

**Auditors' Report on Standalone Financial Results  
For the Quarter and year ended 31<sup>st</sup> March 2015**

**The Board of Directors of  
STAR PAPER MILLS LIMITED**

1. We have audited the quarterly financial results of **Star Paper Mills Limited** ('the company') for the quarter ended 31<sup>st</sup> March 2015 and the financial results for the year ended 31<sup>st</sup> March 2015, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended 31<sup>st</sup> March 2015 and the published year to date figures upto 31<sup>st</sup> December 2014, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended 31<sup>st</sup> March 2015 have been prepared on the basis of the financial results for the nine month period ended 31<sup>st</sup> December 2014, the audited financial statements as at and for the year ended 31<sup>st</sup> March 2015, and the relevant requirements of Clause 41 of the Listing Agreement and are the responsibility of the company's management and have been approved by the Board of Director's of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine month period ended 31<sup>st</sup> December 2014 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended 31<sup>st</sup> March 2015; and the relevant requirement of Clause 41 of the Listing Agreement.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



3. Attention is drawn to the Note 23.1 regarding excess remuneration amounting to Rs 21.57 Lakhs paid to managerial personnel for an earlier year, which is subject to approval of the Central Government.

We Further report that impact with respect to the above cannot be ascertained and commented upon by us.

4. In our opinion and to the best of our information and according to the explanations given to us, except for matter described in Paragraph 3 above, these quarterly financial results as well as the year to date results read with notes thereon:
  - I. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
  - II. give a true and fair view of the net profit and other financial information for the quarter ended 31<sup>st</sup> March 2015 and for the year ended 31<sup>st</sup> March 2015.
5. Further, we report that the figures for the quarter ended 31<sup>st</sup> March 2015 represent derived figures between the audited figures in respect of the financial year ended 31<sup>st</sup> March 2015 and the published year-to-date figures upto 31<sup>st</sup> December 2014, being the date of the end of the third quarter of the current financial year, which were subject to a Limited Review as stated in Paragraph 1 above, as required under Clause 41(I) (d) of the Listing Agreement.
6. Further to above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.



7. We draw attention to Note No.26.1 dealing with regard to dispute for levy of Mandi Fee amounting to Rs.230 lacs in respect of goods procured in earlier years against which the company has filed a review petition before Hon'ble High Court at Allahabad. Against the said demand the company has deposited Rs.230 lacs (included under Long Term Loans and Advances) and the accrual of liability is dependent upon the decision of the Hon'ble High Court at Allahabad. The said amount has been considered as contingent liability. Our conclusion is not qualified in respect of this matter.



Place: New Delhi

Date: 20<sup>th</sup> May 2015

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

A handwritten signature in black ink, appearing to read "H K Verma".

H K Verma

Partner  
Membership No: 055104

**STAR PAPER MILLS LIMITED**

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**AUDITED FINANCIAL RESULTS FOR THE QUARTER/ YEAR ENDED 31st MARCH - 2015**

PART-I	Particulars	QUARTER ENDED			YEAR ENDED	Year ended
		31.3.2015	31.12.2014	31.3.2014	31.03.2015	31.03.2014
		(Audited)	(Un-audited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income from Operations</b>					
	a) Net sales / Income from Operations(Net)	7059	6939	6797	26556	26782
	b) Other operating income	139	112	189	574	720
	<b>Total Income from Operations (Net)</b>	<b>7198</b>	<b>7051</b>	<b>6986</b>	<b>27130</b>	<b>27502</b>
<b>2</b>	<b>Expenditure</b>					
	a) Cost of materials consumed *	2908	2973	3450	12036	14228
	b) Purchase of Stock-in-trade	0	0	-	-	-
	c) Change in Inventories of finished goods, work-in-progress and stock in-trade	227	256	57	151	281
	d) Employees benefits expense	632	674	636	2717	2562
	e) Power & Fuel	1849	1891	2001	7367	8068
	f) Depreciation and amortisation expenses	120	123	276	486	1108
	g) Other Expenses	970	840	894	3276	3171
	<b>Total Expenses</b>	<b>6706</b>	<b>6757</b>	<b>7314</b>	<b>26033</b>	<b>29418</b>
<b>3</b>	<b>Profit/(Loss) from Operations before other income, finance cost and exceptional items(1-2)</b>	<b>492</b>	<b>294</b>	<b>(328)</b>	<b>1097</b>	<b>(1916)</b>
<b>4</b>	<b>Other Income</b>	<b>18</b>	<b>36</b>	<b>80</b>	<b>94</b>	<b>112</b>
<b>5</b>	<b>Profit/(Loss) from ordinary activities before finance cost and exceptional items(3+4)</b>	<b>510</b>	<b>330</b>	<b>(248)</b>	<b>1191</b>	<b>(1804)</b>
<b>6</b>	<b>Finance Costs</b>	<b>104</b>	<b>108</b>	<b>132</b>	<b>440</b>	<b>457</b>
<b>7</b>	<b>Profit/(Loss) from ordinary activities after finance cost but before exceptional items(5-6)</b>	<b>406</b>	<b>222</b>	<b>(380)</b>	<b>751</b>	<b>(2261)</b>
<b>8</b>	<b>Exceptional items</b>	<b>0</b>	<b>0</b>	<b>349</b>	<b>0</b>	<b>349</b>
<b>9</b>	<b>Profit / (Loss) from ordinary activities before tax (7-8)</b>	<b>406</b>	<b>222</b>	<b>(729)</b>	<b>751</b>	<b>(2610)</b>
<b>10</b>	<b>Tax Expenses</b>	<b>(803)</b>	<b>0</b>	<b>(214)</b>	<b>(803)</b>	<b>(402)</b>
<b>11</b>	<b>Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>1209</b>	<b>222</b>	<b>(515)</b>	<b>1554</b>	<b>(2208)</b>
<b>12</b>	<b>Extraordinary items (net of Tax Expenses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>13</b>	<b>Net Profit/(Loss) for the period (11-12)</b>	<b>1209</b>	<b>222</b>	<b>(515)</b>	<b>1554</b>	<b>(2208)</b>
<b>14</b>	<b>Paid-up Equity Share Capital</b>	<b>1561</b>	<b>1561</b>	<b>1561</b>	<b>1561</b>	<b>1561</b>
	(Face Value of Rs. 10/- per share)					
<b>15</b>	<b>Reserves (excluding Revaluation Reserves)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,666.24</b>	<b>3,874.50</b>
	(as per balance sheet of previous accounting year)					
<b>16</b>	<b>Earnings per Share (before extraordinary items)</b>					
	(of Rs 10/-each) (not annualised)					
	- Basic	7.75	1.42	(3.30)	9.96	(14.15)
	- Diluted	7.75	1.42	(3.30)	9.96	(14.15)
	<b>Earnings per Share (after extraordinary items)</b>					
	(of Rs 10/-each) (not annualised)					
	- Basic	7.75	1.42	(3.30)	9.96	(14.15)
	- Diluted	7.75	1.42	(3.30)	9.96	(14.15)

Cost of Material Consumed includes Chemicals consumed

**PART-II**

**A. PARTICULARS OF SHAREHOLDING**

<b>1</b>	<b>Public Shareholding</b>					
	No. of Shares	7826131	7826131	7326131	7826131	7326131
	% of Shareholding	50.14%	50.14%	46.94%	50.14%	46.94%
<b>2</b>	<b>Promoters &amp; Promoter Group Shareholding</b>					
	a) Pledge/Encumbered:					
	-Number of Shares	4230433	4230433	4930433	4230433	4930433
	-Percentage of shares (as a % of total shareholding of the promoter & promoter group)	54.36%	54.36%	59.53%	54.36%	59.53%
	-Percentage of shares (as a % of total share capital of the company)	27.10%	27.10%	31.59%	27.10%	31.59%
	b) Non-encumbered:					
	-Number of Shares	3551786	3551786	3351786	3551786	3351786
	-Percentage of shares (as a % of total shareholding of the promoter & promoter group)	45.64%	45.64%	40.47%	45.64%	40.47%
	-Percentage of shares (as a % of total share capital of the company)	22.76%	22.76%	21.47%	22.76%	21.47%

	PARTICULARS	3 MONTHS ENDED 31.03.2015
<b>B.</b>	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	0
	Received during the quarter	0
	Disposed off during the quarter	0
	Remaining unresolved at the end of the quarter	0



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## STATEMENT OF ASSETS &amp; LIABILITIES

(Rs. In Lakhs)

PARTICULARS	As at 31st	As at 31st
	March, 2015	March, 2014
	(Audited)	(Audited)
<b>A. EQUITY AND LIABILITIES:</b>		
<b>1 Shareholders' Funds</b>		
(a) Share Capital	1,560.83	1,560.83
(b) Reserves and Surplus	3,145.42	1,666.24
<b>Sub-total Shareholders' funds</b>	<b>4,706.25</b>	<b>3,227.07</b>
<b>2 Non -Current Liabilities</b>		
(a) Deferred Tax Liabilities (Net)	903.97	1,740.76
(b) Other Long term Liabilities	805.75	817.03
(c) Long term provisions	1,036.71	1,005.37
<b>Sub-total Non -Current Liabilities</b>	<b>2,746.43</b>	<b>3,563.16</b>
<b>3 Current Liabilities</b>		
(a) Short term borrowings	1,369.20	2,046.00
(b) Trade payables	7,051.72	7,014.55
(c) Other Current liabilities	1,119.05	1,061.78
(d) Short term provisions	55.13	49.09
<b>Sub-total Current Liabilities</b>	<b>9,595.10</b>	<b>10,171.42</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,047.78</b>	<b>16,961.65</b>
<b>B. ASSETS:</b>		
<b>1 Non- Current assets</b>		
(a) Fixed assets	8,638.19	9,160.71
(b) Non Current investments	3,229.70	3,229.70
(c) Long term loans and advances	1,108.64	933.45
<b>Sub-total Non -Current Assets</b>	<b>12,976.53</b>	<b>13,323.86</b>
<b>2 Current assets</b>		
(a) Inventories	2,321.70	2,408.85
(b) Trade receivables	651.68	705.31
(c) Cash and Cash Equivalents	604.33	101.92
(d) Short term loans and advances	486.34	412.05
(e) Other Current assets	7.20	9.66
<b>Sub-total Current Assets</b>	<b>4,071.25</b>	<b>3,637.79</b>
<b>TOTAL ASSETS</b>	<b>17,047.78</b>	<b>16,961.65</b>

**Notes**

- The Company operates in single business segment of Paper and Paper Board.
- The figures for the quarters ended 31st March, 2015 and March 2014 are the balancing figures between the audited figures in respect of the full financial year and year to date figures upto 31st December of the respective years.
- The auditors have qualified in the auditors report for the year ended 31st March 2015 that the remuneration paid to Managerial personnel for an earlier year amounting to Rs.21.57 lacs which due to inadequacy of profit exceeded the limits prescribed under the provisions of Companies Act, 1956. Necessary steps have been taken to obtain the approval in this regard.
- Depreciation has been provided based on the life of the assets as per Schedule II of the Companies Act, 2013. In term of said schedule, the carrying amount of the asset existing as on 1st April 2014 has been depreciated over the remaining life of the assets. Consequent upon the application of schedule II as above, depreciation for the quarter and year ended 31st March, 2015 is lower by Rs. 135.14 lacs and Rs. 547.62 lacs respectively. Where the remaining life of the assets has expired as on 1st April 2014, the carrying amount of Rs.75.05 lacs (net of deferred tax of Rs.33.56 lacs) has been adjusted against general reserve.
- Based on review at the year end deferred tax assets on account of timing differences with respect to depreciation, amounting to Rs.789.13 lacs has been considered and recognised in these accounts.
- The company has filed a review petition with regard to levy of Mandi Fee amounting to Rs.230 lacs on goods procured in earlier years before the Hon'ble Allahabad High Court challenging the order of the Hon'ble Allahabad High Court. Pending decision in the court, the amount demanded has been considered as Contingent Liability and no provision thereagainst has been considered necessary. Rs.230 lacs paid in this regard have been included under long term loans and advances.
- Previous years/periods figures have been regrouped/re-arranged/re-classified wherever necessary.
- The above financial results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meetings held on 20th May, 2015

New Delhi  
20th May-2015



For Star Paper Mills Ltd

M. Mishra  
Managing Director