DUNCAN GOENKA

STAR PAPER MILLS LIMITED
ANNUAL REPORT
2014-15

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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 principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business and other factors relating to the Company's operations, such as litigations, labour negotiations and fiscal regimes.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. G.P. Goenka
Chairman

Mr. Shiromani Sharma

Mr. Shrivardhan Goenka

Mr. C.M. Vasudev

Mr. M.P. Pinto

Mr. K.N. Bhandari (upto 31st March, 2015)

Ms. Savita Laxmipathy Acharya
(w.e.f. 31st March, 2015)

Mr. Madhukar Mishra
Managing Director

STATUTORY AUDITORS

M/s Lodha & Co.
Chartered Accountants
Kolkata

Mr. P.K. Agrawal
Chief Financial Officer

Mr. Saurabh Arora
Company Secretary

BANKERS

Bank of Baroda
Punjab National Bank

MILL

Saharanpur - 247001
(Uttar Pradesh)

REGISTERED OFFICE

'Duncan House', 2nd Floor, 31, Netaji
Subhas Road, Kolkata - 700 001
CIN:L21011WB1936PLC008726

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Pvt. Ltd.
6th Floor, Karvy Selenium Tower-B
Plot No. 31 & 32, Gachibowli. Nanakramguda
Seri Lingampally, Hyderabad - 500 032, (Telangana)
Ph: 040- 6716 1585 Toll Free: 1800-345-4001

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Global Economy and India

The global economy is exhibiting mixed trends. While US and Euro Zone have stabilized, China is slowing down. Economies depending on commodity exports in general and oil exporters in particular are impacted. Improved US job market and consequent expected increase in interest rates may adversely impact emerging markets and commodities.

Sentiment in the domestic economy is upbeat although activity is yet to pick-up.

Indian Paper Industry Scenario

Indian paper industry, although at less than 2% of the total world production, is one of few where demand is expected to grow. Although during the year under review growth in domestic paper market was subdued in line with rest of domestic economy. Cost of inputs have stabilized for the time being, but long term issues like captive plantation, energy costs are yet to be addressed.

SWOT ANALYSIS

Strengths: Paper Industry has the followingstrengths-

i) Large and growing domestic paper market
ii) Know how in non wood pulping and applications
iii) Well developed printing industry
iv) Well developed distribution channels.

Weakness: The Industry however suffers some weaknesses as under-

i) Highly capital- intensive Industry impacted by domestic Interest rates
ii) Dearth of highly skilled and job specific manpower.
iii) Fragmented industry structure

Opportunities: There are a number of opportunities for the Industry. Illustrative examples are as under:

i) Huge potential for forest plantation on degraded forest land.
ii) Government literacy program – increasing demand for printing/writing papers
iii) Likely consolidation in favour of efficient players

Threats: The Industry is subject to following threats-

i) Environmental regulation impacting cost competitiveness with other countries.
ii) Weakening competitiveness of domestic industry due to shortage and cost of basic inputs.
iii) Free trade agreements with countries having more competitive paper industry.

Social farm forestry

Your company has further enhanced tree plantation program under social farm forestry. Approximately 342 lacs seedlings were planted and distributed during the year under the program. We have added an area of 13,680 hectares under the plantations making a total coverage of 1,32,000 hectares. The program helps in enhancing rural income and facilitate sustained availability of raw material to the Mill.

Risks & Concern

Risk is inseparable from the business. Higher wood and energy costs, less-favoured State Govt policies, Environmental issues and Market risks are some of the concerns associated with the company's operations. The company has a risk management framework in place.

Internal Control System

Your company regularly reviews Internal control systems and procedures to ensure orderly and efficient conduct of business. Internal control system ensures the following:

- ➔ Accurate recording of transactions with internal checks and prompt reporting.
- ➔ Adherence to applicable accounting standards.
- ➔ Periodic review to effectively manage working capital.
- ➔ Review of capital investments.
- ➔ Compliance with applicable statutes, policies and listing requirements.
- ➔ Effective use of resources and safety of assets.

Financial Performance

The company has reported profits for the year under review vis-a-vis losses in the previous financial years and will strive to improve the performance further in the coming period.

Human Resources

Human resource development programs are linked with organizational needs and performance. The company recognizes human resource as its invaluable asset. Your company regularly conducts need-based HR development programs at all levels. There are 767 employees on the company's roll.

Future Outlook

The paper industry in India is expected to grow in line with rest of the economy. Paper products are used in education, health-care, food, trade, communication, packaging etc. This will provide opportunities for modernization and expansion.

Forward Looking Statements

This Report contains forward looking statements based upon the data available with the company, assumptions with regard to global economic conditions, Government policies etc. The company do not 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 Directors of your company have immense pleasure in presenting Directors' Report together with audited financial results of the company for the year ended 31st March 2015.

1. FINANCIAL SUMMARY

The financial results of the company for the year ended 31st March, 2015 are summarised as under:

(Rs. in Cr.)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Profit before interest and depreciation	16.77	(6.97)
Interest and finance charges	4.40	4.57
Depreciation	4.86	11.08
Profit before Exceptional Items	7.51	(22.62)
Exceptional & non-recurring items	-	(3.49)
Profit before tax	7.51	(26.10)
Provision for Income Tax	(8.03)	(4.02)
Profit after taxation	15.54	(22.08)
Balance brought forward	(42.04)	(19.96)
Available for appropriation:	(26.50)	(42.04)
- Transfer to General Reserve	-	-
- Proposed dividend	-	-
- Tax on proposed dividend	-	-
Balance carried to the Balance Sheet	**(26.50)**	**(42.04)**

AUDITED FINANCIAL RESULTS

2. DIVIDEND

With a view to repair past losses which resulted in erosion of reserves and conservation of resources for future betterment, the Board of Directors do not recommend any dividend for the year.

3. STATE OF COMPANY'S AFFAIRS

Financial Year 2014-15

In-spite of various odds, your company's efforts to reduce costs and improve margins through product-mix optimization and introduction of new grades bore fruits. Consequently, your company has turned in better financial performance during the year.

Your company reported a post tax Profit of 15.54 Crores vis-a-vis a loss of Rs. 22.08 Crores for FY 2013-14.

Expectations for FY 2015-16

There is still surplus supply particularly in writing and printing grades. There has been increase in Power and Coal cost. Your company is working on further cost-rationalization in order to maintain its financial performance.

4. ANNUAL- RETURN EXTRACTS

Extracts of the Annual Return as provided in Section 92(3) of the Companies Act, 2013 in MGT-9 is attached as Annexure-I

5. BOARD MEETINGS/AUDIT COMMITTEE

a) During the year 2014-15, five (5) Board meetings were held on 19.05.2014, 13.08.2014, 27.09.2014, 10.11.2014, 11.02.2015.

b) Audit Committee-

The Company has the Audit Committee of the Board pursuant to Section 177 of the Companies Act, 2013 and its terms of reference are in conformity with Clause 49 of the listing agreement. The composition of the Audit Committee is given in attached Corporate Governance Report.

6. 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 Committee of the Board.

7. ENVIRONMENT, POLLUTION CONTROL AND SAFETY

Your company is a committed corporate entity which emphasizes on providing healthy environment and safe working conditions. Accredited with ISO 14001: 2004, ISO 9001 : 2008 & ISO 18001 :2007, the company has integrated quality and environment management systems which harmonize operations with environmental preservation. Necessary environmental clearances from Government authorities are in place.

Your company has yet again won Gold Award for environmental excellence in Paper Industry presented by Greentech Foundation reflecting commitment of the company to preserve environment and providing safe work conditions.

8. SOCIAL FARM FORESTRY

The company has been promoting and encouraging tree plantation program under social farm forestry. This also helps in enhancing rural incomes and facilitate sustain availability of raw material to the company. The scheme involves supply of high quality clones/seedlings apart from providing technical assistance to the farmers.

The program also maintained its momentum during the year too and your company further stepped-up propagation and distribution of clonal plants and the area coverage.

9. 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, 2015. (Rs. Nil as on 31st March, 2014).

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

10. INTERNAL CONTROLS

The company has adequate internal control system 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.

11. REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

As the company has been incurring losses until last year, it was not obligatory upon the company to form a CSR committee pursuant to Section 135 of the Companies Act, 2013 and the Rules made there under.

12. DIRECTORS

i) Mr. K.N Bhandari (DIN-00191219) appointed as an Independent Director w.e.f 27th Sept., 2014 has resigned from directorship w.e.f the close of working hours on 31st March, 2015 due to some other preoccupation towards pursuing other interests and certain other commitments.

ii) Ms. Savita Laxmipathy Acharya (DIN-07038198), {a woman director under Clause 49} has been appointed as additional director (Independent) of the company w.e.f. 31st March, 2015.

iii) Sh. S.V Goenka (DIN-00030375) is retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment

The independent directors have given declarations that they meet the criteria of independence under section 149(6) of the Companies Act, 2013. The company's familiarization program for Independent Directors are posted on website of the company and can be accessed at http://www.starpapers.com/familarisation_prog.pdf

13. 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, 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).

14. LOAN, GUARANTEE, INVESTMENTS ETC.

The company has not given any loan or guarantee or provided security in connection with a loan to any other body corporate during the year.

15. 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.

16. 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:

i) Name of the employee who is in receipt of remuneration of Rs. 60 lacs or more for FY 2014-15:

Name & Designation	Remuneration recd.-(lacs)	Nature of employment	Qualification & experience	Date of commencement of employment	Age	Last employment hels	% of equity shares held	Whether relative to Director
Mr. Madhukar Mishra, Managing Director	146.11	Contractual	B. Sc., DMS (Mgt.) 38 years	01/07/2001	58 Y	Sr. VP(Corporate Corporate Planning) -Dail Consultants Ltd.	Nil	No

ii) Disclosure in respect of Remuneration etc.-

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	50,000	2,32,270	0.21
MR. S.V. GOENKA	10,000	2,32,270	0.04
MR. SHIROMANI SHARMA	1,30,000	2,32,270	0.56
MR. C.M. VASUDEV	70,000	2,32,270	0.30
MR. M.P. PINTO	60,000	2,32,270	0.26
MR. K.N. BHANDARI	80,000	2,32,270	0.34
MR. MADHUKAR MISHRA	1,46,11,407	2,32,270	62.91

b) % increase in remuneration of each director, CFO, CEO, CS in the financial year 2014-15

Official name	Year 2014-15/ Remuneration-Rs.	% increase in remuneration
Directors	Directors are receiving only sitting fees for attending meetings. There was no increase in sitting fee over the year.	-
Managing Director	1,46,11,407/-	11%
Chief Financial Officer	23,36,820/-	6%
Company Secretary	8,74,392/-	11%

c) % increase in median remuneration of employees in the financial year 2014-15 was 6.24%.

d) Number of permanent employees on the rolls of the company as on 31.03.15 was 767.

e) Average increase in remuneration inter-alia depends upon the inflation, individual's performance, company policy, human resource demand-supply position, negotiations with trade unions, company performance etc.

f) Considering performance of the company, remuneration of KMPs i.e Managing Director, CFO and CS was at par with the performance.

g) A number of parameters of the company as on 31.03.2015 and 31.03.2014 as under:

Parameters	As on 31.03.2015	As on 31.03.2014
Market capitalization-Rs.	30,35,82,407	14,04,75,150
Closing price/share-Rs.	19.45	9.00
Price/ earnings ratio	4.04	Nil
% decrease in market quotation of the share in comparison to rate at which last public offer was made (Rs. 60/per share)	67% decrease in price	85% decrease in price

h) Average percentage increase in salaries of employees vis-a-vis managerial personnel- Average percentage increase in salaries of employees was 8.66% vis-a-vis 11% increase in salary of managerial personnel for FY 2014-15.

i) No director is getting any variable component of remuneration except performance pay of the Managing Directors is decided by the Board of Directors for every year based performance review of that year subject to ceiling of Rs. 30,50,000/- for FY 2014-15.

j) Ratio of remuneration of highest paid director to that of employees receiving remuneration in excess of that of highest paid director-N.A

17. PERFORMANCE EVALUATION

The company has in place a Policy on performance evaluation of Independent Directors, Board, Committees and individual Directors. The Board of Directors evaluates its own performance in terms of operations of the company, financial results etc. The performance of Committee(s) is evaluated by the Board based on effectiveness of committee, its functioning and decisions etc. The Board also reviews the performance of individual director(s) based on the contribution of the individual director to the Board/ committee meetings, participation in discussions, inputs given in the meeting.

18. HUMAN RESOURCES AND WELFARE

Your company has a structured approach to manage its human resources in line with changing needs of the organisation. Industrial relations remained harmonious during the year.

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

19. 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.

20. 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.

21. AUDITORS

M/s Lodha & Co. Chartered Accountants, retires at the ensuing Annual General Meeting. They have expressed their willingness to continue in office, if appointed and have furnished the requisite certificate of their eligibility pursuant to the provisions of the Companies Act, 2013.

22. AUDITORS' REPORT

I) Statutory Audit:

The qualification of the Auditors in their report read with relevant note on the financial statements as mentioned below is self-explanatory:

-Excess managerial remuneration amounting to Rs. 21.57 lacs payable to managerial personnel for FY 2011-12 is subject to approval of Central Government.- Note No. 23.1 of Statement of Profit & Loss.

ii) Secretarial Audit:

M/s D. Dutt & Co., company secretary in practice, secretarial auditor of the company for FY 2014-15 has competed secretarial audit for FY 2014-15. A secretarial audit report is attached as Annexure-V.

23. 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 an 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.

24. RISK MANAGEMENT COMMITTEE

Your Directors have enlarged mandate of Audit Committee to include responsibility to assist the Board in (i) overseeing and approving the company's enterprise wide risk management framework; and (ii) periodic appraisal to assess any change needed in the context of changing business environment

25. 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 2014-15.

26. ACKNOWLEDGEMENTS

Your Directors are pleased to place on record their gratitude for the excellent support and efforts put in by the employees, bankers, investors, dealers, suppliers and Government Departments.

For and on behalf of the Board

Place : New Delhi
Date : 20th May , 2015

G. P. Goenka
Chairman

ANNEXURE-I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L21011WB1936PLC008726
ii)	Registration Date	31-08-1936
iii)	Name of the Company	Star Paper Mills Limited
iv)	Category / Sub-Category of the Company	Public Company / Limited by shares
v)	Address of the Registered office and contact details	'Duncan House' 2nd Floor, 31, N.S Road, Kolkata – 700001. Tel: 033- 22427380 Fax:1 033- 22427383
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited 6th Floor, Karvy Selenium Tower B Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad – 500 032 Tel: 040- 67161585 Toll Free No:1800 345 4001 Fax: 040-23001153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

Sl. No.	Name and description of main products/services	NIC code of Product	% of total turnover of the company
1	Paper	170-Manufacture of paper and paper products	99.65%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATECOMPANIES

Sl. No.	Name and address of the company	CIN	Holding/Subsidiary/ Associate	% of share held	Applicable section
1	ISG Traders Ltd.	L51909WB1943PLC011567	Associate	34.27% -shares in STAR held by associate company.	2(6)

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

i) Category-wise Share Holding as per Attachment -A

ii) Shareholding of Promoters as per Attachment-B

iii) Change in Promoters' Shareholding as per Attachment-C

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as per Attachment-D

v) Shareholding of Directors and Key Managerial Personnel as per Attachment-E

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as per Attachment-F

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -as per Attachment G.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

ATTACHMENT-A

i) Category-wise shareholding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	No. of shares held at the beginning of the year - 01.04.2014				No. of shares held at the end of the year - 31.03.2015				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	45500	0	45500	0.29%	45500	0	45500	0.29%	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00%	0	0	0	0.00%	0.00
(c)	Bodies Corporate	7691787	544932	8236719	52.77%	7736219	500	7736719	49.57%	-3.20
(d)	Financial Institutions / Banks	0	0	0	0.00%	0	0	0	0.00%	0.00
(e)	Others	0	0	0	0.00%	0	0	0	0.00%	0.00
	Sub-Total A(1) :	7737287	544932	8282219	53.06%	7781719	500	7782219	49.86%	-3.20
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
(e)	Others	0	0	0	0	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	7737287	544932	8282219	53.06%	7781719	500	7782219	49.86%	-3.20
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	1510	1510	0.01%	0	1510	1510	0.01%	0
(b)	Financial Institutions /Banks	702671	1835	704506	4.51%	1071	1835	2906	0.02%	-4.49
(c)	Central Government / State Government(s)	0	0	0	0.00%	0	0	0	0.00%	0
(d)	Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0
(e)	Insurance Companies	558367	300	558667	3.58%	558367	300	558667	3.58%	0
(f)	Foreign Institutional Investors	0	0	0	0.00%	0	0	0	0.00%	0
(g)	Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%	0
(h)	Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%	0
(i)	Others	0	0	0	0.00%	0	0	0	0.00%	0
	Sub-Total B(1) :	1261038	3645	1264683	8.10%	559438	3645	563083	3.61%	-4.49
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	701793	11815	713608	4.57%	1354583	11741	1366324	8.75%	4.18
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	2741304	188742	2930046	18.77%	2842819	187374	3030193	19.41%	0.64
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	2321661	0	2321661	14.87%	2733989	0	2733989	17.52%	2.65
(c)	Others:									
	Clearing members	88818	280	89098	0.57%	37151	0	37151	0.24%	-0.33
	Non resident indians	5345	0	5345	0.03%	93421	280	93701	0.60%	0.57
	Trusts	1000	0	1000	0.01%	1000	0	1000	0.01%	0
	Pakisthani Shareholders	0	690	690	0.00%	0	690	690	0.00%	0
(d)	Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%	0
	Sub-Total B(2) :	5859921	201527	6061448	38.83%	7062963	200085	7263048	46.53%	7.70
	Total B=B(1)+B(2) :	7120959	205172	7326131	46.94%	7622401	203730	7826131	50.14%	3.20
	Total (A+B) :	14858246	750104	15608350	100%	15404120	204230	15608350	100.00%	0
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
(2)	Public	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A+B+C) :	**14858246**	**750104**	**15608350**	**15608350**	**15404120**	**204230**	**15608350**	**100.00%**	

ATTACHMENT-B

ii) Shareholding of Promoters

Sr. No	Shareholders' name	Shareholding at beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	ISG TRADERS LIMITED	5350319	34.28	21.82	4850319	31.08	17.33	-3.20
2	ALBERT TRADING COMPANY PRIVATE LIMITED	905200	5.80	0	905200	5.80	0	0.00
3	SILENT VALLEY INVESTMENTS LIMITED	771000	4.94	2.08	771000	4.94	2.08	0.00
4	BOYDELL MEDIA PRIVATE LTD	700000	4.48	4.48	700000	4.48	4.48	0.00
5	CONTINUOUS FORMS (CALCUTTA) LTD	510000	3.27	3.20	510000	3.27	3.20	0.00
6	SHRIVARDHAN GOENKA	45500	0.29	0	45500	0.29	0	0.00
7	EZRA TRADING & FINANCE CO LTD	200	0.00	0	200.00	0.00	0	0.00
	Total	**8282219**	**53.06**	**31.58**	**7782219**	**49.86**	**27.10**	**-3.20**

ATTACHMENT-C

iii) Change in Promoters' shareholding

Sr. No		Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**At the beginning of the year**	**8282219**	**53.06**	**8282219**	**53.06**
2	(-) Pledged invoked by lender on 08.05.2014	1200000	7.69	7082219	45.37
3	(+) Part of pledged shares invoked transferred back by lender	700000	4.48	7782219	49.86
4	**At the end of the year**	**7782219**	**49.86**	**7782219**	**49.86**

ATTACHMENT-D

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	Top 10 Shareholders*	Shareholding at beginning of the year-01.04.2014		Cumulative Shareholding at the end of the year- 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	General Insurance Corporation of India	558117	3.58%	558117	3.58%
2	GBK Resources Private Limited	0	0	500000	3.20%
3	Abhay Krishi Udyog Pvt Ltd	362746	2.32%	362746	2.32%
4	Muktilal Ganulal Paldiwal	247598	1.59%	280316	1.80%
5	Hitesh Ramji Javeri	200000	1.28%	201111	1.29%
6	Dinesh Muktilal Paldiwal	177864	1.14%	187494	1.20%
7	Harsha Hitesh Javeri	164075	1.05%	181111	1.16%
8	Taradevi Muktilal Paldiwal	161922	1.04%	168017	1.08%
9	Supriya Santosh Goenka	29096	0.19%	121952	0.78%
10	Santosh Sitaram Goenka	67687	0.43%	92003	0.59%

*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated.

ATTACHMENT-E

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sr. No	Name of Director/KMP	Shareholding at beginning of the year-01.04.2014		Cumulative Shareholding at the end of the year -31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Shrivardhan Goenka-Director	45500	0.29%	45500	0.29%

Note-There is no change in Director's Shareholding between 01.04.2014 to 31.03.2015

ATTACHMENT-F

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Rs in Lacs)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	1624.76	421.24	-	2046.00
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	108.54	-	108.54
Total (i+ii+iii)	**1624.76**	**529.78**	**-**	**2154.54**
Change in indebtedness during the financial year				
-Addition	-	-	-	
-Reduction	-618.8	-0.64	-	-619.44
Net Change	-618.8	-0.64	-	-619.44
Indebtedness at the end of the financial year				
i. Principal Amount	1005.96	363.24	-	1369.20
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	165.90	-	165.90
Total (i+ii+iii)	**1005.96**	**529.14**	**-**	**1535.10**

ATTACHMENT-G

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and / or Manager: (Rs in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager Mr. Madhukar Mishra, Managing Director
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	33.60
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	52.81
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission-- as % of profit	-
5	Others-Allowances & Performance Pay	59.70
	Total (A)	**146.11**
	Ceiling as per the Act (@ 10% of profits calculated calculated under Section 198 the Companies Act, 2013	Remuneration has been provided as per approved appointment agreement and provisions of the Companies Act due to inadequate profits for FY 2014-15.

b. Remuneration to other directors:

Independent Directors and non-executive directors are only paid sitting fees for attending Board /committee meetings. Kindly refer 'Corporate Governance Report' for details of sitting fees paid to Independent Directors and non-executive directors during the FY 2014-15.

c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Rs in Lacs)

Sr. No.	Particulars of Remuneration	Mr. P.K. Agrawal-CFO	Mr. Saurabh Arora-Company Secretary
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3.37	1.95
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	5.51	2.10
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-
2	Stock Option	-	
3	Sweat Equity	-	
4	Commission-as % of profit	-	
5	Others-Allowances & Performance pay	14.49	4.69
	Total	**23.37**	**8.74**

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.

a) The Company has taken the following steps for conservation of energy :

- Bye-passed a chest in Pulp Mill resulting in power saving.
- Optimization of various power sources resulting in increased power generation from steam turbine.
- Modification in Evaporator and Pulp Mill resulting in increased steam generation and improvement in overall recovery efficiency.
- Optimization of back water usage resulting in reduction of fresh water consumption.
- Modification of PM-II couch to reduce energy cost.
- Modification in TRPW press to increase dryness of product.
- Modification in ODL shower system resulting in stoppage of pumps.

b) Additional investments and proposals being implemented for reduction in consumption of energy:

- Conversion of coal boiler to AFBC suitable for multi-fuel.
- Installation of new VFDs at identified locations.

c) The above projects given in a) involved a cost of approximately Rs. 50 lacs. Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

- Reduction in power generation cost
- Reduction in energy consumption

d) Steps taken for utilizing alternate sources of energy:

- Modification in the system to improve recovery of black liquor resulting in increased steam from non-conventional source.

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 2014-15:

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

- Development of new grades of paper.

- Development of new colours in coloured grade of paper.
- Lab study to optimize Dye-cost .
- Plant trial with modified calender to improve Bulk.

2. Benefits derived as a result of above R&D projects
   - Possibility to enter in new product segments.
   - Reduction in sizing cost in some grades of paper.
   - Reduction in cost.
   - Improved product quality.
3. Future Plan of Action
   - Development of new product grades.
   - Optimization of water consumption to reduce fresh water consumption.
   - Development of seed orchard.

4.	Expenditure on R&D-	Rs. in lacs
a)	Capital	Nil.
b)	Revenue	87.15
c)	Total	87.15
d)	R&D Expenditure as a percentage of total Turnover	0.32%

II) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

a) Modification in bleach plant for improvement in strength and brightness of pulp.
b) Modification in rejects system of Pulp Mill to recover black liquor from rejects.
c) Modification in TRPW press to improve dryness of product.
d) Modification in steam distribution to increase turbine inlet temperature.
e) Modification in feed sequence in Evaporator
f) Modification in couch of PM-II.
g) Modification in PM-II center cleaner system to improve dryness and formation.
h) On-line monitoring system in ETP for measurement of various parameters of effluents.

III) **INFORMATION RELATED TO IMPORTED TECHNOLOGY:**

(a)	Technology imported	On-line monitoring system in ETP for measurement of various parameters of effluents
(b)	Year of import & country	March, 2015 from Austria.
(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. 112.53 lacs

Outgo- Rs. 73.11 lacs

For and on behalf of the Board

Place : New Delhi

Date : 20th May , 2015

G. P. Goenka

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 that:

1. In preparation of accounts, applicable accounting standards have been followed .
2. 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, 2015.
3. 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.
4. The accounts have been prepared on going concern basis.
5. The directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively.
6. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and with aid 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 **G. P. Goenka**

Date : 20th May , 2015 **Chairman**

ANNEXURE- IV

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

Your Director are pleased to present Corporate Governance Report for the year ended on 31st March , 2015.

I. Company's philosophy on Corporate Governance

Corporate Governance is all about maintaining a valuable relationship and trust with all the stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. It encompasses a set of systems and practices to ensure that the company's affairs are managed in a manner which ensures accountability, transparency and fairness. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder value, be it shareholders, suppliers, customers, employees and society at large. Our objective is to meet stakeholders' aspirations and expectations.

II. Board of Directors

Your company is managed by a competent Board of directors comprised of ideal number of Executive, Non-executive and Independent directors. The Board monitors performance of the company, receives and approves policies, strategies and evaluate management performance. The Board ensures legal and ethical conduct and accurate financial reporting.

(a) Composition

The composition of Board of Directors is governed by the Companies Act and listing agreement with stock exchanges. The Board have Seven (7) directors. All the directors except Managing Director are Non-executive directors. The Board has four Non-executive Independent directors. The Chairman of the Board is Non-executive Director.

The following is the composition of the Board of Directors as on 31st March , 2015.

Director	Category of Director	Total No. of Directorships in other companies (*)	Total No. of Memberships/ Chairmanships of Committees in other companies (**)
Executive Director:			
Sh. Madhukar Mishra	Managing Director	Nil	Nil
Non - Executive Directors:			
Sh. G.P. Goenka	Chairman /Promoter Director	5	Nil
Sh. S.V. Goenka	Promoter Director	5	Nil
Sh. Shiromani Sharma	Independent Director	1	1
Sh. C.M. Vasudev	Independent Director	8	6
Sh. M.P. Pinto	Independent Director	9	9
Sh. K.N. Bhandari***	Independent Director	***	***
Ms. Savita Laxmipathy Acharya****	Independent Director	2	2

* 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 on 31st March 2015 due to some other pre-occupations and commitments.

****appointed as additional director w.e.f 31st March, 2015.

(b) Meetings and Attendance

During the financial year ended 31st March, 2015, five (5) meetings of the Board of Directors were held on 19th May, 2014, 13th Aug., 2014, 27th Sept., 2014, 10th Nov., 2014 and 11th Feb., 2015.

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
Sh. G.P. Goenka	5	Yes
Sh. Shiromani Sharma	5	Yes
Sh. S.V. Goenka	1	Yes
Sh. C.M. Vasudev	3	Yes
Sh. Madhukar Mishra	4	Yes
Sh. M.P. Pinto	5	Yes
Sh. K.N. Bhandari	4	Yes

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 during the period since it has been in force. 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 constituted three Committees – 'Audit Committee', 'Stakeholders' Relationship Committee and ' Nomination and Remuneration committee'.

(i) Audit Committee

The Company has the Audit Committee of the Board pursuant to Section 177 of the Companies Act, 2013 and its terms of reference are in conformity with Clause 49 of the listing agreement entered into with the stock exchanges. On occasions statutory auditors, Internal auditors and cost auditors are invited to the Committee meetings. The company secretary acts as the secretary to the committee.

Composition

The composition of the Audit Committee as on 31st March, 2015 is as under :

Sl. No	Name of the Director & Designation	Category	No. of meetings attended during FY 2014-15
1	Sh. Shiromani Sharma-Chairman	Non- executive, Independent	4
2	Sh. C.M Vasudev-Member	Non- executive, Independent	3
3	Sh. S.V Goenka-Member	Non- executive, non-Independent	Nil

During the financial year ended 31st March, 2014, four (4) Audit Committee meetings were held on 18th May, 2014, 13th Aug., 2014, 10th Nov., 2014 and 11th Feb., 2015.

ii) Stakeholders' Relationship Committee

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 meeting(s) held during the FY 2014-15 are as under :

Sl. No	Name of the Director & Designation	Category	No. of meetings held/attended during FY 2014-15
1	Sh. Shiromani Sharma - Chairman	Non- Executive, Independent	3
2	Sh. Madhukar Mishra-Member	Executive	3

Compliance Officer

Mr. Saurabh Arora, Company Secretary, is the Compliance Officer under Clause 47 of the listing agreement.

(iii) Nomination & Remuneration Committee

The ' Nomination & Remuneration committee' of the Board inter-alia identifies persons who are qualified to become directors and who may be appointed as senior management in accordance with the criteria laid down, recommends to the Board appointment and removal of directors and evaluates performance of every director. It also recommends to the Board relating to remuneration of directors, key managerial personnel (KMP) etc.

Composition

The composition of Remuneration Committee and details of its meeting(s) held during the FY 2014-15 are as under :

Sl. No	Name of the Director & Designation	Category	No. of meetings held during the year 2014-15	
			Held	Attended
1	Sh. C.M. Vasudev- Chairman	Non- Executive, Independent	Nil	NA
2	Sh. Shiromani Sharma - Member	Non- Executive, Independent	Nil	NA
3	Sh. M.P. Pinto-Member	Non- Executive, Independent	Nil	NA

V. Remuneration of Directors

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

The details of remuneration of the directors for the financial year ended 31st March, 2015 are as under:

(Rs.)

Director	Salary#	Perquisites and other benefits##	Sitting Fees	Total
Sh. G.P. Goenka	-	-	50,000	50,000
Sh.. Shiromani Sharma	-	-	1,30,000	1,30,000
Sh. S.V. Goenka	-	-	10,000	10,000
Sh. C.M. Vasudev	-	-	70,000	70,000
Sh. M.P. Pinto	-	-	60,000	60,000
Sh. K.N Bhandari	-	-	80,000	80,000
Sh. M. Mishra	1,04,04,500	42,06,907	-	1,46,11,407
Total			4,00,000	1,50,11,407

Salary also includes allowances, performance pay and commission on net profits, if any.

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

None of the directors except Sh. S.V 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 and notice period

The appointment of the Executive Director(s) is governed by resolutions passed by the Nomination & 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 Director. Statutory provisions however will apply in case of severance of service. The appointments are terminable by six months' notice from either side.

VI. The company has no subsidiary company.

VII. Disclosures

There were no materially 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 Board periodically reviews risk management policy of the company. There was no non-compliance during the last three years by the company on any matter relating to the Capital Markets. There were no penalties, strictures passed on the Company by stock exchanges/SEBI or any Statutory Authority. There were no pecuniary relationships or transactions with non-executive directors. The Management Discussion and Analysis Report forms part of the Annual Report.

Particulars of directors seeking appointment/re-appointment at the AGM have been given in Notice of the AGM to be held on 24th Sept., 2015.

VIII. Means of communication

The quarterly results of the Company were announced within 45 days of the end of each quarter, except for March 2015 and the audited results were announced within 60 days of the close of the financial year; such results were published normally in the 'The Financial Express', and 'Aajkal'. The financial results of the company is provided at the website www.starpapers.com.

IX. Shareholder Information

76th AGM Details

Date	Venue	Book Closure Dates	Time
24th Sept., 2015	'KalaKunj' (Kalamandir basement), 48, Shakespeare Sarani, Kolkata -700 017	17.09.2015 to 24.09.2015	10:30 A.M

Registrar & Share Transfer Agents :

The Company's Registrar and Share Transfer Agent is Karvy Computershare Pvt. Ltd..

Address for correspondence :

Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally Hyderabad – 500 008.
Telephone : 040-67161585
Fax : 040-23420859
e-mail : kishore.bv@karvy.com

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

Transfer System

The Registrars and Share Transfer Agents process every fortnight requests for approving share transfers. The processing activities with respect to requests received for share transfer are completed within 7-10 days from the date of receipt of request. There were no shares pending for transfer as on 31st March, 2015.

Compliance certificate of the Auditors

The company has obtained certificate from the statutory auditors certifying compliance of conditions of corporate governance as stipulated in Clause 49 of the listing agreement and the same is annexed. The certificate will also be sent to the stock exchanges along with the Annual Report which will be filed by the company.

Dematerialization of Shares and Liquidity

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

As on 31st March, 2015, a total of 1,54,04,120 shares of the Company, which form 98.69% 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.

Shareholders Complaints

One (1) compliant was received from a shareholder during the year which was duly resolved. No complaint is pending at close of the financial year.

Distribution of Shareholding as on 31st March, 2015.

Slab	No. of Shareholders		No. of Equity Shares	
	Total	% of shareholders	Total	% to share capital
1-500	8624	85.84	1049437	6.72
501-1000	649	6.46	550572	3.53
1001-2000	382	3.80	600685	3.85
2001-3000	140	1.39	362777	2.32
3001-4000	59	0.59	213875	1.37
4001-5000	43	0.43	201878	1.29
5001-10000	52	0.52	391311	2.51
10001 and above	98	0.98	12237815	78.41
Total	**10047**	**100.00**	**15608350**	**100.00**

Category of Shareholders as on 31st March, 2015.

Category	No. of Shares	% of Shareholding
Promoter Group	7782219	49.86
Financial Institutions	300	0.00
Banks and Mutual Funds	4116	0.03
Insurance Companies	558667	3.58
Non Resident Indian (NRI)	93701	0.60
Clearing Member (NSDL & CDSL)	37151	0.24
Public - Bodies Corporate	1366324	8.75
- Individuals	5384978	34.50
- Others	380894	2.44
Total	**15608350**	**100.00**

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

Month	NSE		BSE	
	High	Low	High	Low
2014				
April	9.50	8.20	9.74	8.21
May	10.75	7.20	10.05	7.37
June	13.40	10.00	13.22	10.03
July	13.65	10.05	13.15	9.05
August	10.10	7.65	9.82	8.16
September	12.00	8.55	12.25	8.80
October	12.40	9.90	12.30	10.50
November	22.60	10.60	22.60	10.95
December	26.30	16.20	26.25	16.35
2015				
January	24.25	18.50	24.75	19.00
February	23.50	18.30	23.50	18.15
March	22.80	17.65	22.70	18.00

Listing on stock exchanges

The Company's Equity Shares are currently listed with the Stock Exchange, Mumbai (BSE) and the National Stock Exchange of India Ltd. (NSE) under Stock Codes '516022' and 'STARPAPER' respectively, The Company has paid the requisite listing fees to the stock exchanges for the financial year 2014-15.

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

Plant location :
Seth Baldeodas Bajoria Road,
Saharanpur 247 001,
Uttar Pradesh

Branches at :
(i) 2nd Floor, Express Building,
9-10, Bahadur Shah Zafar Marg,
New Delhi 110 008

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

Financial Calendar 2015-16

The next financial year of the Company is 1st April 2015 to 31st March 2016.

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

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

Details of Past Three Annual General Meetings

Year	Venue	Date	Time
2013-14	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017	27.09.2014	10.30 A.M
2012-13	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017	19.09.2013	10.00 A.M
2011-12	'Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017	21.09.2012	10.45 A.M

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 Clause 49(II)(E)(2) of the Listing Agreement

I hereby declare that to the best of my knowledge & belief, all the members of the Board and the senior management personnel of the company have affirmed their respective compliance with the code of conduct of the company for the financial year ended 31st March, 2015.

Place: New Delhi
Date: 20th May, 2015

Madhukar Mishra
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Star Paper Mills Limited

1. We have examined the compliance of conditions of corporate governance by Star Paper Mills Limited, for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement. The company has established risk assessment/ minimization and internal control procedures which are being regularly updated/ formalized.
4. We further state that such compliance is 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.

For **Lodha & Co.**
Chartered Accountants
Firm ICAI Registration No. 301051E

H K Verma
Partner
Membership No. 055104

Place: New Delhi
Date: 20th May, 2015

ANNEXURE-V

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

To

The Members,

Star Paper Mills Limited

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 Limited (hereinafter called 'the Company'). 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 Star Paper Mills Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 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 2015 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, 1956 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, 1992;

(v) Following other laws as are specifically applicable to the company:

(a) The Indian Forest Act, 1927

(b) The Indian Boiler Act, 1923

(c) UP Agriculture Produce Mandi Act, 1964

(d) Indian Explosives Act, 1884

(e) The Petroleum Act, 1934

(vi) The Listing Agreements with BSE Limited and National Stock Exchange of India Limited.

The Company complies with statutory Tax Audit requirement under section 44AB of the Income Tax Act, 1961 which is done by Tax Auditor and VAT Audit Requirement under respective State VAT Acts by VAT Auditors, wherever applicable, so we have not reviewed compliance of applicable Income Tax Laws / Central Sales Tax Act / respective State VAT Acts to the Company.

During the financial year Secretarial Standards were not applicable to the Company since the same were yet to be approved as such by the Central Government under section 118(10) of the Companies Act, 2013.

The management has made written representation and we have also checked that during the year the following Acts, Regulations, Guidelines etc. as specified in the prescribed MR-3 Form were not applicable to the Company:

(a) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings since the Company did not have any Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 since the Company has not made issued any securities during the financial year;

(c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 since the company has no such schemes;

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 since the Company has not issued any Listed Debt Securities;

(e) 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 since the company is not licensed to act as a Registrar and Share Transfer Agent);

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 since the Company does not have any debt securities listed on any stock exchanges and

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 since the company has not bought back any of its listed securities;

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. In respect of compliance of other laws specifically applicable to the company, we have relied on information and records produced by the Company and written representations made by the Management during the course of our audit and the reporting is limited to that extent.

We further report that:

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Subject to above observation, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice was given to all the directors to schedule the Board Meetings. Notices were sent at least seven days in advance and Board Papers along with detailed notes on the agenda items had been circulated subsequently. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Views of the Directors on all important matters have been captured and recorded in the Minutes and majority decision is carried through. There has not been any dissent among the directors on any matter dealt with by the Board.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded to notice for demands, claims, etc. issued by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

We further report that there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

For D. DUTT & CO.

Company Secretaries

Place: Kolkata
Date: 20.05.2015

(DEBABRATA DUTT)

Proprietor

FCS-5401

C.P. No.-3824

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

Annexure – A

To

The Members,
Star Paper Mills Limited
Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules, regulations, guidelines, standards and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

For D. DUTT & CO.
Company Secretaries

Place: Kolkata
Date: 20.05.2015

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

ANNEXURE-VI

Form No. AOC - 2
(Pursuant to clause (h) of sub-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:

1. Details of Contracts or arrangements or transactions not at arm's length basis: NIL.
2. Details of contracts or arrangement or transactions at arm's length basis and which are material in nature: NIL.

For and on behalf of the Board

Place: New Delhi
Date: 20th May, 2015

G.P. Goenka
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of STAR PAPERS MILLS LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of Star Paper Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Managements' Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 (" the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Basis for Qualified Opinion

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.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Profit and its Cash Flows for the year ended on that date.

6. Emphasis of Matter

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.

7. Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the Balance Sheet, Statement of Profit and loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act , read with Rule 7 of the Companies (Accounts) Rules, 2013;

e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.

f) 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 effect of pending litigations on its financial positions in its financial statements as required in terms of Accounting Standards and provision of Companies Act, 2013. – Refer Note. 26 to financial statement.

ii. The Company did not have any Long term contracts including Derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Lodha & Co.**
Chartered Accountants
Firm ICAI Registration No. 301051E

H K Verma
Partner
Membership No. 055104

Place: Kolkata
Date: 20th May, 2015

Annexure to the Auditor's Report 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) All the assets have not been physically verified by the management during the year but there is regular programme of verification, which, in our opinion, is reasonable having regard to the size of Company and the nature of its assets. There were no material discrepancies with regard to book records in respect of the assets verified during the year.

ii. (a) The inventory has been physically verified by the management at regular intervals during the year in our opinion and according to the information and explanation given to us, the frequency of verification is reasonable.

(b) In our opinion, the procedure for the physical verification of the inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. As explained to us, discrepancies noticed on physical verification of inventory were not material.

iii. According to information and explanations given to us the company has not granted any loans, secured or unsecured, to companies, forms or other parties in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause 3(iii) of the Order is not applicable to the company.

iv. In our opinion there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.

v. The Company has not accepted any deposits from the public under Sections 73 to 76 or any other relevant provisions of Companies Act, 2013. and rules framed there under.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company product and are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not carried out any detailed examination of such records with a view to determine whether they are accurate or complete.

vii. (a) According to the records of the Company, there were delays in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor Education and protection Fund. Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it. According to the information and explanation given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.

(b) According to the record of the Company and according to the information and explanation given to us by the management, the details of disputed statutory dues are as below:

Name of the Status	Name of Dues	Forum where Dispute is pending	Period to which the amount relate	Amount (Rs. in Lacs)
The Uttar Pradesh VAT Act 2008	Value Added Tax	Additional Commissioner (Appeals)	2008-09 to 2011-12 & 2012-13	44.17
The Central Sales Tax Act, 1956	Sales Tax	High Court	1996-97	4.29
		Tribunal	1995-96	406.00
UP Krishi Utpadan Mandi Adhiniyam 1965	Mandi Tax	High Court	1.1.1993-31.12.2003	361.60
The Central Excise Act	Excise Duty	Central Excise Service Tax Applicant Tribunal, New Delhi.	2009-10 2010-11, 2011-12	30.44

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company .

viii. The Company has accumulated losses as at the year end which has not exceeded fifty percent of its net worth. The Company has not incurred cash losses during the year covered by our audit and had incurred cash losses in the immediately preceding financial year

ix. Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that during the year the company has not defaulted in repayment of dues to banks. There were no debenture holders during the year and no loan was taken from financial institutions.

x. The Company has not given guarantees for loans taken by others from bank or financial institutions.

xi. As per the information and explanation given to us, the Company has not availed term loan during the year. Accordingly , the provision of clause 3 (xi) of the order are not applicable

xii. Based upon the audit procedures performed and information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place: Kolkata
Date: 20th May, 2015

H K Verma
Partner
Membership No. 55104

BALANCE SHEET AS AT 31ST MARCH, 2015

(Rs. in Lacs)

Particulars	Note No.	As at 31st March 2015		As at 31st March 20134	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	1,560.83		1,560.83	
Reserves and Surplus	3	3,145.42		1,666.24	
			4,706.25		3,227.07
Non-Current Liabilities					
Deferred Tax Liabilities (Net)	4	903.97		1,740.76	
Other Long term Liabilities	5	805.75		817.03	
Long term provisions	6	1,036.71		1,005.37	
			2,746.43		3,563.16
Current Liabilities					
Short term borrowings	7	1,369.20		2,046.00	
Trade payables	8	7,051.72		7,014.55	
Other current liabilities	9	1,119.05		1,061.78	
Short term provisions	10	55.13		49.09	
			9,595.10		10,171.42
Total			**17,047.78**		**16,961.65**
ASSETS					
Non-Current Assets					
Fixed assets:					
Tangible assets	11	8,577.75		9,100.96	
Capital work-in-progress		60.44		59.75	
Non-Current investments	12	3,229.70		3,229.70	
Long term loans and advances	13	1,108.64		933.45	
			12,976.53		13,323.86
Current Assets					
Inventories	14	2,321.70		2,408.85	
Trade receivables	15	651.68		705.31	
Cash and cash equivalents	16	604.33		101.92	
Short term loans and advances	17	486.34		412.05	
Other current assets	18	7.20		9.66	
			4,071.25		3,637.79
Total			**17,047.78**		**16,961.65**
Significant Accounting Policies	1				
Notes on Financial Statements	2-38				
As per our report of even date					

On behalf of the Board

For Lodha & Co.
Chartered accountants

H K Verma
Partner

G.P. Goenka
Chairman

Shiromani Sharma
M.P. Pinto
C.M. Vasudev
Savita L. Acharya (Ms)
Directors

Place : New Delhi
Date : 20-05-2015

Saurabh Arora
Company Secretary

P.K. Agrawal
Chief Financial Officer

Madhukar Mishra
Managing Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in Lacs)

Particulars	Note No.	Year Ended 31st March 2015	Year Ended 31st March 2014
REVENUE FROM OPERATIONS			
Revenue From Operations	19	27,129.65	27,501.49
Other Income	20	94.30	112.36
Total Revenue		**27,223.95**	**27,613.85**
EXPENDITURE			
Cost of Raw Material Consumed	21	12,036.07	14,228.68
Changes in Inventories of Finished goods Stock in Process and stock in trades	22	151.45	280.80
Employees benefits expenses	23	2,716.52	2,561.58
Finance Costs	24	440.94	457.35
Depreciation and amortization expenses	11	486.26	1,108.53
Other expenses	25	10,641.71	11,238.45
Total Expenses		**26,472.95**	**29,875.39**
Profit Before Exceptional Items and Tax		**751.00**	**(2,261.54)**
Exceptional Item	12	-	349.19
Profit Before Tax		**751.00**	**(2,610.73)**
Tax Expense			
- Current Tax		-	-
- Deferred Tax - Charged/(Credit)	4	(803.23)	(402.47)
Profit / (Loss) for the year		**1,554.23**	**(2,208.26)**
Earning per equity share:	35	9.96	(14.15)
- Basic and Diluted in Rupees			
Significant Accounting Policies	1		
Notes on Financial Statements	2 - 38		
As per our report of even date			

On behalf of the Board

For Lodha & Co.
Chartered accountants

H K Verma
Partner

G.P. Goenka
Chairman

Shiromani Sharma
M.P. Pinto
C.M. Vasudev
Savita L. Acharya (Ms)
Directors

Place : New Delhi
Date : 20-05-2015

Saurabh Arora
Company Secretary

P.K. Agrawal
Chief Financial Officer

Madhukar Mishra
Managing Director

Notes on Financial Statements for the Year ended 31st March, 2015

1. Significant Accounting Policies

(a) Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the provisions of the Companies Act, 2013 and accounting standards as prescribed under section 133 of the Companies Act , 2013 , read with rule 7 of the Companies (Accounts) Rules,2014 and other recognized accounting practices. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

(b) Use of Estimates

The preparation of financial statements require the management to make estimates and assumption that effect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual results and the estimates are recognised in the year in which the results become known/materialise.Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known/ materialized.

(c) Fixed Assets

Tangible Assets

i) Fixed assets are stated at cost of acquisition/construction. Cost includes borrowing cost and pre-operative expenses as allocated to the fixed assets.

ii) Capital Work-in-progress includes Marchinery to be installed, Construction and Erection Materials etc.

d) Depreciation

i) Depreciation has been provided for as per Schedule II of the Companies Act, 2013, on written down value method and in respect of plant and Marchinery acquired on or after 1.4.76, on straight-line method. Certain plants have been considered as continuous process plants on technical evaluation.

ii) Marchinery Spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are amortised over the useful life of the respective fixed assets and the amount amortised is included under stores and spares consumed.

(e) Impairment of Fixed Assets

Fixed Assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognised, whenever the carrying amounts of assets exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets.

(f) Investments

Long-term investments are stated at cost less provisions, if any, for diminution in the values thereof, other than temporary.

(g) Inventories

i) Inventories are valued at cost or estimated net realisable value whichever is lower. The value of inventories other than raw materials is determined on weighted average basis. The value of raw materials is determined by first in first out method. Cost of raw materials includes expenses incurred for procuring the same. Cost in respect of finished goods, stock in process and wrapper represents manufacturing cost and does not include interest, selling and distribution and certain administrative overheads.

ii) Customs duty on materials in bond and excise duty on finished goods lying in the factory as at the year-end is considered as cost for valuation of stocks.

(h) Revenues and Other Income

i) Revenue is being recognised on accrual basis.

ii) All expenses, claims, interest on overdue debts/demands and other incomes to the extent ascertainable and considered payable or receivable as the case may be, have been accounted for.iii)Sales are recognised on passing of the property in the goods as per the terms of the sales, irrespective of actual delivery. Sales include excise duty and incidental charges but rebates, discounts and Sales Tax/Value Add Tax (VAT) are excluded there from.

(i) Foreign currency transactions

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year end are translated using closing exchange rates. The loss or gain thereon and also on the exchange differences on settlement of foreign currency transactions during the year are recognised as income or expenses and are adjusted to the profit and loss account under respective heads of accounts.

Exchange differences arising with respect to forward contracts other than those entered into, to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are recognized in the year in which they arise and the difference between the forwards rate and exchange rate at the date of transaction is recognized as income / expense over the life of the contract.

Keeping in view the announcement of Institute of Chartered Accountants of India dated March 29, 2008 regarding accounting for derivatives, mark to market losses on all other derivatives contracts (other than forward contracts dealt as above) outstanding as at the year end , are recognized in the accounts.

(j) Employee benefits

Employee benefits are accrued in the year 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 schemes such as Provident Fund etc. are recognized as and when incurred.

Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave etc. are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gains and losses are recognised in the year when they arise.

(k) Research & Development

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

(l) Income taxes

Provision for tax is made for both current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent years are recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets other than in respect of carried forward losses or unabsorbed depreciation are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is "virtual certainty" that such deferred tax assets can be realized against future taxable profits.

(m) Borrowing Cost

Borrowing costs, that are attributable to the acquisition or construction of qualifying asset, are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for use.All other borrowing costs are charged to revenue.

(n) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are disclosed by way of notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes on Financial statements for the year ended 31st March, 2015

2. SHARE CAPITAL **(Rs. in Lacs)**

Authorized	As at 31st March 2015	As at 31st March 2014
10,000 (Previous Year: 10,000) 5% Cumulative Tax Free Redeemable Preference Shares of Rs.100 each	10.00	10.00
39,800,000 (Previous Year: 39,800,000) Equity Shares of Rs.10 each	3,980.00	3,980.00
100,000 (Previous Year: 100,000) `A' Equity Shares of Rs.10 each	10.00	10.00
	4,000.00	**4,000.00**
Issued		
15,511,250 (Previous Year: 15,511,250) Equity Shares of Rs.10 each	1,551.12	1,551.12
100,000 (Previous Year: 100,000) `A' Equity Shares of Rs.10 each	10.00	10.00
	1,561.12	**1,561.12**
Subscribed and Paid-up		
15,508,350 (Previous Year: 15,508,350) Equity Shares of Rs.10 each	1,550.83	1,550.83
100,000 (Previous Year: 100,000) `A' Equity Shares of Rs.10 each	10.00	10.00
	1,560.83	**1,560.83**
Shareholders holding more than 5% shares	No. of Shares	No. of Shares
ISG Traders Ltd	48,50,319	53,50,019
Albert Trading Company Pvt Ltd	9,05,200	9,05,200

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

2.2 There is no movement in the number of share outstanding at the beginning and at the end of the year.

Notes on Financial statements for the year ended 31st March, 2015

3. RESERVES AND SURPLUS

(Rs. in Lacs)

	As at 31st March 2015		As at 31st March 2014	
Capital Reserve				
As per Last Balance Sheet		3.20		3.20
Capital Redemption Reserve				
As per Last Balance Sheet		50.00		50.00
Securities Premium Account				
As per Last Balance Sheet		4,459.50		4,459.50
General Reserve				
As per Last Balance Sheet	1,357.06		1,357.06	
Amount transferred due to transitional provision of Companies Act, 2013 (Refer Note No. 11.2)	(75.05)	1282.01	-	1,357.06
Surplus/(Deficit)				
As per Last Balance Sheet	(4,203.52)		(1,995.26)	
Add : Profit/ (Loss) for the year transferred- from Statement of Profit & Loss	1,554.23		(2,208.26)	
Balance at the end of the year		(2,649.29)		(4,203.52)
Total		**3,145.42**		**1,666.24**

Notes on Financial statements for the year ended 31st March, 2015

4. DEFERRED TAX LIABILITY (NET)

(Rs. in Lacs)

	As at 31st March 2015	As at 31st March 2014
Deferred Tax Liability		
Depreciation difference (Refer Note 4.1)	2,102.24	2,183.01
Sub Total	**2,102.24**	**2,183.01**
Deferred Tax Assets		
Expenses allowable on payment basis	405.97	442.25
Unabsorbed Depreciation (Refer Note 4.2)	789.13	-
Provision for Doubtful Debts	3.17	-
Sub Total	**1198.27**	**442.25**
Deferred Tax Liability Net	**903.97**	**1,740.76**

4.1 Refer Note 11.2 for utilisation of Deferred Tax of Rs. 33.56 lacs (2013-14: Nil) on depreciation on account of assets whose useful life is already exhausted on April 01, 2014 has been adjusted against General Reserve.

4.2 Deferred Tax Asset on account of timing differences with respect to depreciation has been considered and recognized in the accounts. As a matter of prudence, the amount of unabsorbed business losses and remaining differential of depreciation difference has been ignored.

5. OTHER LONG TERM LIABILITIES

Deposits:		
(i) from whole sellers	734.91	729.16
(ii) from others	70.84	87.87
Total	**805.75**	**817.03**

6. LONG TERM PROVISIONS

Provision for Employees benefit		
Provision for Gratuity	611.48	563.25
Provision for Leave Encashment	78.64	90.93
Provision for Pension	346.59	351.19
Total	**1,036.71**	**1,005.37**

7. SHORT TERM BORROWINGS

Secured-		
Working Capital Loans		
Repayable on Demand		
~from banks	1,005.96	1,624.76
Unsecured-		
~from related parties	363.24	421.24
Total	**1,369.20**	**2,046.00**

7.1 Working Capital facility from Banks are secured by way of Hypothecation of Stocks of finished goods, raw materials, chemicals, stores, other materials including those in transit, book debts both present and future and the charge on fixed assets of the company, ranking pari-passu in favour of the banks.

Notes on Financial statements for the year ended 31st March, 2015

8. TRADE PAYABLES

(Rs. in Lacs)

	As at 31st March 2015	As at 31st March 2014
Payable for goods and services	7,051.72	7,014.55
Total	**7,051.72**	**7,014.55**

8.1 There is no Micro, Small and Medium Enterprises to whom the company owes any amount which are outstanding for more than 45 days as at 31st March 2014 . This information as required to be disclosed under Micro, Small and Medium enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

9. OTHER CURRENT LIABILITIES

Interest accrued but not due on loans	165.90	108.54
Unpaid Dividend *	6.39	6.45
Unclaimed Liability in respect of redeemed preference shares*	0.59	0.59
Capital Vendors	102.49	102.49
Advance/Credit Balance from Customer	502.99	382.05
Advance payment of Income Tax including deduction at source (net of provisions)	2.41	7.23
Other Payables		
~ Statutory dues - PF , ESI , TDS , VAT etc.	204.65	311.18
~ Excise Duty on Finished Goods	38.99	37.74
~ Others	94.64	105.51
Total	**1,119.05**	**1,061.78**

* The figure does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

10. SHORT TERM PROVISIONS

Provision for employees Benefit:		
Provision for Leave Encashment	15.21	11.80
Provision for Pension	33.83	31.55
Other Provisions	6.09	5.74
Total	**55.13**	**49.09**

Notes on Financial statements for the year ended 31st March, 2015

11. FIXED ASSETS

(Rs. in Lacs)

	GROSS BLOCK				DEPRECIATION					NET BLOCK	
Particulars	**As on 01.04.2014**	**Additions during the year**	**Sale/Adjust-ments during the year**	**As on 31.03.2015**	**Upto 31.03.2014**	**For the year**	**Adjustments during the year**	**Sale/Adjust-ments during the year**	**Upto 31.03.2015**	**As on 31.03.2015**	**As on 31.03.2014**
Land	20.99	-	-	20.99	-	-	-	-	-	20.99	20.99
Buildings	826.05	-	-	826.05	618.28	41.44	26.31	-	686.03	140.02	207.77
Railway Siding	6.83	-	-	6.83	6.79	-	0.04	-	6.83	-	0.04
Plant & Equipment	24,486.70	71.80	49.36	24,509.14	15,656.86	421.94	76.29	42.91	16,112.18	8,396.96	8,829.84
Furniture- and Fittings	224.21	7.42	2.38	229.25	201.27	12.31	5.06	1.92	216.72	2.53	22.94
Vehicles	114.25	-	5.27	108.98	94.87	10.57	0.91	4.62	101.73	7.25	19.38
Total	**25,679.03**	**79.22**	**57.01**	**25,701.24**	**16,578.07**	**486.26**	**108.61**	**49.45**	**17,123.49**	**8,577.75**	**9,100.96**
Previous Year	**25,517.69**	**187.04**	**25.70**	**25,679.03**	**15,492.88**	**1,108.53**	**23.34**		**16,578.07**	**10,024.81**	

11.1 Gross block and Net block of Buildings include flat acquired under joint ownership with others at New Delhi amounting Rs. 55.30 Lacs and Rs. 26.45 Lacs. (Previous year Rs. 55.30 Lacs and Rs. 33.11 Lacs) respectively.

11.2 During the year, depreciation has been provided based on the life of the assets as per Schedule II of the Companies Act, 2013 which has become effective from 1st April, 2014. 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 year is lower by Rs. 547.62 lacs. Where the remaining life of the assets has exhausted 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.

Notes on Financial statements for the year ended 31st March, 2015

12. INVESTMENTS
Non- Current Investments:
(Long Term other than Trade)

(Rs. in Lacs)

	As at 31st March 2015	As at 31st March 2014
a) QUOTED		
ISG Traders Limited	3,578.89	3,578.89
17,45,786 (Previous Year:17,45,786) Fully paid equity shares of Rs.10 each		
Less : Provision for Diminution in value (Refer Note 12.2)	349.19	349.19
	3,229.70	3,229.70
Aggregate amount of:		
Quoted Investments	3,229.70	3,229.70
	3,229.70	3,229.70

12.1 Market quotation in respect of Non-traded shares are not available since long, therefore the market value of these investments has not been stated.

12.2 Keeping in view of the provisions of Accounting Standard on Investments (AS-13) , the company 's investment in ISG Traders Ltd has been evaluated based on the valuation carried out by an independent firm of Chartered Accountants and based on such valuation the provision already made has been considered adequate by the management.

13. LONG TERM LOANS AND ADVANCES

(Unsecured -considered good unless otherwise stated)		
Capital Advances	15.14	0.43
Balances/Deposits with Govt Authorities & Others (Refer Note 26)	965.82	805.34
Loans and Advances to Related parties (Refer Note 33)	35.00	35.00
MAT Credit Entitlement (Refer Note 13.1)	92.68	92.68
TOTAL	**1,108.64**	**933.45**

13.1 In view of the management , the company is expected to pay normal tax within the credit entitlement period and thereby no adjustment in this respect has been considered necessary.

14. INVENTORIES

(Value at cost or estimated net realisable value)		
Raw Materials	296.33	199.49
Raw Materials in Transit	0.57	-
Chemicals	183.95	223.26
Work in Progress	398.02	464.38
Finished Goods	770.67	855.76
Stores and spares	671.03	664.14
Stores and Spares parts in Transit	-	1.03
Loose Tools	1.13	0.79
TOTAL	**2,321.70**	**2,408.85**

Notes on Financial statements for the year ended 31st March, 2015

15. TRADE RECEIVABLES

(Rs. in Lacs)

	As at 31st March 2015	As at 31st March 2014
Outstanding for period exceeding six months from the date they become due for payment		
- Considered good		
Secured	72.43	23.87
Unsecured	21.89	44.71
Less: provision for doubtful debts	(10.27)	-
	84.05	68.58
Other Debts		
- Considered good		
Secured	266.20	361.27
Unsecured	301.43	275.46
	567.63	636.73
TOTAL	**651.68**	**705.31**

16. CASH AND BANK BALANCES

Cash and Cash Equivalents		
Balances with Banks -		
In Current Accounts	74.33	3.92
In Unpaid Dividend Accounts	6.41	6.47
In Fixed Deposits	350.00	-
Cheque in hand	77.00	0.30
Cash on hand	7.69	7.71
	515.43	18.40
Other Balances with bank		
In Margin Money Accounts (Refer 16.1)	76.12	73.10
In Fixed Deposits (having original maturity of more than 3 months) (Refer 16.2)	12.78	10.42
	88.90	83.52
TOTAL	**604.33**	**101.92**

16.1 Fixed Deposit lodged with banks against Bank Guarantees issued

16.2 Against employee security deposits

17. SHORT TERM LOANS AND ADVANCES

Balances/Deposits with Govt Authorities & Others	141.30	205.97
Other Loans and Advances		
~ for supply of goods and rendering of services	267.53	142.57
~ Prepaid Expenses	77.51	63.51
TOTAL	**486.34**	**412.05**

18. OTHER CURRENT ASSETS

Interest Receivable	7.20	9.66
	7.20	**9.66**

Notes on Financial statements for the year ended 31st March, 2015

19. REVENUE FROM OPERATION

(Rs. in Lacs)

	For the Year ended 31st March 2015		For the Year ended 31st March 2014	
Sale of Paper		28,243.01		28,471.04
Other Operating Revenue				
~ Sale of Scrap, etc.	470.48		552.83	
~ Provision/ Liabilities no longer required written back	1.89		58.15	
~ Sale of Clonal Plants	101.88	574.25	108.84	719.82
		28,817.26		29,190.86
Less : Excise Duty		1,687.61		1,689.37
TOTAL		**27,129.65**		**27,501.49**

20. OTHER INCOME

(Rs. in Lacs)

	For the Year ended 31st March 2014	For the Year ended 31st March 2013
Profit on Sale/Discard of Fixed Assets(Net)	14.77	3.12
Interest Received		
~ From Banks & Others	13.57	30.27
~ On overdue debtors	30.68	32.01
Miscellaneous Receipts	35.28	46.96
TOTAL	**94.30**	**112.36**

21. COST OF RAW MATERIAL CONSUMED

Wood,Bamboo and Wood waste	8,610.50	9,744.24
Waste Paper and wood pulp	70.13	357.99
Chemical and Dyes Consumed	3,355.44	4,126.45
TOTAL	**12,036.07**	**14,228.68**

22. DECREASE / (INCREASE) IN STOCKS

Opening Stock:

Stock in Process	464.38	601.55
Finished Paper	855.76	999.39
	1,320.14	1,600.94
Closing Stock:		
Stock in Process	398.02	464.38
Finished Paper	770.67	855.76
	1,168.69	1,320.14
TOTAL	**151.45**	**280.80**

Notes on Financial statements for the year ended 31st March, 2015

23. EMPLOYEES BENEFITS EXPENSES

(Rs. in Lacs)

	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Salaries, Wages and Bonus	2,359.59	2,052.94
Contribution to: Provident and Other Funds	196.10	316.90
Workmen and Staff Welfare Expenses	160.83	191.74
TOTAL	**2,716.52**	**2,561.58**

23.1 In view of the inadequacy of profit, excess remuneration, being the remuneration already approved by the shareholders, of Rs. 21.57 Lacs payable to managerial personnel for an earlier year is subject to approval of Central Government.Necessary steps have been taken to obtain the approval in this regard.

24. FINANCE COST

Interest Expenses	197.31	237.26
Other borrowing Cost	243.63	220.09
TOTAL	**440.94**	**457.35**

25. OTHER EXPENSES

Consumption of Stores and Spare parts (Refer note below)	849.99	892.77
Power and Fuel	7,367.16	8,067.79
Rent	89.86	80.16
Repairs:		
- Buildings	91.45	98.15
- Machinery	568.20	507.68
- Others	17.06	15.99
Insurance(Net of recoveries)	1.34	6.84
Rates and Taxes	33.58	85.10
Excise Duty on Stocks (Net)	(4.55)	(2.89)
Packing, Selling, Transportation & Other Expenses	436.58	372.16
Charity and Donations	0.61	0.31
Directors' Fees	4.00	3.20
Professional Charges	28.42	38.76
Foreign Exchange Fluctuation	0.68	3.90
Provision for doubtful debts	10.27	-
Miscellaneous Expenses (Refer Note No. 25.1)	1,147.06	1,068.53
TOTAL	**10,641.71**	**11,238.45**

25.1 AUDITORS REMUNERATION (Included in Miscellaneous Expenses)

Statutory Audit Fee	7.00	7.00
Fee for Tax audit	1.50	1.50
Fee for Certificates and Review	2.30	2.82
	10.80	11.32

25.2 During the year , the company has incurred Rs. 87.15 Lakhs (previous year Rs. 81.23 Lakhs) on account of research and development expenses which has been charged to statement of Profit and loss.

Notes on Financial statements for the year ended 31st March, 2015

26. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

26.1 CONTINGENT LIABILITIES

(Rs. in Lacs)

	For the Year ended 31st March 2015	For the Year ended 31st March 2014
A. In respect of Various demands raised, which in the opinion of the management are not tenable and are under appeal at various stages		
1. Sales Tax including Trade Tax	776.58	972.50
2. Mandi Fee *	230.00	230.00
3. Demand for Interest/Demand and Recovery charges on Mandi Fee**	361.60	-
4. Excise Duty	30.44	35.11
5. Electric Duty	2.70	2.70
6. Employees State Insurances Corp.	4.90	4.90
7. Sales Tax on Royalty	69.10	69.10
8. Entry tax on Paper and the fire wood	-	163.27
9. Entry tax on fuels etc.	144.71	136.65
10. Demand in respect of Railway Plot Rent	300.00	201.14
11. Workers Claims	58.97	64.13

* Company's Special Leave Petition(SLP) against the order of Hon'ble High Court of Allahabad pertaining to goods procured in earlier years has been dismissed. Following dismissal of Special Leave Petition, the company has filed a review petition before Allahabad High Court challenging order of the Hon'ble High Court. Pending final decision in the matter the amount demanded has been shown as above and Rs. 230 lacs paid in this respect has been shown under long term loans and advances.

** In respect of demand of interest/Demand & recovery Charges on the above Mandi Fee, the company has filed a writ petition challenging the demand before Hon'ble High Court at Allahabad.

26.1 The Company's pending litigations comprise of claim against the Company and proceedings pending with tax/ statutory/Government Authorities. The Company has reviewed all its pending litigation and proceedings and has made adequate provisions, and disclosed the contingent liabilities, wherever 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 are determinable only on receipt of judgment/ decisions pending with various forums/ authorities.

26.2 Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 91.72 Lacs (Previous year Rs. 17.24 Lacs).

27. Foreign currency exposure outstanding as on 31.3.2015 which has not been hedged Rs. 00.00 Lacs (Previous year Rs. 61.05Lacs)

28. CIF VALUE OF IMPORTS

(Rs. in Lacs)

Raw Material	11.87	72.52
Components, Spare Parts and Machinery	61.13	61.94

29. EXPENDITURE INCURRED IN FOREIGN CURRENCY

-Travelling	0.00	2.80
-Others	0.11	0.12

30. EARNING IN FOREIGN EXCHANGE

FOB Value of Export	3.41	-

Notes on Financial statements for the year ended 31st March, 2015

31. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, SPARE PARTS CONSUMED

	2014-15		2013-14	
Raw Material	Rs. in Lacs	%	Rs. in Lacs	%
Indigenous	12,030.53	99.95%	14,076.86	98.93%
Imported	5.54	0.05%	151.82	1.07%
	12,036.07	**100.00%**	**14,228.68**	**100.00%**
Consumption of Stores and Spare parts*				
Indigenous	1,090.76	96.66%	1,128.00	96.24%
Imported	37.69	3.34%	44.04	3.76%
	1,128.45	**100.00%**	**1,172.04**	**100.00%**

* Includes spares part used for machinery repairs

32. EMPLOYEE BENEFIT

As per Accounting Standard 15 " Employees benefit", the disclosures as defined in the Accounting Standard are given below:

(Rs. in Lacs)

Contribution to defined contribution Plans for the year are as under :		
Employers Contribution to Provident Fund	110.00	118.36
Employers State Insurance Fund	55.27	60.09

Notes on Financial statements for the year ended 31st March, 2015

Defined benefit scheme

i) The employees gratuity fund scheme is defined benefit plan.The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each year 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 Lacs)

Expenses recognized during the Year ended March 31, 2015	Gratuity (funded)		Pension (non-funded)		Leave Encashment (non-funded)	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014	31.3.2015	31.3.2014
1. Current Service Cost	33.91	31.74	1.62	4.21	6.36	15.51
2. Interest Cost	79.11	60.54	34.06	31.29	9.14	7.97
3 Expected return on plan assets	(27.68)	(32.85)	-	-	-	-
4. Past Service Cost	-	-	-	-	-	-
5. Actuarial Losses/(Gains)	(12.13)	123.95	7.24	(28.50)	8.12	(12.66)
Total Expenses	73.21	183.38	42.92	7.00	23.62	10.82
Total Expenses recognized during the year	73.21	183.38	42.92	7.00	23.62	10.82
Change in the obligation during the Year ended March 31, 2015						
1. Present value of Defined Benefit Obligation at the beginning of the year	888.94	851.73	382.74	416.39	102.73	109.79
2. Current Service Cost	33.91	31.74	1.62	4.21	6.36	15.51
3. Interest Cost	79.11	60.54	34.06	31.29	9.14	7.97
4. Plan amendments cost	-	-	-	-	-	-
5. Benefit Paid	(161.71)	(170.72)	(45.24)	(40.65)	(32.51)	(17.88)
6. Actuarial (Gains) / Losses	(19.40)	115.65	7.24	(28.50)	8.12	(12.66)
Present value of Defined Benefit Obligation at the end of the year	820.85	888.94	380.42	382.74	93.84	102.73
Change in Assets during the Year ended March 31, 2015						
1. Plan Assets at the beginning of the year	325.68	471.85	-	-	-	-
2. Contribution by Employer	25.00	-	45.24	40.65	32.51	17.88
3. Expected return on plan assets	27.68	32.85	-	-	-	-
4. Benefit Paid	(161.71)	(170.72)	(45.24)	(40.65)	(32.51)	(17.88)
5. Actuarial Gains/(Losses)	(7.28)	(8.30)	-	-	-	-
Plan Assets at the end of the year	209.37	325.68	-	-	-	-
Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet during the Year ended March 31, 2015						
1. Net Asset/(Liability) at beginning of the year	(563.26)	(379.88)	(382.74)	(416.39)	(102.73)	(109.79)
2. Employer Expenses	(73.21)	(183.38)	(42.92)	(7.00)	(23.62)	(10.82)
3. Employer Contributions	-	-	45.24	40.65	32.51	17.88
4. Net Asset/(Liability) at the end of the year	(636.47)	(563.26)	(380.42)	(382.74)	(93.84)	(102.73)
Actuarial Assumptions						
1. Discount Rate	7.80%	8.90%	7.80%	8.90%	7.80%	8.90%
2. Expected Rate of Return on Plan Assets	8.50%	8.50%	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

Notes on Financial statements for the year ended 31st March, 2015

ii) Disclosure in terms of para 120(n) of AS 15 (revised AS -15)

Particulars	Gratuity Funded (Rs. in Lacs)				
	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
1. Defined Benefit obligation at end of the period	(820.85)	(888.94)	(851.73)	(835.63)	(874.74)
2. Plan Assets at end of the period	209.37	325.68	471.85	544.36	577.46
3. Surplus / (Deficit)	(611.48)	(563.26)	(379.88)	(291.27)	(297.28)
4. Experience Gain / (Loss) adjustments on plan liabilities	(49.71)	(54.87)	(23.73)	(7.23)	(118.72)
5. Experience Gain / (Loss) adjustments on plan assets	(7.28)	(8.30)	1.70	5.53	(5.13)
	Pension (non-funded) (Rs. in Lacs)				
Particulars	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
1. Defined Benefit obligation at end of the period	(380.42)	(382.74)	(416.39)	(393.47)	(418.48)
2. Plan Assets at end of the period	-	-	-	-	-
3. Surplus / (Deficit)	(380.42)	(382.74)	(416.39)	(393.47)	(418.48)
4. Experience Gain / (Loss) adjustments on plan liabilities	25.20	(0.82)	(0.53)	1.25	(0.38)
5. Experience Gain / (Loss) adjustments on plan assets	-	-	-	-	-
	Leave Encashment (non-funded) (Rs. in Lacs)				
Particulars	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
1. Defined Benefit obligation at end of the period	93.84	(102.73)	(109.79)	(92.74)	(95.79)
2. Plan Assets at end of the period	-	-	-	-	-
3. Surplus / (Deficit)	93.84	(102.73)	(109.79)	(92.74)	(95.79)
4. Experience Gain / (Loss) adjustments on plan liabilities	(2.78)	22.05	11.48	(8.83)	(16.17)
5. Experience Gain / (Loss) adjustments on plan assets	-	-	-	-	-

Notes on Financial statements for the year ended 31st March, 2015

33. Related Party disclosures as identified by the management in accordance with the Accounting Standard 18:

(a) Key Management Personnel and their relatives
Mr. G. P. Goenka (Chairman)
Mr. S. V. Goenka (Director and son of Chairman)
Mr. M. Mishra (Managing Director)
Mrs. M. Mishra (Wife of Managing Director)

(b) Associates/Group Companies:
ISG Traders Limited

The aggregate amount of transactions with the related parties as mentioned in (a) and (b) above is as below:

(Rs. in Lacs)

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
Managerial Remuneration		
-Mr. M. Mishra	146.11	119.91
Expenditure		
-Rent		
Mrs. M. Mishra	20.70	19.35
Outstanding		
-Security Deposit Given		
Mrs. M. Mishra	6.00	6.00
-Remuneration Payable		
-Mr. G. P. Goenka	30.50	28.50
-Mr. M.Mishra	119.10	112.30
A. Transactions during the year with ISG Traders Ltd		
1. Outstanding amount paid	23.00	-
2. Loans Taken: ISG Traders Limited	4.00	5.00
3. Loans Paid: ISG Traders Limited	4.00	-
4. Loan Return: ISG Traders Limited	58.00	-
B. Outstanding -ISG Traders		
Loan Taken	363.24	421.24
Interest Payable	182.17	106.60
Security Deposit received	5.00	5.00
Creditor/ Credit Balances	36.65	59.65
Investment In Shares of ISG Traders Ltd.	**3,229.70**	**3,229.70**

Note :

(a) In respect of the above party, there is no provision for doubtful debts as on 31.3.2015 and no amount has been written off or written back during the year in respect of debts due from/to them.

b) The above related party information is as identified by the management and relied upon by the auditors.

34. Disclosure required vide clause 32 of the listing agreement

Investment by loanee companies in the shares of the company :-

Name of the company	Year ended 31st March 2015		Maximum during the year	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
ISG Traders Ltd.	48,50,319	1,079.58	55,50,519	1,459.79

Notes on Financial statements for the year ended 31st March, 2015

35. EARNINGS PER SHARE

(Rs. in Lacs)

	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Net Profit / (Loss) attributable to equity shareholders (Rs.)	1,554.23	(2,208.26)
Weighted average number of equity shares issued	1,56,08,350	1,56,08,350
Basic and diluted earnings per share (Rs.) (Face value Rs 10 per share)	9.96	(14.15)

36. The company is engaged primarily in the business of "Paper" and all other activities are incidental thereto. Further, the company sells primarily in the domestic market where its operations are governed by the same set of risks and returns and the overseas sales are insignificant. Accordingly the separate primary and secondary segment reporting disclosure as envisaged in Accounting Standards (AS-17) on Segment Reporting is not applicable to the company.

37. Figures have been given in Rupees Lacs and have been rounded off to the nearest thousand.

38. Previous year figures have been regrouped/ reclassified to confirm with current year presentation, wherever considered necessary.

On behalf of the Board

For Lodha & Co.
Chartered accountants

H K Verma
Partner

G.P. Goenka
Chairman

Shiromani Sharma
M.P. Pinto
C.M. Vasudev
Savita L. Acharya (Ms)
Directors

Place : New Delhi
Date : 20-05-2015

Saurabh Arora
Company Secretary

P.K. Agrawal
Chief Financial Officer

Madhukar Mishra
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST, MARCH 2015

(Rs. in Lacs)

	for the year ended 31st March 2015	for the year ended 31st March 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Exceptional Item	751.00	(2,261.54)
Adjustments for:		
Depreciation	486.26	1,108.53
Loss/(Profit) on sale of Fixed Assets	(14.77)	(3.12)
Liabilities & balances no longer required	(1.89)	(58.15)
Foreign exchange fluctuation	0.68	3.90
Interest Received	(44.25)	(62.28)
Interest & Financing Charges (net)	440.94	457.35
Operating Profit before Working Capital Changes	**1,617.97**	**(815.31)**
Adjustments for:		
Trade and Other Receivables	(195.85)	(206.97)
Inventories	87.15	255.36
Trade and Other Payables	69.88	928.24
Cash generated from Operations	**1,579.15**	**161.32**
Income Tax (Paid)/ Refund (Net)	(4.82)	93.33
Net Cash From Operating Activities	**1,574.33**	**254.65**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(79.91)	(34.01)
Sale of Fixed Assets	22.33	5.48
Interest Income	46.71	60.00
Other Bank Balance:Deposits within 3 to 12 Month Maturity	(5.38)	71.27
Net Cash From Investing Activities	**(16.25)**	**102.74**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings	(676.80)	44.22
Foreign exchange fluctuation	(0.68)	(3.90)
Interest paid	(383.58)	(402.03)
Net Cash From Financing Activities	**(1,061.06)**	**(361.71)**
Net Increase/(Decrease) in cash & Cash Equivalents	**497.03**	**(4.31)**
Cash and Cash Equivalents at the beginning of the year	**18.40**	**22.71**
Cash and Cash Equivalents at the end of the year (Note 16)	**515.43**	**18.40**

This is the cash flow statement referred to in our Report of even date

On behalf of the Board

For Lodha & Co.
Chartered accountants

H K Verma
Partner

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Notes

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STAR BRAND

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