1.41
<b>Balance as at 31st March, 2021</b>	<b>32,145.82</b>	<b>120.16</b>	<b>11,136.06</b>	<b>77.70</b>	<b>26.66</b>	<b>43,506.40</b>
<b>Accumulated Depreciation</b>						
Balance as at 1st April, 2019	-	56.49	1,050.90	21.68	10.57	1,139.64
Depreciation for the year	-	13.29	446.17	12.39	5.77	477.62
Deduction/Adjustment during the year	-	-	-	0.51	-	0.51
<b>Balance as at 31st March, 2020</b>	<b>-</b>	<b>69.78</b>	<b>1,497.07</b>	<b>33.56</b>	<b>16.34</b>	<b>1,616.75</b>
Depreciation for the year	-	10.41	457.66	13.40	3.65	485.12
Deduction/Adjustment during the year	-	-	-	1.01	-	1.01
<b>Balance as at 31st March, 2021</b>	<b>-</b>	<b>80.19</b>	<b>1,954.73</b>	<b>45.95</b>	<b>19.99</b>	<b>2,100.86</b>
<b>Net Block</b>						
Balance as at 31st March, 2020	32,145.82	50.38	8,876.30	18.97	10.32	41,101.79
Balance as at 31st March, 2021	32,145.82	39.97	9,181.33	31.75	6.67	41,405.54

1.1 Gross block and Net block of Buildings include flat acquired under joint ownership with others at New Delhi amounting Rs 21.13 Lakhs (March 31, 2020 Rs. 21.13 lakhs ) and Rs 6.87Lakhs (March 31, 2020, Rs.8.60 Lakhs ) respectively.

### 1. b) RIGHT OF USE ASSETS:

Particulars	Right of Use Assets (Building)
<b>Gross Block</b>	
Cost as at 1st April, 2019	162.63
Additions during the year	-
Deduction/Adjustment during the year	-
<b>Balance as at 31st March, 2020</b>	<b>162.63</b>
Additions during the year	-
Deduction/Adjustment during the year	-
Other Adjustments	-
<b>Balance as at 31st March, 2021</b>	<b>162.63</b>
<b>Accumulated Depreciation</b>	
Balance as at 1st April, 2019	38.27
Depreciation for the year	-
Deduction/Adjustment during the year	-
<b>Balance as at 31st March, 2020</b>	<b>38.27</b>
Depreciation for the year	38.27
Deduction/Adjustment during the year	-
Other Adjustments	-
<b>Balance as at 31st March, 2021</b>	<b>76.54</b>
<b>Net Block</b>	
Balance as at 31st March, 2020	124.36
Balance as at 31st March, 2021	86.09

### 2. INVESTMENTS (NON-CURRENT)

(Fully paid up except otherwise stated )

Particulars	As at March 31, 2021		As at March 31, 2020	
	Holding	Value	Holding	Value
<b>Investments in Equity Instruments</b>				
<b>Investment designated at Fair Value through Other Comprehensive Income Quoted</b>				
ISG Traders Limited (Face value of Rs.10/- each)	17,45,786	1902.91	17,45,786	1,902.91
<b>Total -Non -Current Investments</b>		<b>1,902.91</b>		<b>1,902.91</b>
<b>Aggregate amount of Quoted Investments</b>		<b>1,902.91</b>		<b>1,902.91</b>

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

2.2 The shares of ISG Traders Limited are quoted but not traded since long therefore the market value of investment has not been stated.

### 3. LOANS ( NON-CURRENT)

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, Considered Good</b>		
Security Deposits	182.66	182.26
Security Deposit with related parties	49.00	49.00
	<b>231.66</b>	<b>231.26</b>

### 4. OTHER NON-CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured Considered Good</b>		
Capital Advances	46.44	39.86
Prepaid expenses	22.00	30.22
Balances/Deposits with Government Authorities	575.50	524.36
	<b>643.94</b>	<b>594.44</b>

### 5. INVENTORIES

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	4,896.93	3,885.30
Chemicals	247.62	291.27
Process stock	466.90	575.86
Finished goods	500.78	1,063.23
Stores and spares [Includes in transit stock of Rs 6.65 (3.38)]	1,532.41	2,137.63
	<b>7,644.64</b>	<b>7,953.29</b>

### 6. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
As at Opening date	3.63	5.41
Change in fair value*	1.01	(1.78)
<b>As at Closing date</b>	<b>4.64</b>	<b>3.63</b>

\*Represents aggregate gain (loss) arising on account of change in fair value less cost to sale during the year

### 7. CURRENT INVESTMENTS

(Fully paid up except otherwise stated )

(Rs. in lakhs)

Particulars	Face Value (Rs.)	As at March 31, 2021		As at March 31, 2020	
		Holding (No)	Value	Holding (No)	Value
<b>Investment measured at fair value through Profit and Loss</b>					
<b>Investment in Mutual Funds</b>					
<b>Quoted</b>					
SBI Short Term Debt Fund – Regular Plan -Growth	10	19,26,553.63	482.07	19,26,553.63	449.23
ICICI Prudential Ultra Short Term Fund – Growth	10	8,87,553.39	407.06	18,51,919.14	377.16
IDFC Corporate Bond Fund Regular Plan – Growth	10	27,13,919.48	407.71	27,13,919.48	374.01
IDFC Bond Fund-Short Term Regular Plan – Growth	10	30,93,402.63	1,381.69	30,93,402.63	1,285.09
HDFC Low Duration Fund – Retail – Regular Plan – Growth	10	10,54,150.69	474.48	10,54,150.69	443.55
Franklin India Saving Fund Retail option – Growth	10	15,44,983.39	601.45	15,44,983.39	571.66
Aditya Birla Sun Life Low Duration Fund – Growth Regular	10	1,66,934.82	861.01	1,66,934.82	807.44
UTI Corporate Bond Fund - Regular Growth Plan	10	1,50,12,981.88	1,906.97	1,50,12,981.88	1,764.82
Nippon India Short Term Fund - Growth Plan	10	24,33,910.83	992.91	24,33,910.83	919.41
<b>Total</b>			<b>7,515.35</b>		<b>6,992.37</b>
<b>Aggregate amount of Quoted Investments</b>					
<b>- In Mutual Funds</b>			<b>7,515.35</b>		<b>6,992.37</b>
<b>Aggregate amount of Market Value of Quoted Investments</b>					
<b>- In Mutual Funds</b>			<b>7,515.35</b>		<b>6,992.37</b>



## 8. TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Considered good, secured	32.60	203.26
Considered good, unsecured	-	156.61
Trade Receivables which have significant increase in Credit Risk	7.20	7.20
Less: Allowance for credit losses	7.20	7.20
	<b>32.60</b>	<b>359.87</b>

## 9. a) CASH AND CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current and cash credit accounts	396.73	555.20
Cash on hand	3.92	10.89
	<b>400.65</b>	<b>566.09</b>

## 9. b) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
<b>Other balance with banks</b>			
In Margin Money Accounts	9.1	858.42	694.92
<b>Earmarked balances with bank</b>			
Unpaid Dividend Account		14.16	11.27
Fixed deposits with Banks(having original maturity of more than 3 months But less than 12 Months)		2,862.39	1,060.54
		<b>3,734.97</b>	<b>1,766.73</b>

9.1 Fixed Deposits with banks include Fixed Deposit of Rs. 106.18 lakhs (March 31, 2020 Rs. 106.18 lakhs) have been lodged with Banks against guarantee issued by them.

## 10. LOANS

(Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
<b>(Unsecured Considered Good)</b>			
Inter Corporate Loan	42	45.00	45.00
		<b>45.00</b>	<b>45.00</b>

## 11. OTHER FINANCIAL ASSETS (UNSECURED CONSIDERED GOOD)

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest receivables on loans & deposits	42.95	17.25
	<b>42.95</b>	<b>17.25</b>

## 12. OTHER CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(Unsecured, Considered Good)</b>		
Advances for supply of goods and rendering of services	692.58	528.29
Balance with Government authorities	-	64.08
Prepaid expenses	67.96	38.09
Advances to Employees	6.28	11.20
	<b>766.82</b>	<b>641.66</b>

## 13. EQUITY SHARE CAPITAL

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorized</b>		
10,000 5% Cumulative Tax Free Redeemable Preference Shares of Rs.100 each	10.00	10.00
39,800,000 Equity Shares of Rs.10 each	3,980.00	3,980.00
100,000 'A' Equity Shares of Rs.10 each	10.00	10.00
	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued</b>		
15,511,250 Equity Shares of Rs.10 each	1,551.12	1,551.12
100,000 'A' Equity Shares of Rs.10 each	10.00	10.00
	<b>1,561.12</b>	<b>1,561.12</b>
<b>Subscribed and Paid-up</b>		
15,508,350 Equity Shares of Rs.10 each	1,550.83	1,550.83
100,000 'A' Equity Shares of Rs.10 each	10.00	10.00
	<b>1,560.83</b>	<b>1,560.83</b>

**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 class are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

### 13.2 RECONCILIATION OF THE NUMBER OF EQUITY SHARES OUTSTANDINGS

Particulars	No. of shares	
	As at March 31, 2021	As at March 31, 2020
Number of shares at the beginning	1,56,08,350	1,56,08,350
Add: Addition during the year	-	-
Number of shares at the end	1,56,08,350	1,56,08,350

### 13.3 SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES

Name of share holders	No. of shares	
	As at March 31, 2021	As at March 31, 2020
ISG Traders Ltd	49,68,744	49,68,744
Albert Trading Company Pvt. Ltd.	9,05,200	9,05,200

### 14. OTHER EQUITY

Particulars	Ref. Note No.	(Rs. in lakhs)	
		As at March 31, 2021	As at March 31, 2020
Capital Redemption Reserve	14.2	50.00	50.00
Securities Premium Reserve	14.3	4,459.50	4,459.50
General Reserve	14.4	1,582.01	1,582.01
Retained Earnings	14.5	44,224.03	42,958.23
Other Comprehensive Income	14.6		
Equity instrument through other comprehensive income		(1,687.68)	(1,687.68)
Re-measurement of defined benefit plans			(93.42)
		<b>48,627.86</b>	<b>47,268.64</b>

#### 14.1 Refer Statement of changes in Equity for movement in balances of reserves

#### 14.2 Capital Redemption Reserve

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

#### 14.3 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.

#### 14.4 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.

#### 14.5 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company. It also includes Rs.24734.05 lakhs being fair value of land as on date of transition taken as deemed cost.

#### 14.6 Other Comprehensive Income

Other Comprehensive Income represent the balance in equity for items to be accounted in Other Comprehensive Income (OCI) and comprises of the following:

i) Items that will not be reclassified to profit and loss

- The company has elected to recognise changes in the fair value of non-current investments in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.
- The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI & are adjusted in retained earnings.

**14.7** The Board of Directors has recommended a dividend of Rs 2.50/- per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2021. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 390.21 lakhs.





## 15. OTHER FINANCIAL LIABILITIES

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits		
(i) from wholesalers	780.00	775.00
(ii) from others	148.24	146.41
(ii) Lease Liability	64.67	114.32
	<b>992.91</b>	<b>1,035.73</b>

## 16. PROVISIONS

(Rs. in lakhs)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	35	694.75	817.03
		<b>694.75</b>	<b>817.03</b>

## 17. DEFERRED TAX LIABILITIES

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax Assets	(499.23)	(586.42)
Deferred tax Liabilities	7,774.78	7,702.01
<b>Net Deferred Tax (Assets)/Liabilities</b>	<b>7,275.56</b>	<b>7,115.59</b>

## COMPONENTS OF DEFERRED TAX (ASSETS)/ LIABILITIES AS AT MARCH 31, 2021 ARE GIVEN BELOW:

Particulars	As at March 31, 2020	Charge/ (Credit) recognised	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2021
<b>Deferred Tax Assets:</b>				
Expenses allowable on payment basis	291.17	(45.42)	-	245.75
MAT credit entitlement	42.66	(42.66)	-	-
Provision for doubtful debts	2.10	-	-	2.10
Lease liability	12.63	-	-	12.63
Remeasurement of defined benefit obligations	42.53	-	0.89	43.42
Fair value of Investment	195.33	-	-	195.33
<b>Total Deferred Tax Assets</b>	<b>586.42</b>	<b>(88.08)</b>	<b>0.89</b>	<b>499.23</b>
<b>Deferred Tax Liabilities:</b>				
Timing difference with respect to Property, Plant & Equipment	7,582.73	(71.58)	-	7,511.15
Recognition of Biological Assets	(0.52)	0.81	-	0.29
Fair value of Investment	119.79	143.55	-	263.34
<b>Total Deferred Tax Liabilities</b>	<b>7,702.01</b>	<b>72.78</b>	<b>-</b>	<b>7,774.78</b>
<b>NET DEFERRED TAX (ASSETS)/ LIABILITIES</b>	<b>7,115.59</b>	<b>160.86</b>	<b>0.89</b>	<b>7,275.56</b>

## 18. TRADE PAYABLES

(Rs. in lakhs)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
<b>Payable for Goods and Services</b>			
Due to Micro and Small Enterprises	18.1	696.17	537.42
Others		3,810.40	3,852.76
		<b>4,506.57</b>	<b>4,390.18</b>

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

Particulars	(Rs. in lakhs)	
	As at 31-Mar-21	As at 31-Mar-20
a) Principal & Interest amount remaining unpaid but not due as at year end	696.17	537.42
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	0.16
d) Interest accrued and remaining unpaid as at year end	Nil	0.16
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

## 19. OTHER FINANCIAL LIABILITIES

Particulars	Ref. Note No.	(Rs. in lakhs)	
		As at March 31, 2021	As at March 31, 2020
Interest payable to related party	39	6.77	6.77
Unclaimed dividends	19.1	14.16	11.27
Capital vendors		102.49	102.49
Lease Liability		54.22	52.16
Others *		333.28	94.22
		<b>510.92</b>	<b>266.91</b>

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

\* Includes sales incentive payable etc.

## 20. OTHER CURRENT LIABILITIES

Particulars	(Rs. in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Advance from customers	338.16	247.37
Statutory dues	341.85	163.90
	<b>680.01</b>	<b>411.27</b>

## 21. PROVISIONS

Particulars	Ref. Note No.	(Rs. in lakhs)	
		As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	35	68.86	83.37
		<b>68.86</b>	<b>83.37</b>

## 22. CURRENT TAX LIABILITIES (NET)

Particulars	(Rs. in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Provision for taxation (net of advance tax)	114.85	100.00
	<b>114.85</b>	<b>100.00</b>



### 23. REVENUE FROM OPERATION

(Rs. in lakhs)

Particulars	YEAR ENDED	
	31ST MARCH 2021	31ST MARCH 2020
Sale of products	22998.24	33749.76
<b>Other Operating Revenue</b>		
Sale of Waste Sludge, Scrap, etc.	339.23	345.09
	339.23	345.09
	<b>23337.47</b>	<b>34094.85</b>

### 24. OTHER INCOME

Particulars	YEAR ENDED	
	31ST MARCH 2021	31ST MARCH 2020
Interest Income:-		
On loans, deposits, overdue debts etc.	85.00	110.32
On Financial Assets measured at amortised cost	1.45	1.45
Net change in fair value less estimated costs to sell of biological assets	1.01	0.00
Net gain/(loss) on sale / redemption of Current investments (net)	30.03	249.82
Net gain/(loss) on fair valuation of Current investments through profit and loss (net)	492.94	226.70
Profit/(loss) on sale of fixed assets (net)	0.23	0.03
Research contribution from IPMA	6.16	0.00
Provision for doubtful debts written back	0.00	2.43
Net gain/(loss) on foreign currency transaction and translation	0.27	0.00
Provision/ Liability no longer required written back	168.61	4.35
Miscellaneous income	163.03	95.63
<b>Total</b>	<b>948.73</b>	<b>690.73</b>

### 25. COST OF MATERIALS CONSUMED

Particulars	YEAR ENDED	
	31ST MARCH 2021	31ST MARCH 2020
Raw Materials Consumed	8822.56	13915.69

#### 25.1 DETAILS OF MATERIAL CONSUMED

Particulars	YEAR ENDED	
	31ST MARCH 2021	31ST MARCH 2020
Wood, wood and paper waste and wood pulp	6310.82	10382.77
Chemical and Dyes Consumed	2511.73	3532.92
<b>Total</b>	<b>8822.56</b>	<b>13915.69</b>

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

OPENING STOCK:		
STOCK IN PROCESS	575.86	406.25
FINISHED STOCK	1063.23	276.29
	<b>1639.09</b>	<b>682.54</b>
CLOSING STOCK:		
STOCK IN PROCESS	466.90	575.86
FINISHED STOCK	500.78	1063.23
	<b>967.68</b>	<b>1639.09</b>
	<b>671.41</b>	<b>-956.55</b>

### 27. EMPLOYEES BENEFIT EXPENSES

Particulars	YEAR ENDED	
	31ST MARCH 2021	31ST MARCH 2020
SALARIES, WAGES, BONUS ETC.	1961.35	2440.57
PROVIDENT AND OTHER FUNDS	155.80	212.08
WORKMEN AND STAFF WELFARE EXPENSES	132.89	134.06
	<b>2250.04</b>	<b>2786.71</b>

## 28. FINANCIAL COSTS

(Rs. in lakhs)

Particulars	YEAR ENDED 31ST MARCH 2021	YEAR ENDED 31ST MARCH 2020
ON OTHER ACCOUNTS	57.97	64.78
	<b>57.97</b>	<b>64.78</b>

## 29. DEPRECIATION AND AMORTISED EXPENSES

DEPRECIATION EXPENSES	485.11	477.63
LEASE ASSETS (ROU)	38.27	38.27
	<b>523.38</b>	<b>515.90</b>

## 30. OTHER EXPENSES

Particulars	YEAR ENDED 31ST MARCH 2021	YEAR ENDED 31ST MARCH 2020
Stores and components consumed	848.35	1127.95
Power and fuel	5098.86	8512.43
<b>Repair to:-</b>		
Buildings	109.11	183.76
Machinery	588.68	761.99
Others	11.53	20.37
Rent	86.13	80.07
Net Change in Fair Value of Biological assets	0.00	1.78
Rates and Taxes	66.47	78.03
Insurance	98.51	14.11
Packing ,selling Transportation and others expenses	131.17	172.14
Brokerage and Commission	414.56	241.06
Charity and Donation	0.00	0.10
Directors Fees	14.10	12.00
Net gain/(loss) on foreign currency transaction and translation	0.00	3.11
Legal & professional charges	423.59	339.53
General manufacturing expenses (contractor Wages)	483.52	620.13
Miscellaneous expenses	1098.11	1375.53
	<b>9472.69</b>	<b>13544.09</b>

### 30.1 AUDITORS REMUNERATION (including in Misc. Exp.)

Statutory Audit Fee	7.00	7.00
Fee for Taxation Matters	1.80	1.80
Fee for Certification and Review	2.65	2.65
For reimbursement of expenses	0.12	0.45
	<b>11.57</b>	<b>11.90</b>

**30.2** During the year, the company has incurred Rs. 78.50 lakhs (March 31,2020 Rs. 47.45. lakhs) on account of research and development expenses which has been charged to statement of Profit & Loss.

**30.3** During the year, the Company has incurred Rs. 123.17 lakhs (March 31, 2020 Rs. 128.27 lakhs) on account of Corporate Social Responsibility (CSR) apart from Charity and Donations.

**30.4** Fair value of investment in ISG Traders Limited has not been evaluated after 31.12.2019.

**30.5** In view of disqualification under section 164(2), remuneration aggregating to Rs. 727.53 lakhs paid/provided to two directors is recoverable subject to any approval for removal of disqualification granted by competent authority.

**30.6** The company has assessed the impact of COVID-19 pandemic on its financial results/position- As per the current assessment the company expects to recover the carrying out of inventory, trade receivable and other assets. However the impact assessment of COVID-19 will be continuing process given the uncertainties associated with its nature and direction.

### 30.7 RIGHT-OF-USE ASSETS : (BUILDING)

(a) The Company has taken certain offices and residential premises under operating lease agreements for short period. The aggregate lease rental of Rs. 86.13 lakhs (Previous year Rs. 80.07 lakhs) on such lease has been charged to Statement of Profit & Loss.



**(B) IMPACT ON STATEMENT OF PROFIT AND LOSS**

(Rs. in lakhs)

Particulars	2020-21	2019-20
(i) Interest on lease liabilities	6.66	8.24
(ii) Depreciation of Right-of-use Assets Note No-29	38.27	38.27
(iii) Actual Lease Rent Paid	54.25	47.79
(iv) Impact on the statement of profit and loss	-9.32	-1.28

**(C) LEASE LIABILITIES RECONCILIATION**

Particulars	2020-21	2019-20
(i) Opening	166.48	206.03
(ii) Lease liability arised during the year	0.00	0.00
(iii) Interest on lease liabilities	6.66	8.24
(iv) Repayment/ Actual Rent	54.25	47.79
(v) Closing Balance (Refer Note 15 And 19)	<b>118.89</b>	<b>166.48</b>

**31. TAX EXPENSES - CURRENT TAX**

Particulars	YEAR ENDED 31ST MARCH 2021	YEAR ENDED 31ST MARCH 2020
PROVISION FOR CURRENT TAX	618.36	1415.50
	<b>618.36</b>	<b>1415.50</b>

**31.1 COMPONENT OF TAX EXPENSES:**

Particulars	YEAR ENDED 31ST MARCH 2021	YEAR ENDED 31ST MARCH 2020
<b>Current Tax</b>		
In respect of current year	618.36	1415.50
<b>Total Current Tax expenses recognised in the current year</b>	<b>618.36</b>	<b>1415.50</b>
<b>Deferred Tax</b>		
In respect of current year	118.20	-227.30
<b>Total Deferred Tax expenses recognised in the current year</b>	<b>118.20</b>	<b>-227.30</b>
<b>Total Tax expenses recognised in the current year</b>	<b>736.56</b>	<b>1188.20</b>

**31.2 RECONCILIATION OF INCOME TAX EXPENSE FOR THE YEAR WITH ACCOUNTING PROFIT IS AS FOLLOWS:**

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

(Rs. in lakhs)

Particulars	YEAR ENDED 31ST MARCH 2021	YEAR ENDED 31ST MARCH 2020
Profit before tax	2488.15	4914.96
Income tax expense calculated at 29.12%	724.55	1431.24
Add: Tax Incidences on addition		
Disallowances u/s 43B	58.77	68.23
Other disallowances	44.46	50.93
Less: Tax incidences on deductions		
Difference of Book and Income Tax depreciation	8.79	38.53
Expenses paid u/s 43B paid during the year	41.22	16.42
Other deductions	159.41	79.95
<b>Income tax expense recognised in profit or loss</b>	<b>618.36</b>	<b>1415.50</b>
Effective Tax Rate	24.85%	28.80%

The tax rate used for reconciliations above is the corporate tax rate of 29.12% payable by corporate entities in India on taxable profits under the Indian tax laws.

### 32. COMPONENTS OF OTHER COMPREHENSIVE INCOME

Particulars	YEAR ENDED 31ST MARCH 2021	YEAR ENDED 31ST MARCH 2020
Items that will not be reclassified to Statement of Profit or Loss		
Net fair value changes on investments in equity shares at FVTOCI	0.00	101.26
Remeasurement of defined benefit plans	(3.05)	(16.46)
	<b>(3.05)</b>	<b>84.80</b>
<b>Income tax on above</b>	<b>0.89</b>	<b>(6.89)</b>
Total Other Comprehensive Income	(2.16)	77.91

#### NOTE NO. 33

#### COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES

##### 1. CORPORATE INFORMATION

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

##### 2. STATEMENT OF COMPLIANCE AND RECENT PRONOUNCEMENTS

###### 2.1 STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with and to comply in all material aspects with Indian Accounting Standards (Ind AS) as notified under the relevant provisions of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as applicable.



The financial statements have been prepared on accrual and going concern basis under historical cost convention, except for the items that have been measured at fair value as required by relevant Ind AS.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 BASIS OF PREPARATION

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

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

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 Presentation of Financial Statements and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

#### FAIR VALUE MEASUREMENT

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

#### 3.2 PROPERTY PLANT AND EQUIPMENT (PPE)

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

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

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

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

#### DEPRECIATION AND AMORTIZATION OF EXPENSES:

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

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

#### 3.3 DERECOGNITION OF TANGIBLE ASSETS

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

### 3.4 LEASES

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

### 3.5 IMPAIRMENT OF TANGIBLE ASSETS

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

### 3.6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

#### (i) CASH AND CASH EQUIVALENTS

All highly liquid financial instruments, which are readily convertible into determinable amount 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.

#### (ii) FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### (iii) FINANCIAL ASSET 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 within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

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

(iv) For the purpose of para (ii) and (iii) 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.





### **(v) FINANCIAL ASSETS OR LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognised in the statement of profit and loss.

### **(vi) IMPAIRMENT OF FINANCIAL ASSETS**

A financial asset is assessed for impairment at each reporting 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.

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

### **(vii) DERECOGNITION OF FINANCIAL INSTRUMENTS**

The Company derecognises 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 another party and also transfer qualifies for derecognition under Ind-AS - 109.

On de-recognition 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 recognised in statement of profit and loss.

On de-recognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognised 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 derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

### **(viii) VALUATION OF INVESTMENTS**

The company holds investments in equity which are measured at fair value through Other Comprehensive Income. The Company's investments in mutual fund schemes have been valued at fair value and are recognised in Profit and Loss Account.

## **3.7 BIOLOGICAL ASSETS**

Biological assets of the company comprises of unharvested clonal plants that are classified as current biological assets. The company recognizes biological assets when, and only when, the company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the company and the fair value or cost of the biological assets can be measured reliably. Biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in statement of profit and loss for the period in which it arises.

## **3.8 INVENTORIES**

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

## **3.9 ASSET HELD FOR SALE**

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

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

## **3.10 FOREIGN CURRENCY TRANSACTIONS**

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

### 3.11 EQUITY SHARE CAPITAL

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

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### 3.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

### 3.13 EMPLOYEE BENEFITS

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the related service is rendered. Contribution to defined contribution plans such as Provident Fund etc, is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to Gratuity and Pension are determined at the end of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Other long term employee benefits consisting of Leave Encashment are determined at the end of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of profit and loss.

### 3.14 REVENUE

#### REVENUE FROM CONTRACT WITH CUSTOMER:

The company adopted Ind AS-115 'Revenue from Contracts with Customers' using Cumulative Catch up Transition method w.e.f. 01.04.2018.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractual terms and conditions. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably. Revenue is disclosed net of returns, incentives and returns, as applicable. Variable consideration includes volume discounts, price concessions, liquidity damages, incentives, etc.

Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS-115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.

#### INTEREST, DIVIDEND AND CLAIMS

Interest Income is recognised on time proportion basis. 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/ settled.

#### EXPORT BENEFITS

Export benefits are accounted for as and when the ultimate realisability of such benefits are established.

### 3.15 BORROWING COSTS

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

### 3.16 RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development cost (other than cost of fixed assets acquired) are charged as an expense in the Statement of profit and loss in the year in which they are incurred.



### **3.17 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.

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

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

### **3.18 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.

### **3.19 SEGMENT REPORTING**

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

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

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

### **4.1 FAIR VALUE AS DEEMED COST FOR PPE**

The Company has used fair value of land as carried out by external valuer as on the date of transition i.e. 1st April 2016 as deemed costs.

### **4.2 IMPAIRMENT LOSS ON TRADE RECEIVABLES**

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

### **4.3 INCOME TAXES**

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

### **4.4 PROVISIONS AND CONTINGENCIES**

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

#### 4.5 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.

#### 34. FINANCIAL INSTRUMENTS

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(Rs. in lakhs)				
<b>Financial Assets (Current and Non-Current)</b>				
<b>Financial Assets measured at Amortised Cost</b>				
Cash and cash equivalents	400.65	400.65	566.09	566.09
Bank Balances Other than Cash and Cash Equivalents	3,734.97	3,734.97	1,766.73	1,766.73
Other Financial Assets including loans	319.61	319.61	293.51	293.51
Trade Receivables	32.60	32.60	359.87	359.87
<b>Financial Assets designated at Fair Value through Profit and Loss Account</b>				
Investment in Mutual Funds	7,515.35	7,515.35	6,992.37	6,992.37
<b>Financial Assets designated at Fair Value through Other Comprehensive Income</b>				
Investment in Equity Instruments	1,902.91	1,902.91	1,902.91	1,902.91
<b>(a) Total Financial Assets</b>	<b>13,906.09</b>	<b>13,906.09</b>	<b>11,881.48</b>	<b>11,881.48</b>
<b>Financial Liabilities (Current and Non-Current)</b>				
<b>Financial Liabilities designated at Amortised Cost</b>				
Trade Payables	4,506.57	4,506.57	4,390.18	4,390.18
Other Financial Liabilities	1,503.83	1,503.83	1,302.64	1,302.64
<b>Total of Financial Liabilities</b>	<b>6010.40</b>	<b>6010.40</b>	<b>5692.82</b>	<b>5692.82</b>

#### 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, P/E ratio of similar sector company along with premium/discount for controlling interest.

#### FAIR VALUE HIERARCHY

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2021:

Particulars	As at March 31, 2021	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
(Rs. in lakhs)				
<b>Financial Assets</b>				
Investment in Mutual Funds	7,515.35	7,515.35	-	-
	(6,992.37)	(6,992.37)	-	-
	-	-	-	-
Investment in Equity Instruments(Non-Current)	1,902.91	-	-	1,902.91
	(1,902.91)	-	-	(1,902.91)

(\*) Figures in round brackets ( ) indicate figures as at March 31, 2020

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

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



During the year ended March 31, 2021, 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 amortised based on the borrowing rate of the company.

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

## **FINANCIAL RISK FACTORS**

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

### **MARKET RISK**

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

### **FOREIGN CURRENCY RISK**

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

The Company evaluates exchange rate exposure arising from these transactions and follows established risk management policies. As at the year end the company had no exposure in the foreign currency and neither in the previous year.

### **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 wholeseller who have paid deposit to the company and the risk involved in payment default is minimum. Further, evaluating the credit worthiness of the customers has minimised the risk of default by other segment customers. Besides, the risk of export receivables is covered under Credit Insurance. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly. Further the company obtains necessary security including letter of credits and/or bank guarantee to mitigate its credit risk.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are three customer (Hira Lal and Sons, Bharat Kumar and Co. Pvt. Ltd. and Raghav Trading Corporation) having outstanding of Rs.167.49 lakhs which accounted for more than 10% of the accounts receivable as at March 31, 2021.

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

### **FINANCIAL ASSETS THAT ARE NEITHER PAST DUE NOR IMPAIRED**

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

### **FINANCIAL ASSETS THAT ARE PAST DUE BUT NOT IMPAIRED**

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

### **LIQUIDITY RISK**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term 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, 2021. The Company is not having any borrowings hence there is no interest risk.

## MATURITY ANALYSIS OF FINANCIAL LIABILITIES

as at March 31, 2021

(Amount Rs. In lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Other Liabilities	1,503.83	1,503.83				1,503.83
Trade and other payables	4,506.57	4,506.57				4,506.57

As at March 31, 2020

(Amount Rs. In lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Other Liabilities	1,302.64	1,302.64				1,302.64
Trade and other payables	4,390.18	4,390.18				4,390.18

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.

The company relies on mix of borrowings and excess operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

## 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.

The gearing ratio are as follows:

Particulars	(Rs. In lakhs)	
	As at March 31, 2021	As at March 31, 2020
Borrowings	-	-
Less Cash and Cash Equivalents	400.65	566.09
Net Debt	(400.65)	(566.09)
Equity	50,188.69	48,829.47
Equity and Net Debt	49,788.04	48,263.38
Gearing Ratio	-.00	-.00

## 35. POST RETIREMENT EMPLOYEE BENEFITS

The disclosures required under IND 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 :

(Rs. In lakhs)

Particulars	(Rs. In lakhs)	
	For the year ended	For the year ended
	31.03.2021	31.03.2020
Employer's Contribution to Provident Fund & Family Pension Fund	75.00	99.18
Employer's State Insurance	18.22	35.97

## b) DEFINED BENEFIT PLANS

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. The obligation for pension and leave encashment is recognised in the same manner as gratuity.

(Rs. In lakhs)

Particulars	Gratuity (Funded)		Pension (Non Funded)	
	2020-21	2019-20	2020-21	2019-20
<b>a) Change in the Present value of the defined benefit obligation:</b>				
Liability at the beginning of the year	719.79	761.18	356.26	358.62
Interest Cost	49.27	56.45	24.40	26.61
Current Service Cost	33.39	35.34	0.88	0.81
Actuarial (gain) / loss on obligations	(9.24)	0.54	9.79	7.90
Benefits paid	(154.03)	(133.71)	(38.68)	(37.69)
Liability at the end of the year	639.18	719.79	352.66	356.26
<b>b) Changes in the Fair Value of Plan Asset</b>				
Fair value of Plan Assets at the beginning of the year	293.44	210.56	-	-
prior period adjustment	-	(10.24)		
Expected Return on Plan Assets	20.09	14.85		
Contributions by the Company	180.00	220.00	38.68	37.69
Benefits paid	(156.53)	(141.73)	(38.68)	(37.69)
Actuarial gain / (loss) on Plan Assets	-	-		
Fair value of Plan Assets at the end of the year	337.00	293.44	-	-
<b>c) Actual return on Plan Asset</b>				
Expected return on Plan assets	20.09	14.85	-	-
Actuarial gain / (loss) on Plan Assets	-	-	-	-
Actual Return on Plan Assets	20.09	14.85	-	-
<b>d) Amount Recognized in Balance Sheet</b>				
Liability at the end of the year	639.18	719.79	352.66	356.26
Fair value of Plan Assets at the end of the year	337.00	293.44	-	-
	302.18	426.35	352.66	356.26
<b>e) Components of Defined Benefit Cost</b>				
Current Service Cost	33.39	35.34	0.88	0.81
Interest Cost	49.27	56.45	24.40	26.61
Expected Return on Plan Assets	(20.09)	(14.85)	-	-
prior period adjustment	-	10.24		
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(6.74)	8.55	9.79	7.90
Total Defined Benefit Cost recognised in Profit and Loss and OCI	55.83	95.72	35.07	35.33
<b>f) Balance Sheet Reconciliation</b>				
Opening Net Liability	426.35	384.96	356.26	358.62
Expenses as above	55.83	95.72	35.07	35.33
Employers Contribution	(180.00)	(220.00)	(38.68)	(37.69)
Amount Recognized in Balance Sheet	302.18	260.68	352.66	356.26
<b>g) Principal Actuarial assumptions as at the Balance Sheet date</b>				
Discount Rate(Per annum)	6.70%	6.85%	6.70%	6.85%
Salary Growth Rate (Per annum)	5.00%	5.00%	5.00%	5.00%
Rate of Return on Plan Assets	8.00%	8.00%	Not Applicable	Not Applicable

### 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 180.00 lakhs (Previous Year Rs. 220 lakhs) to Gratuity fund in 2020-21.



**RECOGNISED IN OTHER COMPREHENSIVE INCOME**

Particulars	(Rs. In lakhs)	
	Gratuity	Pension
Remeasurement - Actuarial loss/(gain)		
For the year ended March 31, 2020	8.55	7.90
Remeasurement - Actuarial loss/(gain)		
For the year ended March 31, 2021	(6.74)	9.79

**PERCENTAGE ALLOCATION OF PLAN ASSETS IN RESPECT OF FUND MANAGED BY INSURER/TRUST IS AS FOLLOWS:**
**SENSITIVITY ANALYSIS :**

Particulars	Change in Assumption	Effect in Gratuity Obligation	Effect in Pension Obligation	(Rs. In lakhs)
				Effect in Leave Obligation
<b>For the year ended 31st March, 2020</b>				
Discount Rate	+1%	691.12	329.43	111.09
	-1%	751.95	387.09	125.64
Salary Growth Rate	+1%	752.04	356.87	125.71
	-1%	690.56	355.52	110.92
<b>For the year ended 31st March, 2021</b>				
Discount Rate	+1%	611.13	326.31	101.44
	-1%	670.98	382.92	117.43
Salary Growth Rate	+1%	671.02	353.26	117.49
	-1%	610.63	351.88	101.27

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

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

**HISTORY OF EXPERIENCE ADJUSTMENTS IS AS FOLLOWS:**

Particulars	(Rs. In lakhs)		
	Gratuity	Pension	Leave
<b>For the year ended March 31, 2020</b>			
Plan Liabilities - (loss)/gain	8.55	7.90	30.70
Plan Assets - (loss)/gain	-	-	-
<b>For the year ended March 31, 2021</b>			
Plan Liabilities - (loss)/gain	(6.74)	9.79	0.00
Plan Assets - (loss)/gain	-	-	-

**MATURITY PROFILE OF DEFINED BENEFIT OBLIGATION**

Expected Cash Flows over the next (valued on undiscounted	(Rs. In lakhs)		
	Gratuity	Pension	Leave
1 year	236.59	33.56	32.30
2 to 5 years	280.12	133.02	31.78
6 to 10 years	110.06	149.48	25.40
More than 10 years	332.68	315.49	121.07

**OCI PRESENTATION OF DEFINED BENEFIT PLAN**

- Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

- Leave encashment cost is in the nature of short term employee benefits.

Presentation in Statement of Profit & Loss and Balance Sheet.

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss. IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1. Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet. When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate. The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.





### 36. CALCULATION OF EARNING PER SHARE IS AS FOLLOWS:

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
(a) Net profit for basic and diluted earnings per share as per Statement of Profit and Loss	1,751.59	3,726.76
<b>Net profit for basic and diluted earnings per share</b>	<b>1,751.59</b>	<b>3,726.76</b>
(b) Weighted average number of equity shares for calculation of basic and diluted 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.)	11.22	23.88
b) Diluted (Rs.)	11.22	23.88

### 37. COMMITMENTS NOT PROVIDED FOR

Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs.93.80 Lakhs (March 31, 2020 Rs. 120.68 Lakhs)

### 38. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

Various show cause notices/demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forum / authorities:	(Rs. In lakhs)	
	As at March 31, 2021	As at March 31, 2020
1. Sales Tax including Trade Tax	568.97	568.97
2. Excise Duty	4.84	4.84
3. Electric Duty	2.70	2.70
4. Employees State Insurances Corp.	6.37	6.37
5. Sales Tax on Royalty	69.10	69.10
6. Entry tax on fuels,etc.	77.00	124.37
7. Workers Claims	48.15	46.65
8. Compensation Claimed by Railway Authorities	3,200.00	3,200.00

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

### 39. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:

#### A) Names of related parties and description of relationship

1) Key Management Personnel (KMP) and their close member / Other Directors	Mr. G.P. Goenka - Chairman Emeritus
	Mr. S. Sharma -Chairman
	Mr. M. Mishra - Managing Director
	Mr. M.P. Pinto - Director
	Mr. S.V. Goenka - Director and son of Chairman Emeritus
	Mr. C.M. Vasudev - Director
	Mr. S. Srivastav - Director
	Mr. Sandeep Rastogi - Chief Financial Officer
	Mr. Saurabh Arora - Company Secretary
Mrs. M. Mishra - wife of Managing Director	
2) Enterprise where KMP and/or Close member of the family have significant influence or control	I S G Traders Limited
	Kavita Marketing Pvt. Ltd.

## B) RELATED PARTY TRANSACTIONS

(Rs. In lakhs)

Particulars	KMP & Close members of Family	KMP have control	Total	Outstanding as on March 31, 2021	Outstanding as on March 31, 2020
<b>Remuneration</b>					
Mr. G.P. Goenka as Executive Chairman (upto 30.07.2020)	76.57		76.57	169.00	174.00
Mr. G.P. Goenka as Chairman Emeritus (Consultancy Fee)	135.00		135.00	22.50	
Mr. M. Mishra	298.30		298.30	70.45	70.85
Mr. S. Sharma	3.90		3.90		
Mr. M.P. Pinto	2.10		2.10		
Mr. S.V. Goenka	3.60		3.60		
Mr. C.M. Vasudev	3.00		3.00		
Mr. S. Srivastav	1.50		1.50		
Mr. Sandeep Rastogi	33.17		33.17	0.23	1.47
Mr. Saurabh Arora	13.20		13.20	0.73	0.49
<b>Total</b>	<b>570.34</b>	<b>-</b>	<b>570.34</b>	<b>262.91</b>	<b>246.81</b>
<b>Previous Year</b>					
Mr. G.P. Goenka	208.86		208.86	174.00	132.00
Mr. M. Mishra	285.16		285.16	70.85	67.70
Mr. S. Sharma	3.90		3.90		
Mr. M.P. Pinto	2.10		2.10		
Mr. S.V. Goenka	0.80		0.80		
Mr. C.M. Vasudev	2.80		2.80		
Mr.S.Srivastav	1.40		1.40		
Ms. S.L. Acharya	1.00		1.00		
Mr. Sandeep Rastogi	29.87		29.87	1.47	-
Mr. Saurabh Arora	13.11		13.11	0.49	-
<b>Security Deposit given</b>					
Mrs. M. Mishra		-	-	14.00	14.00
Kavita Marketing Pvt. Ltd.		-	-	35.00	35.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49.00</b>	<b>49.00</b>
<b>Previous Year</b>					
Mrs. M. Mishra	-	-	-	14.00	14.00
Kavita Marketing Pvt. Ltd.	-	-	-	35.00	35.00
<b>Rent Paid</b>					
Mrs. M. Mishra	21.48	-	21.48	-	-
Kavita Marketing Pvt. Ltd.	-	3.30	3.30	-	-
<b>Total</b>	<b>21.48</b>	<b>3.30</b>	<b>24.78</b>	<b>-</b>	<b>-</b>
<b>Previous Year</b>					
Mrs. M. Mishra	21.48	-	21.48	-	-
Kavita Marketing Pvt. Ltd.	-	3.30	3.30	-	-
<b>Interest Payable</b>					
I S G Traders Limited		-	-	6.77	6.77
<b>Previous Year</b>					
I S G Traders Limited	-	-	-	6.77	79.77
<b>Security Deposit received</b>					
I S G Traders Limited	-	-	-	5.00	5.00
<b>Previous Year</b>					
I S G Traders Limited	-	-	-	5.00	5.00
<b>Creditor/ Credit balances</b>					
I S G Traders Limited	-	-	-	-	-
<b>Investment in shares</b>					
I S G Traders Limited	-	1,902.91	1,902.91	1,902.91	1,902.91
<b>Previous Year</b>					
I S G Traders Limited	-	1,902.91	1,902.91	1,902.91	1,801.65

\* 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.



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

#### 40. SEGMENT REPORTING

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

Particulars	2020-21			2019-20		
	Within India	Outside India	Total	Within India	Outside India	Total
Sales (gross)	22,867.54	130.70	22,998.24	33,396.13	353.63	33,749.76
Non-Current Assets other than financial instruments	42,710.93	-	42,710.93	42,569.49	-	42,569.49

b). Sales to two Customers of the Company is Rs.6962.02/- Lacs(Previous Year Rs.7767.96/-Lacs) which is more than 10% of the Company's total turnover.

#### 41. REVENUE FROM CONTRACTS WITH CUSTOMERS:

(a) With effect from 1st April 2018, Ind AS 115 " Revenue from Contract with Customers" supersedes Ind As 18 "Revenue". The core principle of the new standards is that an entity should recognise revenue when the control of the goods or services underlying the particular performance obligation is transferred to customers. The said Transition does not have any significant effect on the financial statement of the Company.

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

(c) Contract Balances

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables	32.60	359.87
Contract Liabilities	338.16	247.37*

\* Converted into Sales in 2020-21 Rs. 247.37 lacs

Trade Receivables are generally non-interest bearing and are on payment terms of 0 to 9 days. Contract liabilities include advances received against delivery of Paper. The Performance obligation in relation to revenue recognition arising from contract with customer is satisfied upon customer's clearance of goods sold.

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Revenue as per the Contracted Price	24315.90	35048.06
Customer Claim / Discount	(883.46)	(830.30)
Quality Rebates, Incentive etc.	(434.20)	(468.00)
Revenue from Contract with Customers	22998.24	33749.76

#### 42. Particulars of Loans given, guarantee given or security provided and investment as per section 186(4) of the Companies Act,2013.

Particulars	As at 31st March, 2021	As at 31st March, 2020	Purpose
Loan given to Emperor Commercial and Tradco Pvt. Ltd. @11 % Interest	45.00	45.00	Short term investment of surplus funds

#### 43. Fair value measurements for biological assets other than bearer plants

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

Biological Asset	As at	As at	Fair value hierarchy	Valuation techniques and key inputs
	31-Mar-21	31-Mar-20		
Unharvested clonal plants	4.64	3.63	Level 2	Fair value is being arrived at based on the observable market prices of clonal plants. The same is applied on the quantity of the clonal plants unharvested using average plucking in various fields.



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

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

**45.** Figures have been given in Rupee lakhs and have been rounded off to two decimal places.

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

As per our report of even date  
For Jain Pramod Jain & Co.  
Chartered Accountants

On behalf of the Board,

(P.K. Jain)  
Partner

Shiromani Sharma  
Chairman

Place : New Delhi  
Date : 25.06.2021

Saurabh Arora  
Company Secretary

Sandeep Rastogi  
Chief Financial Officer

Madhukar Mishra  
Managing Director

C.M. Vasudev  
Shrivardhan Goenka  
Sunil Srivastav  
Directors



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. In Lakhs)

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
<b>A. Cash Flow from the Operating Activities</b>		
Net Profit/(Loss) before Tax and Exceptional Items	2488.15	4914.96
<b>Adjustments for:</b>		
Depreciation and Amortization expenses	523.38	515.90
Loss/(Profit) on sale of Fixed Assets	(0.23)	(0.03)
Profit on sale of current investment	(30.03)	(249.82)
Foreign Exchange Fluctuations	(0.27)	3.11
Fair Value Adjustment	(493.67)	(326.15)
Interest Received	(85.00)	(110.32)
Finance Costs	57.97	64.78
<b>Operating Profit before Working Capital changes</b>	<b>2,460.30</b>	<b>4,812.43</b>
<b>Adjustments for:</b>		
Change in Financial Assets, Non-Current Assets & Other F.A	(175.06)	78.45
Change in Inventories & Biological Assets	308.65	(3,049.96)
Change in Trade Receivables	327.27	367.02
Change in Financial & Other Liabilities & Trade Payables	633.91	519.40
Change in Provisions	(139.84)	(99.74)
<b>Cash generated from Operations</b>	<b>3,415.22</b>	<b>2,627.61</b>
Income Tax (Paid)/Refund (Net)	(560.85)	(877.69)
<b>Net Cash from the Operating Activities</b>	<b>2,854.37</b>	<b>1,749.92</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(615.73)	(904.31)
Investments	(0.00)	(197.47)
Sale of Fixed Assets	0.64	0.05
Interest Income	59.29	110.32
Other Bank Balance: Deposits within 3 to 12 Months Maturity	(1,968.24)	567.13
<b>Net Cash from Investing Activities</b>	<b>(2,524.04)</b>	<b>(424.28)</b>
<b>C. Cash Flow from the Financing Activities</b>		
Short Term Borrowings	-	(140.71)
Repayment of lease liabilities	(54.25)	(47.79)
Dividend Paid	(390.21)	(472.82)
Interest Paid	(51.31)	(137.78)
<b>Net Cash From Financing Activities</b>	<b>(495.77)</b>	<b>(799.10)</b>
Net Increase/(Decrease) in Cash Equivalents	(165.44)	526.54
Cash and Cash Equivalents at the Beginning of the Year	566.09	39.55
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>400.65</b>	<b>566.09</b>

## Notes:

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS -7.
- 2 Previous year's figures have been regrouped wherever necessary to confirm to this year's classification
- 3 **Cash & Cash Equivalent includes:**

(Rs. In Lakhs)

Balances with Banks	Current Year	Previous Year
-in Current Accounts	396.73	555.20
-Short term Deposits	-	-
Cash in Hand	3.92	10.89
Cheques/Drafts on hand	-	-
	<b>400.65</b>	<b>566.09</b>

As per our report of even date  
For Jain Pramod Jain & Co.  
Chartered Accountants

On behalf of the Board,

(P.K. Jain)  
Partner

Shiromani Sharma  
Chairman

Place: New Delhi  
Date : 25.06.2021

Saurabh Arora  
Company Secretary

Sandeep Rastogi  
Chief Financial Officer

Madhukar Mishra  
Managing Director

C.M. Vasudev  
Shrivardhan Goenka  
Sunil Srivastav  
Directors

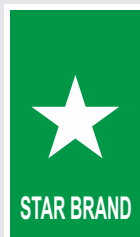








# ANNUAL REPORT 2020-21



## **STAR PAPER MILLS LIMITED**

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



## STAR PAPER MILLS LIMITED

CIN-L21011WB1936PLC008726

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

Ph. : (033) 22427380-83, Fax : (033)22427383, e-mail : star.cal@starpapers.com website : www.starpapers.com

### NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 82<sup>nd</sup> Annual General Meeting of the Shareholders of Star Paper Mills Limited will be held on **Friday 24<sup>th</sup> Sept., 2021 at 11.00 A.M** through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") facility to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2021 and Statement of Profit & Loss for the financial year ended on that date together with Board of Directors and the Auditors' Report thereon.
2. To declare a dividend on Equity shares.
3. To appoint a Director in place of Mr. Shrivardhan Goenka (DIN:00030375) who retires by rotation at this AGM and being eligible, has offered himself for re-appointment.

#### **SPECIAL BUSINESS :**

#### **4. To appoint Mrs. Pragya Jhunjhunwala (DIN: 02315132) as a Director of the company.**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Mrs. Pragya Jhunjhunwala (DIN: 02315132) who was appointed as Additional Director of the company by the Board of Directors w.e.f 25<sup>th</sup> June, 2021 and whose term of office expires at this Annual General Meeting (AGM) and in respect of whom the company has received a Notice in writing from a member under section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the company liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof be and is hereby authorized to do all such acts, matters and things as may be required/necessary to give effect to the above resolution."

#### **5. To approve the remuneration of the Cost Auditors for FY 2021-22.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the company for the financial year 2021-22, be paid remuneration of Rs. 0.50 lac plus applicable taxes and out-of-pocket expenses."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to increase or decrease remuneration."

By order of the Board of Directors,

**SAURABH ARORA**  
(Company Secretary)

13<sup>th</sup> Aug., 2021  
Registered Office:  
Duncan House, 2<sup>nd</sup> Floor  
31 Netaji Subhas Road  
Kolkata - 700 001  
CIN:L21011WB1936PLC008726



## NOTES :

1. A statement pursuant to Section 102(1) of the Act, relating to the Special Businesses to be transacted at the AGM, is annexed hereto.
2. In view of ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") in accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The 82<sup>nd</sup> AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. The Company has enabled the Members to participate at the 82<sup>nd</sup> AGM through the VC facility provided by KFin Technologies Private Limited (KFin), Registrar and Share Transfer Agents (RTA).
4. Further, proceedings of the 82<sup>nd</sup> AGM will be web-casted live for all the shareholders as on the cut-off date i.e. 17<sup>th</sup> Sept., 2021. The shareholders can visit <https://emeetings.kfintech.com> and login through existing user id and password to watch the live proceedings of the 82<sup>nd</sup> AGM on 24<sup>th</sup> Sept., 2021 from 11.00 AM IST onwards.
5. Pursuant to MCA Circulars, Members attending the 82<sup>nd</sup> AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Since the 82<sup>nd</sup> AGM is being held through VC facility as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 82<sup>nd</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The company has fixed 17<sup>th</sup> Sept., 2021 as the 'Record date' for dividend entitlement of members for the year ended 31<sup>st</sup> March, 2021, if approved at the AGM. The Register of Members of the Company shall remain closed from 18<sup>th</sup> Sept., 2021 to 24<sup>th</sup> Sept., 2021 both days inclusive.
9. In line with the MCA Circulars, Notice of the 82<sup>nd</sup> AGM along with the Annual Report 2020-21 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2020-21 will also be available on the Company's website at <https://www.starpapers.com> under Investor Relations section, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of KFin Technologies Private Limited.
10. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent (RTA)- KFin Technologies Private Limited.
11. Members desiring any information as regard the Accounts may write to the company at least 10 days before the Annual General Meeting so as to enable the management to keep the information ready at the meeting.
12. Pursuant to the provisions of the Companies Act, 2013, all unclaimed dividends for the period upto and including the year ended 31<sup>st</sup> March, 2011 have been transferred to the Investor Education and Protection Fund of the Central Government. Further, pursuant to IEPF (Accounting, Audit, Transfer & Refund) Rules, 2016, the company has also transferred shares to IEPF Authority in respect of unclaimed/unpaid dividend already transferred to IEPF fund. Shareholders can claim the above shares and/or dividend from the IEPF Authority by following the prescribed procedure.
13. Members are further requested to notify/send the following to the Registrar and Share Transfer Agents:
  - Intimation of change in address;
  - Particulars of their bank account, in case the same have not been sent earlier;
  - Share certificate(s) held in multiple accounts in individual names or joint names in the same order of names, for consolidation of such shareholdings into one account.
14. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with company's RTA i.e. KFin Technologies Pvt. Ltd. Further, shareholders of eligible categories are requested to immediately submit their declaration/ documentation claiming exemption from TDS or deduction of TDS at lower rates to the company's RTA.



15. Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to send the following documents to company's RTA i.e KFin Technologies Private Limited, Selenium, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032.
- A signed request letter by the first holder, mentioning the name, folio number, complete address and following details relating to bank account in which the dividend is to be received: i) Name of Bank and Branch; ii) Bank Account Number & Type; iii) IFSC Code and iv) 9 digit MICR Code.
  - Original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
  - Self-attested copy of the PAN Card; and
  - Self-attested copy of any document (AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

**(A) INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC :**

- Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com> by using their remote e-voting credentials. The link for the AGM will be available in the shareholder/Members login where the "Event" and the "Name of the company" can be selected. Please note that the Members who have not registered their e-mail address or do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions as mentioned hereinafter.
- Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for members on first come first served basis upto 1000 members.
- Members are encouraged to join the Meeting using Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox 22.
- Members will be required to grant access to the web-cam to enable two-way video conferencing. Members are also advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC in a smooth manner. Participants may experience audio/video loss due to fluctuation in their respective networks.
- Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during 21<sup>st</sup> Sept., 2021 at 9:00 A.M. To 23<sup>rd</sup> Sept., 2021 at 5:00 P.M. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
- The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
- Members who have not registered their e-mail address and therefore, Annual Report and Notice of AGM could not be served, may temporarily get their e-mail address and mobile number registered with the company's Registrar, by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. In case of any query, member may write to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or call on toll free number 1-800-309-4001 . Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

**(B) INSTRUCTIONS FOR E-VOTING :**

**(I) Information and instructions for e-voting:**

Pursuant to the provisions of Section 108 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations, the Company is providing to its members facility to cast their vote electronically, through the 'remote e-voting' services provided by KFin Technologies Pvt Ltd (KFIN) on all resolutions set forth in this Notice.

Further, the facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

**(a) Information and instructions for 'remote e-voting' by individual shareholders holding shares in demat form:**

As per SEBI circular dated 9<sup>th</sup> Dec., 2020 on e-voting facility provided by Listed Companies, all individual shareholders holding shares of the company in demat form can cast their votes by way of single login credentials, through their demat accounts/website of Depositories/ Depositories Participants. The procedure to login and access remote e-voting as devised by Depositories/ Depositories Participants is given below:



Type of shareholders	Login Method
<b>INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH NSDL</b>	<p><b>1. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nSDL.com">HTTPS://ESERVICES.NSDL.COM</a></li> <li>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> <p><b>2. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nSDL.com">HTTPS://ESERVICES.NSDL.COM</a></li> <li>II. Select “Register Online for IDeAS” or click at <a href="https://eservices.nSDL.com/SECUREWEB/IDEASDIRECTREG.JSP">HTTPS://ESERVICES.NSDL.COM/SECUREWEB/IDEASDIRECTREG.JSP</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in points 1</li> </ol> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nSDL.com/">HTTPS://WWW.EVOTING.NSDL.COM/</a></li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech.</li> <li>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol>
<b>INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH CDSL</b>	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">HTTPS://WEB.CDSLINDIA.COM/MYEASI/HOME/LOGIN</a> or URL: <a href="http://www.cdslindia.com">WWW.CDSLINDIA.COM</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with your registered user id and password.</li> <li>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</li> <li>V. Click on e-Voting service provider name to cast your vote.</li> </ol> <p><b>2. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/registration/easiregistration">HTTPS://WEB.CDSLINDIA.COM/MYEASI/REGISTRATION/EASIREGISTRATION</a></li> <li>II. Proceed with completing the required fields.</li> <li>III. Follow the steps given in point 1</li> </ol> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="http://www.cdslindia.com">WWW.CDSLINDIA.COM</a></li> <li>II. Provide your demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP, i.e <b>KFintech</b> where the e- Voting is in progress.</li> </ol>
<b>INDIVIDUAL SHAREHOLDER LOGIN THROUGH THEIR DEMAT ACCOUNTS / WEBSITE OF DEPOSITORY PARTICIPANT</b>	<ol style="list-style-type: none"> <li>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</li> <li>II. Once logged-in, you will be able to see e-Voting option.Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>III. Click on options available against company name or e-Voting service provider – <b>KFintech</b> and you will be redirected to e-Voting website of <b>KFintech</b> for casting your vote during the remote e-Voting period without any further authentication.</li> </ol>



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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:EVOTING@NSDL.CO.IN">EVOTING@NSDL.CO.IN</a> or call at toll free no.: <b>1800 1020 990</b> and <b>1800 22 44 30</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:HELPDESK.EVOTING@CDSLINDIA.COM">HELPDESK.EVOTING@CDSLINDIA.COM</a> or contact at <b>022- 23058738</b> or <b>022-23058542-43</b>

**(b) Information and instructions for 'remote e-voting' by shareholders other than individuals holding shares in demat form and all other shareholders holding shares in physical mode :**

Members receiving e-mail for AGM Notice and Annual Report; initial password is provided in the body of the e-mail :

- i) Launch internet browser by typing the **URL: <https://evoting.kfintech.com>**
- ii) Members can cast their vote online from Tuesday 21<sup>st</sup> Sept., 2021 at 9:00 A.M. (IST) to Thursday 23<sup>rd</sup> Sept., 2021, at 5:00 P.M (IST).
- iii) Enter the login credentials (i.e. user-id & password) . In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with RTA for e-voting, you can use your existing User ID and password for casting your vote.
- iv) After entering these details appropriately, click on "LOGIN".
- v) You will now reach Password Change menu wherein you are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email ID etc on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) You need to login again with the new credentials.
- vii) On successful login, system will prompt to select the 'E-voting Event No.' of Star Paper Mills Ltd.
- viii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- ix) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x) You may cast your vote by selecting appropriate option and click on "SUBMIT".A confirmation box will be displayed .If you wish to confirm your vote, click "OK", else "CANCEL" to modify.
- xi) Once you 'CONFIRM', you will not be allowed to modify your vote.
- xii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- xiii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 17<sup>th</sup> Sept., 2021 may obtain the User ID and password in the manner as mentioned below:
  - a. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
    1. Example for NSDL: MYEPWD <SPACE> IN12345612345678
    2. Example for CDSL: MYEPWD <SPACE> 1402345612345678
    3. Example for Physical: MYEPWD <SPACE> XXXX1234567890



b. A member may call Kfintech's toll free number 1-800-309-4001 or send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com).

In case of any query or grievance, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> or contact at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or toll free number as given above.

xiv) Corporate/Institutional Members (corporate /Fls/Flls/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution together with specimen signature of authorised signatory who is authorised to attend the AGM through VC/OAVM and to vote through remote e-voting to the Scrutinizer through e-mail to [debabrata@ddc.org.in](mailto:debabrata@ddc.org.in) and also upload the same in the e-voting module in their login. Institutional investors are encouraged to attend and vote at the meeting through VC.

**(II) Information and instructions for Insta Poll:**

Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.

**(III) Others details:**

- (i) The voting rights of the Members shall be in proportion to their shares to the paid up capital of the company as on the cut-off date being 17<sup>th</sup> Sept., 2021.
- (ii) Mr. Debabrata Dutt, practicing company secretary (Membership no. FCS-5401) proprietor of M/s D. Dutt & Co. has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer after scrutinizing the votes cast at the meeting and through remote e-voting will, not later than two working days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
- (iii) The results declared along with the Scrutinizer Report shall be placed on company' website [www.starpapers.com](http://www.starpapers.com) and on KFIN website [www.evoting.kfintech.com](http://www.evoting.kfintech.com) & will be communicated to the Stock Exchanges within permitted time.
- (iv) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 24<sup>th</sup> Sept., 2021.

**STATEMENT SETTING OUT MATERIAL FACTS**

(Pursuant to Section 102 of the Companies Act, 2013)

The following statement sets out all material facts relating to the special business mentioned in the accompanying Notice:

**ITEM NO. 4**

Based on the recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors appointed Mrs. Pragya Jhunjunwala as Additional director of the company w.e.f 25<sup>th</sup> June, 2021. Mrs. Jhunjunwala holds office upto the date of this AGM.

The company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director of the company. Mrs. Jhunjunwala is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the company. Mrs. Jhunjunwala possesses appropriate skills, experience and knowledge.

**BRIEF PROFILE OF MRS. PRAGYA JHUNJHUNWALA**

Mrs. Pragya Jhunjunwala is M.Com and a fellow member of the Institute of Company Secretaries of India (ICSI). She has been in practice of profession of company secretaryship and contributed greatly in compliance and administration of some of renowned corporates. She is accomplished and experienced professional in the areas of Laws, Compliance management, Start-ups, Entrepreneur education etc. Mrs. Jhunjunwala is on the Board of some companies working in different domains. She is also associated with many NGO and professional bodies.

Keeping in view her expertise and knowledge, it is recommended to approve appointment of Mrs. Jhunjunwala as a Non-Executive (Non-Independent) Director of the Company, liable to retire by rotation.

Disclosures, as required under Regulation 36 of SEBI (LODR), Regulations, 2015 and Secretarial Standard -2 on General Meetings are annexed to this Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Except Mrs. Jhunjunwala and her relatives, none of the other Directors, Key Managerial Personnel of the company, or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 4 of the accompanying Notice.





#### ITEM NO. 5

The Board, on the recommendation of the Audit & Risk Management Committee, has approved the appointment M/s K.B. Saxena & Associates, Cost Accountants as cost auditors at a remuneration of Rs. 0.50 lacs plus applicable taxes and out-of-pocket expenses to conduct the audit of the cost records of the company for the financial year 2021-22.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit & Risk Management Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to M/s K.B. Saxena & Associates, Cost Accountants as Cost Auditors for the financial year 2021-22.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors/ KMPs are, in any way, concerned or interested, in the resolution set out at Item No. 5 of the Notice.

#### Additional information in respect of above directors pursuant to SEBI Listing Regulations, 2015 and Secretarial Standard on General meetings

Name	Mrs Pragya Jhunjunwala (DIN:02315132)	Mr. Shrivardhan Goenka (DIN:00030375)
Date of Birth	28 <sup>th</sup> March, 1979	9 <sup>th</sup> August, 1975
Date of Appointment	25 <sup>th</sup> June, 2021	9 <sup>th</sup> September, 2002
Qualifications	M.Com, Fellow member of ICSI (FCS)	B.Com., MBA (USA)
Expertise in specific functional area	General Business Management, Compliance, Law, Start-up consultant	General Business Management
Directorship in other companies	i) Internet Tomorrow Pvt. Limited ii) BPS Traders Private Limited iii) Nyr Hairpro Private Limited. iv) Magical Mantras Private Limited	i)Duncans Tea Ltd. ii)Odyssey Travels Ltd.
Chairmanship/Membership of committees* of other companies (includes only Audit Committee and Stakeholders' Relationship Committee )	Nil	Nil
Inter-se relationship with other Directors and Key Managerial Personnel	Nil	Nil
Details of Remuneration sought to be paid	Sitting fees as approved by the Board from time to time	Sitting fees as approved by the Board from time to time
Shares held in Star Paper Mills Ltd.	Nil	45,500



