

STAR PAPER MILLS LIMITED

ANNUAL REPORT

2017-18

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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

1. Mr. G.P. Goenka

Executive Chairman

2. Mr. Shiromani Sharma

Independent Director

3. Mr. Shrivardhan Goenka

Non-independent Director

4. Mr. C.M. Vasudev

Independent Director

5. Mr. M.P. Pinto

Independent Director

6. Ms. Savita Laxmipathy Acharya

Independent Director

7. Mr. Madhukar Mishra

Managing Director

STATUTORY AUDITORS

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

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

FY 2017-18

GLOBAL ECONOMY

The World Bank forecasts global economic growth to edge up to 3.1 percent in the coming year after a much stronger-than-expected growth in current year, as the recovery in investment, manufacturing and trade continues and as commodity-exporting developing economies benefit from firming commodity prices.

However, fears of a trade war between the United States and China have risen sharply with both governments announcing plans to slap tariffs on major imports. The impact on individual economies and WTO system of trade negotiations are difficult to predict and will become apparent only in due course. USA has abandoned the 2015 Iran nuclear deal, which allowed Iran to export more crude. Prices have also gotten a lift from strong global demand and supply cuts by OPEC and Russia. OPEC and Russia have succeeded in raising crude oil prices substantially with no indications of softening of their approach.

Growth in advanced economies is expected to moderate slightly to 2.2% as central banks gradually remove their post-crisis accommodation and as an upturn in investment levels off. Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5%, as commodity exports continues to recover.

Continued trends of protectionism in global trade and oil price increase may adversely impact our Country's balance of payments.

INDIAN PAPER INDUSTRY

India's GDP grew at 7.3% in the recent past, which was lower than the average growth of 7.6% in the preceding decade. The growth slowdown was partly a result of policy choices aimed at improving macroeconomic parameters such as inflation and fiscal deficit.

In context of Indian paper Industry, however most of the domestic growth got off-set due to year on year increasing cheaper imports from ASEAN under FTAs. During the year, the restriction imposed by Chinese Government on waste paper imports resulted in lower global waste paper prices. Consequently, the price of recycled paper in China, used for packaging material, increased due to short supply of Waste Paper. Indian manufacturers using waste paper stand to benefit on account of above restriction in China.

As per International Monetary Fund, India will be the fastest growing economy in 2018, with a growth rate of 7.4 per cent that rises to 7.8 per cent in 2019 with medium-term prospects remaining positive.

However, in the medium term downside risks would be there for the ASIAN region due to tightening of global financial conditions, a shift toward protectionist policies and an increase in geo-political tensions.

SWOT ANALYSIS

Strengths:

As the demand for upstream market of paper products like tissue paper, tea bags, filter paper, light weight online coated paper, medical grade coated paper etc. is growing up apart from conventional usage growth; a large user base and growing national economy is expected to lead to enhanced demand for Paper.

Weaknesses:

Major issues confronting India's pulp and paper industry are competitive disadvantages in cost of raw Materials and energy, smaller size units compared to global peers and higher cost of capital.

Opportunities:

India ranks 11th largest producer of paper in the world. However, Indian Paper Industry accounts for a meagre 3% of global paper demand. The per-capita consumption of 13 kgs is significantly lower than the world average of around 67 kgs. India's per capita consumption is considerably lower than China's (65 kg), Indonesia's (22 kg), Malaysia's (25 kg) and USA's (312 kg) consumption levels. This indicates the ample scope for expansion of the Indian Paper Industry.

Threats:

Increasing electronic media and digital communication alternatives, various Regional Trade Agreements (RTAs) / Free Trade Agreements (FTAs) without adequate safeguards expose Indian paper Industry to unfair competition. There has been a substantial rise in import volume in recent past

SOCIAL FARM FORESTRY

As in the past, the company continued to implement social farm forestry program in Western U.P. More than Three Crores seedlings were distributed and planted during the year on farm-land under Agro-Forestry Model. We have further added an area of 12581 hectares under plantations. This program has not only augmented supply of raw material but has also helped in enhancing rural income.

RISKS & CONCERN

Risk is associated with every kind of business. There are risks and concerns such as less-favoured environmental policies, market risks, increasing input cost, competition from imports, foreign exchange fluctuations etc.

State government degraded forest land should be made available to the Industry for raising plantations. Import duty on waste paper should be reduced, duty free imports of new and second hand machinery, equipment should be allowed for technology up gradation.

Your company regularly identifies the risks and undertakes appropriate measures to mitigate risk through risk identification and management.

INTERNAL CONTROL SYSTEM

The company continuously reviews Internal control systems and procedures to ensure conduct of business effectively and efficiently. Internal control system ensures:

- 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 and long term business plans.
- Compliance with applicable statutes, policies and listing regulations.
- Effective use of resources and safety of assets.

FINANCIAL PERFORMANCE

The company yet again reported an excellent financial and operational performance for the year despite various challenges and constraints.

HUMAN RESOURCES

Human resource development programs are linked with organizational needs and performance. Your company recognizes human resource as its invaluable asset. There are regular activities/ development programs for enhancing skills/competencies of the work-force at all levels. Industrial relations remain cordial throughout the year under review. There are 564 employees on the company's roll.

FUTURE OUTLOOK

Domestic paper demand expected to improve further with steady economic growth, newer applications of paper, expectation of no further capacity addition, increasing other paper usage etc. However challenges such as cheaper import under FTAs, increasing cost of inputs-fuel oil and coal etc. will pose a challenge in future.

FORWARD LOOKING STATEMENTS

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

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company are pleased to present the Directors' Report together with Audited Financial Results of the company for the year ended 31st March, 2018.

1. FINANCIAL HIGHLIGHTS

Audited financial results for the year ended 31st March, 2018 are summarised below:

AUDITED FINANCIAL RESULTS

(₹ in Cr.)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit before interest and depreciation	77.32	72.97
Interest and finance charges	1.05	1.27
Depreciation	4.07	4.12
Profit before Exceptional Items	72.20	67.58
Exceptional & non-recurring items	-	-
Profit before tax	71.82	67.58
Provision for Income Tax	17.94	7.22
Profit after tax (PAT)	54.26	60.36
Earning per share (EPS)- in Rupees	34.76	38.67

2. DIVIDEND & TRANSFER TO RESERVES

In view of improved performance of the company for the financial year 2017-18, your Directors are pleased to recommend a dividend of Rs. 2.50/- per equity share subject to approval of the Shareholders at the ensuing Annual General Meeting of the company. No amount of profits for the year is carried to General Reserve.

3. STATE OF THE COMPANY AFFAIRS

Review of operations 2017-18

Your company achieved slightly better volumes during the year. Our products also witnessed better export demand. Supportive market conditions coupled with Product-mix optimization & introduction of new varieties also contributed in excellent performance. We strive for a better product -mix leading to higher Realization and better financial performance.

On the back of slightly better volumes, Your company has been able to report an improved financial performance. This was achieved through better cost management and product mix improvements.

Your company reported a Profit after tax of Rs. 54.26 Crores vis-a-vis Rs. 60.36 Crores for FY 2016-17.

There is no change in the nature of the business of the company during the year. Further, no material changes and commitments have occurred after the close of the year till the date of this Report, which may affect the financial position of the Company.

Expectations For FY 2018-19

Wood and energy price are exhibiting a rising trend. Further, ban on Industrial use of pet-coke and furnace oil by the Hon'ble Supreme Court from 1st Nov., 2017 led to steep rise in fuel costs. Challenges such as increased imports from ASEAN under FTAs, upward trend in input costs etc may affect the business.

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 financial year 2017-18 four (4) meetings of the Board of Directors were held on 25th May, 2017, 14th Sept., 2017, 23rd Nov., 2017 and 8th Feb., 2018.
- b) Audit & Risk Management Committee-

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

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report for 2017-18.

7. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

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

8. ENVIRONMENT, POLLUTION CONTROL AND SAFETY

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

Your company has been awarded Gold Award in paper sector for outstanding achievement in safety management by Greentech Foundation in its 16th Annual Safety Award-2017.

9. SOCIAL FARM FORESTRY

As in the past, your company continues to promote pulpwood plantations with active co-operation of the farmers. A total of 315 lacs (last year 318 lacs) seedlings were distributed during the FY 2017-18, covering an area of 12581 hectare. Social Farm forestry program not only helps in supplementing rural income but also augmenting raw material supply to the company.

10. FIXED DEPOSITS

The company has not invited any fixed deposits during the year and as such there has been no default in repayment of deposit or payment of interest thereon during the year. There were no outstanding fixed deposits as on 31st March, 2018. (Rs. Nil as on 31st March, 2017).

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

11. INTERNAL CONTROLS

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

12. REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your company has a policy on Corporate Social Responsibility (CSR) which indicates potential CSR activities. The CSR Policy may be accessed on the Company's website at <http://www.starpapers.com>. The key philosophy of the Company's CSR initiative is to promote development through social and economic transformation. The composition of Committee is mentioned in the Corporate Governance Report.

The Report on CSR activities undertaken during the year 2017-18 is annexed herewith marked as **Annexure II**.

13. DIRECTORS/KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Companies Act, 2013, Mr. Shrivardhan Goenka (DIN-00030375) shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors has re-appointed Mr. G.P. Goenka (DIN-00030302) as Executive Director of the company designated as ' Executive Chairman' w.e.f. 20th May, 2018 for a period of three (3) years subject to approval of the shareholders at the ensuing AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The company's familiarization program for Independent Directors is posted on the website of the company and can be accessed at http://www.starpapers.com/familiarisation_prog.pdf. During the year, there was no change in Key Managerial Personnel (KMP) of your company.

14. NOMINATION AND REMUNERATION COMMITTEE/POLICY

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

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

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

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

15. LOAN, GUARANTEE, INVESTMENTS ETC.

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

16. SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

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

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

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

18. PARTICULARS OF EMPLOYEES AND REMUNERATION

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

- i) Name of the employee who is in receipt of remuneration of Rs. 102 lacs or more/ top ten employees of the company in terms of remuneration drawn for FY 2017-18:

Sr.	Name & Designation	Remuneration* recd.-(lacs)	Nature of employment	Qualification & experience	Date of commencement of employment	Age	Last employment held	% of equity shares held	Whether relative to director
1	Mr. G.P Goenka, Executive Chairman	234.07	Contractual	B. Sc., 56 years	20/05/2015	77 Y	Executive Director- Duncan Industries Ltd.	Nil	Yes, Father of Mr. Shrivardhan Goenka
2	Mr. Madhukar Mishra, Managing Director	210.07	-do-	B. Sc., DMS (Mgt.) 39 years	01/07/2001	61 Y	Sr. VP(Corporate Planning) -Dail Consultants Ltd.	Nil	No
3	Mr. P.K. Agrawal, Chief Financial Officer	28.41	-do-	Chartered Accountants 29 years	19/01/2007	58Y	Cheema Spintex Ltd.	Nil	No
4	Mr. Puneet Verma, GM-HR & Admin.	25.86	-do-	M.A.; PGD (MSW) 23 years	11/04/2017	50Y	JCT Ltd., Phagwara	Nil	No
5	Mr. A.P. Garg GM-IT	24.65	-do-	M. Sc; PGD (Computer Sc.) 33 years	21/08/1991	54Y	Modi Ind. Ltd.	200 shares held	No
6	Mr. Dipak Vij GM- Mktg.	21.99	-do-	MBA-Mktg. 26 years	01/08/2004	48Y	Degussa A.G Germany.	Nil	No
7	Mr. .N.S. KhattriSr. Manager-Admin. (resigned on 14.04.18)	13.88	-do-	B. Sc., MBA 31 years	21/09/2017	56Y	-	Nil	No
8	Mr. G.K. Mishra AGM- Project & Development	13.44	-do-	M. Sc. (Chem.); M.S-Pulp & Paper Tech. 22 years	29/12/2014	51Y	NOR Group, Germany.	Nil	No
9	Mr. Pradeep Kumar, DGM-Paper Machine	13.16	-do-	B.Sc., PGD (Pulp & Paper); M.Tech. (Pulp & Paper) 25 years	22/06/1993	49Y	Star Paper Mills Ltd.	Nil	No
10	Mr. Amandeep Singh Manager-Purchase	12.82	-do-	BA., Diploma in Paper Tech., MBA 18 years	13/04/2017	42Y	West Coast Paper Mills Ltd.	Nil	No

*including employer's provident fund contribution.

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

Director	Director remuneration (DR) - ₹	Median remuneration (MR) of employee - ₹	Ratio (DR/MR)
Mr. G.P. Goenka	2,34,06,784	3,52,517	66.4
Mr. Shrivardhan Goenka	40000	3,52,517	0.11
Mr. Shiromani Sharma	3,00,000	3,52,517	0.85
Mr. C.M. Vasudev	1,80,000	3,52,517	0.51
Mr. M.P. Pinto	1,60,000	3,52,517	0.45
Ms. Savita L. Acharya	1,80,000	3,52,517	0.51
Mr. Madhukar Mishra	2,10,70,288	3,52,517	59.77

- b) % increase in remuneration of each director, CEO, CFO, CS in the financial year 2017-18

Official Name	Year 2017-18 Remuneration- ₹ In lacs	% increase in remuneration
Directors	Directors are receiving only sitting fees for attending meetings.	
Executive Chairman	234.07	3%
Managing Director	210.70	5%
Chief Financial Officer	28.41	13%
Company Secretary	10.73	20%

- c) % increase in median remuneration of employees in the financial year 2017-18 was: 14%
- d) Number of permanent employees on the rolls of the company as on 31.03.18 was 564.
- e) Average increase in remuneration inter-alia depends upon the inflation, individual's performance, company policy, human resource demand-supply position, negotiations with trade unions, company performance etc.
- h) Average percentage increase in salaries of employees vis-a-vis managerial personnel - Average percentage increase in salaries of employees was 11.24% vis-a-vis 4 % increase in salary of managerial personnel for FY 2017-18.
- i) No director is getting any variable component of remuneration except commission to Executive Chairman and performance pay to the Managing Director are decided by the Board of Directors every year based on performance of the company, terms of appointment and applicable statutory provision. Remuneration is paid as per remuneration policy of the company.

19. PERFORMANCE EVALUATION

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

20. HUMAN RESOURCES AND WELFARE

Your company 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 Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

21. DIRECTORS' RESPONSIBILITY STATEMENT

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

22. CORPORATE GOVERNANCE

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

23. AUDITORS

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

24. COST AUDITORS

Pursuant to Section 148(3) of the Companies Act, 2013 read with the Rules made thereunder, the Board of Directors on the recommendation of Audit & Risk Management Committee has appointed M/s K.B. Saxena & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year 2017-18.

25. AUDITORS' REPORT

i) Statutory Audit:

There is no observation, qualification or adverse remark in the Audit Report for the year 2017-18.

ii) Secretarial Audit:

M/s D. Dutt & Co., company secretary in practice, secretarial auditor of the company has completed secretarial audit for FY 2017-18. Secretarial audit report is attached as **Annexure-VI**.

26. TRANSACTIONS WITH RELATED PARTIES

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

27. RISK MANAGEMENT

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

28. LISTING ON STOCK EXCHANGES

Your company's equity shares are listed on National Stock Exchange of India Ltd. (NSE) and The Stock Exchange, Mumbai (BSE). The company has paid the listing fees to the stock exchanges for the financial year 2017-18.

29. ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place : Kolkata
Date : 21st May, 2018

G. P. Goenka
Executive Chairman

ANNEXURE-I
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

[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	96.50%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN	Holding/Subsidiary/Associate	% of share held	Applicable section
1	ISG Traders Ltd.	L51909WB1943PLC011567	STAR is associate of ISG Traders Ltd.	32.70% -shares in STAR held by ISG Traders Ltd.	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, 2018.**

ATTACHMENT-A

i) Category-wise shareholding

Category Code	Category Of Shareholder	No. of shares held at the beginning of the year-as on 01.04.2017				No. of shares held at the end of the year -as on 31.03.2018				% 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	7210244	300	7210544	46.20%	7140644	300	7140944	45.75%	-0.45%
(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) :	7255744	300	7256044	46.49%	7186144	300	7186444	46.04%	-0.45%
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0		0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0		0	0	0	0.00	0.00
(c)	Institutions	0	0	0		0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0		0	0	0	0.00	0.00
(e)	Others	0	0	0		0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0		0	0	0	0.00	0.00
	Total A=A(1)+A(2)	7255744	300	7256044	46.49%	7186144	300	7186444	46.04%	-0.45%
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds	0	1510	1510	0.01%	0	100	100	0.00%	0
(b)	Financial Institutions /Banks	33527	1835	35362	0.23%	44368	1220	45588	0.29%	0.07%
(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	100250	300	100550	0.64%	250	300	550	0.00%	-0.64%
(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)	Foreign Portfolio Investor	38529	0	38529	0.25%	286622	0	286622	1.84%	1.58%
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	1303324	11841	1315165	8.43%	979712	2807	982519	6.29%	-2.13%
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.2 lacs	3802928	174523	3977451	25.48%	4172787	124763	4297550	27.53%	2.05%
	(ii) Individuals holding nominal share capital in excess of Rs. 2 lacs	2540667	0	2540667	16.28%	2510258	0	2510258	16.08%	-0.19%
(c)	Others:									
	Clearing members	195270	0	195270	1.25%	60222	0	60222	0.39%	-0.87%
	Non Resident Indians	145082	280	145362	0.93%	161257	0	161257	1.03%	0.10%
	IEPF	0	0	0	0.00%	62050	0	62050	0.40%	0.40%
	NBFC registered with RBI	1750	0	1750	0.01%	14500	0	14500	0.09%	0.09%
	Sub-Total B(2) :	7989021	186644	8175665	52.38%	7960786	127570	8088356	51.82%	-0.55%
	Total B=B(1)+B(2) :	8162017	190289	8352306	53.51%	8292716	129190	8421906	53.96%	0.45%
	Total (A+B) :	15417761	190589	15608350	100.00%	15478860	129490	15608350	100.00%	0.00%
(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) :	15417761	190589	15608350	100.00%	15478860	129490	15608350	100.00%	0.00

ATTACHMENT-B

ii) Shareholding of Promoters

Sr. No.	Shareholders' name	Shareholding at beginning of the year-01.04.2017			Shareholding at the end of the year-31.03.2018			
		No. of Shares held	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares held	% of total shares of the company	% of shares pledged/encumbered to total shares	% change in shareholding during the year
1	ISG TRADERS LIMITED	5174344	33.15	18.45	5104744	32.71	18.00	-0.45
2	ALBERT TRADING COMPANY PRIVATE LIMITED	905200	5.80	0	905200	5.80	0	0.00
3	SILENT VALLEY INVESTMENTS LIMITED	621000	3.98	1.12	621000	3.98	1.12	0.00
4	CONTINUOUS FORMS (CALCUTTA) LTD	510000	3.27	3.20	510000	3.27	3.20	0.00
5	SHRIVARDHAN GOENKA	45500	0.29	0	45500	0.29	0	0.00
	Total	7256044	46.49	22.77	7186444	46.04	22.32	-0.45

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	7256044	46.49	7256044	46.49
2	(-) Pledged shares invoked by the Pledgee on 16.03.2018	-69600	-0.45	7186444	46.04
3	At the end of the year	7186444	46.04	7186444	46.04

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-01.04.2017		Cumulative Shareholding at the end of the year 31.03.2018	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Kanta Chhajjer	0	0.00%	337302	2.16%
2	Anil Kumar Goel	213440	1.37%	309000	1.98%
3	Sunita Santosh Goenka	335269	2.15%	260503	1.67%
4	Abhay Krishi Udyog Private Limited	239523	1.53%	239523	1.53%
5	Santosh Sitaram Goenka	369896	2.37%	222086	1.42%
6	Supriya Punit Agarwal	254692	1.63%	203325	1.30%
7	Seema Goel	90000	0.58%	153000	0.98%
8	AJO Emerging Markets Small Cap Master Fund Ltd.	0	0.00%	147306	0.94%
9	Muktilal Ganulal Paldiwal	144601	0.93%	130037	0.83%
10	Surendra Chhajjer	0	0.00%	88923	0.57%

*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-01.04.2017		Cumulative Shareholding at the end of the year 31.03.2018	
		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 01.04.2017 to 31.03.2018

ATTACHMENT-F**V) Indebtedness**

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.17				
i. Principal Amount	111.53	313.24	-	424.77
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	184.71	-	184.71
Total (i+ii+iii)	111.53	497.95	-	609.48
Change in indebtedness during the financial year				
-Addition	-	-	-	-
-Reduction	-111.53	-125.32	-	-236.85
Net Change	-111.53	-125.32	-	-236.85
Indebtedness at the end of the financial year 31.03.17				
i. Principal Amount	0	153.24	-	153.24
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	219.39	-	219.39
Total (i+ii+iii)	0	372.63	-	372.63

ATTACHMENT-G**VI) Remuneration of Directors and Key Managerial Personnel****a. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amt.
		Mr. G.P. Goenka, Executive Chairman	Mr. Madhukar Mishra, Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	89.00	172.00	261.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	12.15	33.37	45.52
	(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	125.00	-	125.00
5	Others	7.92	5.33	13.25
	Total	234.07	210.70	444.77
	Ceiling as per the Act	5% of net profits as per Sec. 198 of the Companies Act, 2013	5% of net profits as per Sec. 198 of the Companies Act, 2013	

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 2017-18.

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

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Mr. P.K. Agrawal-Chief Financial Officer	Mr. Saurabh Arora-Company Secretary
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	25.27	10.06
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2.35	0.27
	(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	0.79	0.40
	Total	28.41	10.73

For and on behalf of the Board**Place : Kolkata****Date : 21st May , 2018****G. P. Goenka****Executive Chairman****ANNEXURE-II****Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18**

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the Policy and projects or programs and the composition of CSR Committee.	Please refer to Section Corporate Social Responsibility (CSR) in the Directors' Report.
2. Average net profit of the Company for last three financial years	Rs. 3192.38 lacs
3. Prescribed CSR Expenditure (two percent of the amount mentioned in item 2 above)	Rs. 63.85 lacs
4. Details of CSR spent during the financial year: -Total amount spent for the financial year -Amount unspent, if any -Manner in which the amount spent during the financial year	Rs. 66.54 lacs Not Applicable Details given below

Details of amount spent on CSR activities during the financial year 2017-18

(₹ in lakhs)

Sr.	CSR project or activity identified	Sector in which Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount outlay (budget) project or program wise Sub heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing Agency
1	-Donation for building infrastructure for Charitable education Society.	Promoting education, including special education	Delhi-NCR	25.00	25.00	25.00	Direct
2	-Promotional expenses in respect of forest safety/ escaping forest from fire.	Ensuring environmental sustainability/ ecological balance	Saharanpur	0.17	0.17	0.17	Direct
3	-Donation to School/College	Promoting education, including special education	Saharanpur	1.50	1.50	1.50	Direct
4	Installation of Solar LED street light.	Ensuring environmental sustainability/ ecological balance	Saharanpur	22.25	22.25	22.25	Direct
5	Installation of Hand pumps for sourcing water & provision of 2 nos. of RO-Water purifier	Promotion of sanitation and making available safe drinking water	Saharanpur	15.13	15.13	15.13	Direct
6	Various Health Camps organized during 2017-18	Preventive Health care	Saharanpur	0.87	0.87	0.87	Direct
7	Distribution of Sewing machine to women	Promoting employment enhancing vocation skills among women	Saharanpur	1.46	1.46	1.46	Direct
8	Distribution of blankets	Measure to reduce inequalities faced by economically backward people	Saharanpur	0.16	0.16	0.16	Direct

Responsibility Statement:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company.

Madhukar Mishra
Managing Director
21st May, 2018

Shrivardhan Goenka
Chairman, CSR Committee

ANNEXURE-III

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 ENERGYI.

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

- i) Optimization of vacuum system of PM-II, PM-III and PM-IV resulting in power saving.
- ii) Re-circulation of treated ETP water in NCG cooling system and vacuum system of Mud washer filter resulting in lesser withdrawal of fresh water and power saving.
- lii) Erection and commissioning of MC pump at Bleached HD tower resulted in power saving.
- iv) Optimization of Digester blow line which resulted in steam saving.
- v) Commissioning of Micro plate settler on PM-II which resulted in fresh water saving and thus power saving.
- vi) Installation of LED in place of conventional lights for power saving.

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

- i) Modification of blow line of other Digesters also for saving steam.
- ii) Commissioning of Micro plate settler on PM-I to reduce fresh water consumption.
- lii) Modification in Pulp Mill to increase concentration of black liquor to reduce steam consumption.
- iv) Replacement of vacuum pumps with energy efficient pumps.

III. The above projects given in I. above involved a cost of approximately Rs. 150 lacs. Impacts of aforesaid measures are as under:

- i) Reduction in energy consumption and thus energy costs.
- ii) Reduction in fresh water consumption.

IV. Steps taken for utilizing alternate sources of energy:

- i) Successful commissioning of Bio-gassification plant.
- ii) 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 2017-18:

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

- a) Development of new varieties.
- b) Pulping of new species of fibrous raw material.
- c) Optimization of back water circulation.
- d) Automated control of ash in PM-II.

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

- a) Potential to explore new market segment.
- b) Inclusion of new varieties of fibrous raw material for making pulp.
- c) Improvement in the quality of existing products and cost reduction.
- d) Reduction in fresh water consumption.

3. Future Plan of Action

- a) Development of new grades of paper.
- b) Further optimization of water consumption to reduce fresh water consumption.
- c) Exploring the possibilities of recycled effluent usage in the process.
- d) Adaption of technology/ equipment to save fiber at paper machine itself.

4. Expenditure on R&D-

	₹ in lacs
a) Capital	Nil.
b) Revenue	78.00
c) Total	78.00
d) R&D Expenditure as a percentage of total Turnover	0.22%

II. Technology absorption, adaptation & innovation

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

- a) Installation of online stack monitoring system.
- b) Installation and commissioning of Micro-plate settler on PM-II which resulted in reduction of fiber losses and fresh water consumption.

III. Information related to imported technology:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings -	Rs. 275.16 lacs
Outgo-	Rs. 328.85 lacs

For and on behalf of the Board

Place : Kolkata
Date : 21st May , 2018

G. P. Goenka
Executive Chairman

ANNEXURE-IV

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, 2018.
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 laid down internal financial controls to be followed by the company and such system are adequate and operating effectively.

For and on behalf of the Board

Place : Kolkata
Date : 21st May , 2018

G. P. Goenka
Executive Chairman

ANNEXURE-V

CORPORATE GOVERNANCE REPORT

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

Your Directors are pleased to present the Corporate Governance Report for the financial year ended 31st March, 2018.

I. Company's philosophy on Corporate Governance

Your Company believes that good Corporate Governance emerges from the application of best management practices and compliance with the laws coupled with the highest standards of integrity, transparency, accountability and business ethics. Your Company has been following fair, transparent and ethical governance practices. The governance processes and practices embedded into the culture of the Organisation ensure that the interest of all the stakeholders are taken into consideration in a transparent and balanced manner.

II. Board of Directors

The Board of Directors of your company oversees the functions of the organization and ensures that it operates in the best interest of all the stakeholders.

(a) Composition

The composition of the Board of your Company is in conformity with Listing Regulations. The Board of Directors has an appropriate mix of Executive and Independent directors to maintain the independence of the Board. In totality, the Board have Seven (7) directors including 'Executive Chairman' and the Managing Director. Besides, the Board has four (4) Non-executive Independent directors and one (1) Non-executive, non-Independent director.

The following is the composition of the Board of Directors as on 31st March , 2018.

Director & DIN	Category of Director	Total No. of Directorships in Public limited companies (*)	Total No. of Memberships/ Chairmanships of Committees in Public limited companies (**)
Executive Directors			
Mr. G.P. Goenka*** DIN-00030302	Executive Chairman /Promoter	5	1
Mr. Madhukar Mishra DIN-00096112	Managing Director	1	1
Non - Executive Directors			
Mr. Shrivardhan Goenka DIN-00030375	Non-executive; Non-independent Director	3	2
Mr. Shiromani Sharma DIN-00014619	Independent Director	3	4
Mr. C.M. Vasudev DIN-00143885	Independent Director	6	4
Mr. M.P. Pinto DIN-00021565	Independent Director	5	4
Ms. Savita Laxmipathy Acharya DIN-07038198	Independent Director	6	7

* 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.

*** Re-appointed as an Executive Director of the company w.e.f 20th May, 2018.

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

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

(b) MEETINGS AND ATTENDANCE

During the year ended 31st March, 2018, four (4) meetings of the Board of Directors were held on 25th May, 2017; 14th Sept., 2017; 23rd Nov., 2017 and 8th Feb., 2018.

Attendance of Directors at Board Meetings and Last Annual General Meeting

Director-Name	No. of Board Meetings attended	Attendance at last Annual General Meeting Yes /No	No. of shares held in the company
Mr. G.P. Goenka	3	Yes	Nil
Mr. Shiromani Sharma	4	Yes	Nil
Mr. S.V. Goenka	1	Yes	45,500
Mr. C.M. Vasudev	3	No	Nil
Mr. M.P. Pinto	4	Yes	Nil
Ms. Savita Laxmipathy Acharya	4	Yes	Nil
Mr. Madhukar Mishra	4	Yes	Nil

A meeting of Independent Directors were held on 8th Feb., 2018 for the financial year 2017-18. All Independent Directors were present at the meeting.

III. Code of Conduct

A code of Conduct for all its Board members and senior management personnel for avoidance of conflict of interest has been laid down and is available on the company's website. Necessary declarations affirming compliance have been received for the financial year ended on 31st March, 2018. There were no material personal interest/personal benefits received by the Board members/senior management personnel, which could lead to potential conflict of interest with the Company as a result of their position.

IV. Committees of the Board

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

(a) Audit & Risk Management Committee

The Board of Directors has 'Audit & Risk Management Committee' and its role and terms of reference are in conformity with Section 177 of the Companies Act, 2013 are SEBI Listing Regulations, 2015. On occasions statutory auditors, Internal auditors and cost auditors are invited to the Committee meetings. Besides, it assists the Board in overseeing and approving the company's risk management framework. The company secretary acts as the secretary to the committee.

Composition

The composition of the Committee as on 31st March, 2018 is as under :

Sl. No	Name of the Director & Designation	Category	No. of meetings attended during FY 2017-18
1	Mr. Shiromani Sharma- Chairman	Non- executive, Independent	4
2	Mr. C.M Vasudev-Member	Non- executive, Independent	3
3	Mr. Shrivardhan Goenka-Member	Non- executive, non-Independent	1
4	Ms. Savita Laxmipathy Acharya - Member	Non- executive, Independent	4

During the financial year ended 31st March, 2018, four (4) Committee meetings were held on 25th May, 2017; 14th Sept., 2017; 23rd Nov., 2017 and 8th Feb., 2018.

(b) 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 2017-18 are as under :

Sl. No	Name of the Director & Designation	Category	No. of meetings held/ attended during FY 2017-18
1.	Mr. Shiromani Sharma - Chairman	Non- Executive, Independent	4
2.	Mr. Madhukar Mishra-Member	Executive	4

Mr. Saurabh Arora, Company Secretary, is the Compliance Officer of the company.

During the financial year ended 31st March, 2018, four (4) Stakeholders' Relationship Committee meetings were held on 25th May, 2017; 14th Sept., 2017; 23rd Nov., 2017 and 8th Feb., 2018.

Shareholders' Complaint(s)

During the year, thirty nine (39) Investor complaints were received and all the complaints were resolved to their satisfaction. There is no pending complaint at the end of the year.

(c) Nomination & Remuneration Committee

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

Composition

The composition of Nomination & Remuneration Committee and details of its meeting(s) held during the FY 2017-18 are as under :

Sl. No	Name of the Director & Designation	Category	No. of meetings held during the year 2017-18	
			Held	Attended
1	Mr. C.M. Vasudev- Chairman	Non- Executive, Independent	2	2
2	Mr. Shiromani Sharma - Member	-do-	2	2
3	Mr. M.P. Pinto-Member	-do-	2	2

During the financial year ended 31st March, 2018, two (2) Nomination & Remuneration Committee meetings were held on 25th May, 2017 and 8th Feb., 2018.

(d) Corporate Social Responsibility (CSR) Committee

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

Sl. No	Name of the Director & Designation	Category	No. of meeting attended during the year 2017-18
1	Mr. Shrivardhan Goenka-Chairman	Non- Executive, Non Independent	0
2	Mr. M.P. Pinto-Member	Non- Executive, Independent	1
3	Mr. Madhukar Mishra-Member	Executive	1

During the financial year ended 31st March, 2018, one (1) CSR Committee meeting was held on 25th May, 2017.

V. Remuneration of Directors

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

The details of remuneration of the directors for the financial year ended 31st March, 2018 are as under:

(₹)

Director	Salary#	Perquisites and other benefits##	Sitting Fees	Total
Mr. G.P. Goenka	2,03,00,000	31,06,784	-	2,34,06,784
Mr. Shiromani Sharma	-	-	3,00,000	3,00,000
Mr. S.V. Goenka	-	-	40000	40000
Mr. C.M. Vasudev	-	-	1,80,000	1,80,000
Mr. M.P. Pinto	-	-	1,60,000	1,60,000
Ms. Savita L. Acharya	-	-	1,80,000	1,80,000
Mr. M. Mishra	1,72,00,000	38,70,288	-	2,10,70,288
Total			8,60,000	4,53,37,072

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

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

None of the directors except Mr. 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, notice period, stock option etc.

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

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

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

VI. The company has no subsidiary or holding company.

VII. Disclosures

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 policy on dealing with related party transactions can be accessed at <http://starpapers.com/policyparty.pdf> & policy on material subsidiary can be accessed at <http://starpapers.com/Policymaterial.pdf>.

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

Particulars of directors seeking appointment/re-appointment at the AGM have been given in Notice of the AGM to be held on 13th August, 2018.

VIII. Means of communication

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

IX. Shareholder Information

79th AGM Details:

Date	Venue	Book Closure Dates	Time
13th August, 2018	'KalaKunj' (Kalamandir basement), 48, Shakespeare Sarani, Kolkata 700 017	06/08/2018 to 13/08/2018	10:30 AM

Registrar & Share Transfer Agents:

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

Address for correspondence :

Karvy Computershare Pvt. Ltd.,

Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District,

Nanakramguda, Serilingampally, Hyderabad – 500 008.

Phone: 040-67161585, 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, 2018.

Compliance certificate of the Auditors

The company has obtained certificate from the statutory auditors certifying compliance of conditions of corporate governance as stipulated under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and the same is annexed. The certificate will also be sent to the stock exchanges along with the Annual Report for 2017-18.

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, 2018, a total of 1,54,78,247 shares of the Company, which form 99.16% of the share capital, stand dematerialized. The processing activities with respect to the requests received for de-materialization are completed within 3-5 days from the date of receipt of request.

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

Distribution of Shareholding as on 31st March, 2018.

Slab	No. of Shareholders		No. of Equity Shares	
	Total	% of shareholders	Total	% to share capital
1-500	11976	87.17	1406955	9.01
501-1000	843	6.14	687213	4.4
1001-2000	407	2.96	633798	4.06
2001-3000	161	1.17	417619	2.68
3001-4000	84	0.61	301282	1.93
4001-5000	77	0.56	364993	2.34
5001-10000	97	0.71	709688	4.55
10001 and above	93	0.67	11086802	71.03
Total	13738	100.00	15608350	100.00

Category of Shareholders as on 31st March, 2018.

Category	No. of Shares	% of Shareholding
Promoter Group	7186444	46.04
Financial Institutions/Banks	45588	0.29
Mutual Funds	100	0
Insurance Companies	550	0
Non Resident Indian (NRI)	161257	1.04
Clearing Member (NSDL & CDSL)	60222	0.39
Public - Bodies Corporate	982519	6.29
- Individuals	6807808	43.62
- Others	363862	2.33
Total	15608350	100.00

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

Month	NSE		BSE	
	High	Low	High	Low
2017				
April	197.90	163.30	197.65	177.90
May	219.80	177.75	220.00	178.00
June	226.50	193.70	226.80	193.35
July	219.70	193.85	219.55	195.00
August	205.95	165.25	205.00	167.00
September	210.00	166.80	209.30	167.00
October	204.00	172.00	204.00	172.20
November	239.80	192.25	239.00	192.00
December	302.50	200.95	302.40	201.00
2018				
January	318.55	260.00	318.20	261.00
February	278.00	220.10	278.95	216.60
March	234.15	193.60	234.00	193.55

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 2017-18.

Registered Office:	Plant location:	Offices at:
Duncan House, 2nd Floor 31, Netaji Subhash Road Kolkata 700 001	Seth Baldeodas Bajoria Road, Saharanpur 247 001, Uttar Pradesh	i) 2nd Floor, Express Building, 9-10, B.S.Z Marg, New Delhi 110 008 ii) 23, Mauji Colony, Malviya Nagar, Jaipur 302 017

Financial Calendar 2018-19

The next financial year of the Company is 1st April 2018 to 31st March 2019.

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

S. No.	Financial Results	Date for approving the Results (Tentative)
1.	First quarter results	Latest by 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	Special resolutions passed (Y/N)
2016-17	Kala Kunj', 48, Shakespeare Sarani, Kolkata 700 017	14th Sept., 2017 11.30 A.M	Yes, i) To authorize the Board of Directors to vary or increase the remuneration of Mr. Madhukar Mishra (DIN:00096112), Managing Director of the company for his current appointment period i.e 1st July, 2016 to 30th June, 2019.
2015-16	-As above-	14th Sept., 2016 11.00 A.M	Yes, i) Re-appointment Mr. Madhukar Mishra as Managing Director of the company; ii) Approval to pay remuneration to Mr. G.P. Goenka, Executive Chairman for the FY 2015-16 in excess of the limits prescribed by the Companies Act, 2013.
2014-15	-As above-	24th Sept., 2015 10.30 A.M	Yes, i) Appointment Mr. G.P Goenka as executive director; ii) Approval of borrowing limits of the company; iii) Approval to create mortgage and/or charges on all or any assets of the company.

Postal Ballot

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

Declaration of Managing Director under SEBI Listing Regulations, 2015.

I hereby declare that to the best of my knowledge & belief, all the members of the Board and the senior management personnel of the company have affirmed their respective compliance with the code of conduct of the company for the financial year ended 31st March, 2018.

Place: Kolkata
Date: 21st May, 2018

Madhukar Mishra
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Member of Star Paper Mills Limited

- 1 We have examined the compliance of conditions of corporate governance by Star Paper Mills Limited ('the Company') for the year ended on 31st March 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the said Listing Regulations.
- 2 The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India to the extent relevant, and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 and the representations made by the Director and management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations, as applicable.
- 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 to the Company.

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

Camp: Kolkata
Date: 21st May 2018

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

ANNEXURE-VI

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Star Paper Mills Limited (hereinafter called 'the Company') having CIN: L21011WB1936PLC008726. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018 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 2018 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, 2015;
- (v) Following other laws, as identified and confirmed by the management, as 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, 1936

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

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

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 / GST Audit Requirement under respective State VAT Acts / GST Acts by VAT / GST Auditors, wherever applicable, so we have not reviewed compliance of applicable Income Tax Laws / Central Sales Tax Act / respective State VAT Acts / GST Acts to the Company.

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 any issue of securities during the financial year;
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 since the company has not issued any shares or options to its Directors or other employees under the said Guidelines or Regulations and it has no such schemes / benefits;
- (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 has neither delisted nor proposed to delist its equity shares from any Stock Exchange and
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 since the company has neither bought back nor proposed to buy back any of its listed securities;

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc. mentioned above and has generally adhered to the secretarial standards.

In respect of 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. During the financial year, there was no change in the composition of the Board of Directors.
- (b) Adequate notice was given to all the directors to schedule the Board Meetings, agendas were sent at least seven days in advance and detailed notes on agenda were sent subsequently and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) 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 based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and Chief Financial Officer and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed, the Company has appropriately responded to notices for demands, claims, dues, fines, penalties etc. received from various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

We further report that during the audit period there was no specific event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred above.

Place : Kolkata
Date : 21.05.2018

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

(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 Secretarial Audit Report for the financial year ended 31st March, 2018 of even date is to be read along with this letter.

Management's Responsibility:

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

Auditor's Responsibility:

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

Disclaimer:

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules, regulations, guidelines, standards and happening of events etc.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Kolkata
Date: 21.05.2018

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

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

ANNEXURE VII

FORM NO. AOC-2

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

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

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

For and on behalf of the Board

Place : Kolkata
Date : 21st May , 2018

G. P. Goenka
Executive Chairman

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying Ind AS financial Statement of Star Paper Mills Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's 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 Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening Balance Sheet as at 1st April 2016 included in these Ind AS financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rule, 2006 audited by Lodha & Co. Chartered Accountants for the year ended 31.03.2016 and 31.03.2017, whose reports dated 25.05.2016 and 25.05.2017 respectively expressed an unmodified opinion on those financial statements as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind As, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **JAIN PRAMOD JAIN & CO.**
Chartered Accountants)
Firm Registration No. 016746 N

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

Camp: Kolkata
Date: 21.05.2018

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT OF STAR PAPER MILLS LIMITED

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) Fixed assets have been physically verified by the management according to the regular programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification;
- (c) The title deeds of immovable properties are held in the name of the company.
- ii. The inventories of the Company at all its locations (except stock in transit) have been physically verified by the management at reasonable intervals and the discrepancies which were noticed on physical verification of inventory as compared to book records were not material;
- iii. The Company has not granted any loan to companies, firms, or other parties covered in the Register maintained under section 189 of the Act. Therefore the provisions of clause 3 (iii) of the order are not applicable to the company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 with respect of loans, investments, guarantees and securities..
- v. The Company has not accepted any deposit from public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima-facie, prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete;
- vii. (a) According to the information and explanations and records of the Company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues for a period of more than six months from the date they became payable as on 31st March, 2018;

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

Name of Statute	Nature of Dues	Amount involved (₹ in Lacs)	Period to which it relates to	Forum where matter is pending
The U.P. Act, 2008	VAT	19.87	F.Y.- 2010-2011 2011-2012	Additional Commissioner (Appeals)
	VAT	24.40	2009-10	Tribunal
The Central Sales Tax Act, 1956	Sales Tax	4.29	1996-1997	High Court
	Sales Tax	406.00	1995-1996	Tribunal
The Central Excise Act	Excise Duty	37.55	2009-2010 to 2011-12	CESTAT, Nzaew Delhi
UP Krishi Mandi Adiniyam, 1965	Interest on Mandi Tax	33.81	01.01.1993 to 31.12.2013	High Court
	Mandi Tax	560.72	2004-2005 to 2015-2016	High Court

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

For **JAIN PRAMOD JAIN & CO.**
Chartered Accountants)
Firm Registration No. 016746 N

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

Camp: Kolkata
Date: 21.05.2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENT OF STAR PAPER MILLS LIMITED.

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

We have audited the internal financial controls over financial reporting of **Star Paper Mills Limited.** as at March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's Management is responsible for establishing and maintaining internal financial controls based on the Internal Control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on Audit of "the Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India." These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standard on Auditing, issued by ICAI prescribed under section 143 (10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we Comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls system over financial reporting and their operating effectiveness, our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has in all material respect, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company Considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

For **JAIN PRAMOD JAIN & CO.**

Chartered Accountants)

Firm Registration No. 016746 N

(P.K.JAIN)

Partner

Membership No. 010479

BALANCE SHEET AS AT MARCH 31, 2018

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	1	40,512.92	40,407.47	40,639.60
(b) Capital work-in-progress		736.36	245.29	53.99
(c) Biological Assets other than bearer plants	2	27.72	32.16	55.09
(d) Financial Assets				
(i) Investments	3	1,689.92	1,382.66	1,284.89
(ii) Other financial assets	4	234.02	211.73	211.77
(e) Other non-current assets	5	<u>720.80</u>	<u>618.76</u>	<u>552.67</u>
		<u>43,921.74</u>	<u>42,898.07</u>	<u>42,798.01</u>
Current Assets				
(a) Inventories	6	4,414.36	3,287.52	2,691.39
(b) Financial Assets				
(i) Investments	7	6,157.31	3,256.04	-
(ii) Trade receivables	8	752.86	668.34	1,030.74
(iii) Cash and cash equivalents	9	282.64	489.64	420.01
(iv) Bank balances other than (iii) above	10	105.90	70.45	106.77
(v) Other financial assets	11	20.56	20.56	11.28
(c) Other current assets	12	521.89	709.21	663.44
(d) Asset held for sale	13	<u>3.59</u>	<u>3.59</u>	<u>1.59</u>
		<u>12,259.11</u>	<u>8,505.35</u>	<u>4,925.22</u>
Total Assets		<u>56,180.85</u>	<u>51,403.42</u>	<u>47,723.23</u>
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	14	1,560.83	1,560.83	1,560.83
(b) Other Equity	15	<u>39,039.84</u>	<u>33,720.96</u>	<u>27,599.88</u>
		<u>40,600.67</u>	<u>35,281.79</u>	<u>29,160.71</u>
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Other financial liabilities	16	830.75	839.48	783.70
(b) Provisions	17	896.17	1,033.71	1,043.84
(c) Deferred tax liabilities (Net)	18	<u>7,932.26</u>	<u>7,884.52</u>	<u>8,494.00</u>
		<u>9,659.18</u>	<u>9,757.71</u>	<u>10,321.54</u>
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	153.24	424.77	663.32
(ii) Trade payables	20	4,160.95	4,287.11	6,283.87
(iii) Other financial liabilities	21	665.19	976.85	643.39
(b) Other current liabilities	22	468.64	560.68	472.28
(c) Provisions	23	194.81	55.06	50.26
(d) Current Tax Liabilities (Net)	24	278.17	59.45	127.86
		<u>5,921.00</u>	<u>6,363.92</u>	<u>8,240.98</u>
Total Equity and Liabilities		<u>56,180.85</u>	<u>51,403.42</u>	<u>47,723.23</u>

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

Chartered Accountants

(P.K. Jain)

Partner

Place: Kolkata

Date: 21st May, 2018

Saurabh Arora

Company Secretary

P.K. Agrawal

Chief Financial Officer

G.P. Goenka

Executive Chairman

Madhukar Mishra

Managing Director

Shiromani Sharma

M.P. Pinto

Shrivardhan Goenka

Savita L. Acharya (Ms)

Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
REVENUE FROM OPERATIONS			
Revenue From Operations	25	35,127.87	34,367.21
Other Income	26	504.46	207.68
Total Income (I)		<u>35,632.33</u>	<u>34,574.89</u>
EXPENSES			
Cost of Materials Consumed	27	11,174.08	10,276.49
Changes in Inventories of finished goods, stock-in-trade and work-in-progress	28	(13.44)	316.54
Employee Benefits Expense	29	2,812.22	2,908.70
Finance Costs	30	104.90	127.38
Depreciation and Amortisation Expense	31	407.02	412.38
Other Expenses	32	13,927.28	13,775.17
Total Expenses (II)		<u>28,412.06</u>	<u>27,816.66</u>
Profit before Exceptional items and Tax (I-II)		<u>7,220.27</u>	<u>6,758.23</u>
Exceptional Items			
Profit before Tax		<u>7,220.27</u>	<u>6,758.23</u>
Tax Expense:	33		
Current tax		1,722.59	1,325.65
Deferred tax		71.64	(602.99)
Profit for the year		<u>5,426.04</u>	<u>6,035.57</u>
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	34	248.07	79.04
(ii) Income tax relating to items that will not be reclassified to profit or loss		20.48	6.48
Other Comprehensive Income for the year (net of taxes)		<u>268.55</u>	<u>85.52</u>
Total Comprehensive Income for the year		<u>5,694.59</u>	<u>6,121.09</u>
Earnings per equity share of par value of Rs. 10/- each.	37		
(1) Basic (Rs.)		34.76	38.67
(2) Diluted (Rs.)		34.76	38.67

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

Chartered Accountants

(P.K. Jain)

Partner

Place: Kolkata

Date: 21st May, 2018

Saurabh Arora

Company Secretary

P.K. Agrawal

Chief Financial Officer

G.P. Goenka

Executive Chairman

Madhukar Mishra

Managing Director

Shiromani Sharma

M.P. Pinto

Shrivardhan Goenka

Savita L. Acharya (Ms)

Directors

On behalf of the Board

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital	(₹ in lakhs)
Balance as at April 1, 2016	1,560.84
Changes during the year	-
Balance as at March 31, 2017	1,560.84
Changes during the year	-
Balance as at March 31, 2018	1,560.84
B. Other Equity	

As at March 31, 2018

(₹ in lakhs)

Particulars	Reserves and Surplus					Items of other comprehensive income		Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Re-measurement of defined benefit plans	
Balance as at April 01, 2017	3.20	4,459.50	1,282.01	50.00	30,134.73	(2,196.24)	(12.24)	33,720.96
Other Comprehensive Income for the year	-	-	-	-	-	307.26	(38.70)	268.56
Profit for the year	-	-	-	-	5426.04	-	-	5426.04
Dividends including dividend distribution tax	-	-	-	-	(375.72)	-	-	(375.72)
Transfer from Retained Earning to General Reserve	-	-	-	-	-	-	-	-
State Capital Investment Subsidy	-	-	-	-	-	-	-	-
Balance at March 31, 2018	3.20	4,459.50	1,282.01	50.00	35,185.05	(1,888.98)	(50.94)	39,039.84

As at March 31, 2017

(₹ in lakhs)

Particulars	Reserves and Surplus					Items of other comprehensive income		Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Re-measurement of defined benefit plans	
Balance as at April 1, 2016	3.20	4,459.50	1,282.01	50.00	24,099.16	(2,294.00)	-	27,599.87
Other Comprehensive Income for the year	-	-	-	-	-	97.76	(12.24)	85.52
Profit for the year	-	-	-	-	6,035.57	-	-	6,035.57
Dividends including dividend distribution tax	-	-	-	-	-	-	-	-
Transfer from Retained Earning to General Reserve	-	-	-	-	-	-	-	-
State Capital Investment Subsidy	-	-	-	-	-	-	-	-
Balance at March 31, 2017	3.20	4,459.50	1,282.01	50.00	30,134.73	(2,196.24)	(12.24)	33,720.96

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

Chartered Accountants

(P.K. Jain)

Partner

G.P. Goenka

Executive Chairman

Shiromani Sharma

M.P. Pinto

Shrivardhan Goenka

Savita L. Acharya (Ms)

Directors

Place: Kolkata
Date: 21st May, 2018

Saurabh Arora
Company Secretary

P.K. Agrawal
Chief Financial Officer

Madhukar Mishra
Managing Director

Company Overview, Basis of Preparation & Significant Accounting Policies

1. Corporate Information

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

2. Statement of Compliance and Recent Pronouncements

2.1 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind ASs issued, notified and made effective have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The financial statement up to the year ended March 31, 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company. Previous period figures in the Financial Statements have been recast/restated to make it comparable with current year figures.

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017, and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in the financial statement.

2.2 Recent Pronouncements

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 notifying Ind AS 115, Revenue from Contract with Customers" and Appendix B to Ind AS 21 "Foreign currency transactions and advance consideration" which are applicable with effect from financial periods beginning on or after April 1, 2018.

3. Significant Accounting Policies

3.1 Basis of Preparation

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

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

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

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

Fair Value Measurement

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

3.2 Property Plant and Equipment (PPE)

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

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

Company Overview, Basis of Preparation & Significant Accounting Policies

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

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

Depreciation and Amortization of Expenses

Depreciation on PPE is provided on the basis of life reviewed at the year end which is the same as per Schedule II of the Companies Act, 2013. The depreciation on PPE other than plant and machinery is provided on written down value method and on Plant and Machinery on straight-line method. Certain Plant and Equipment's have been considered Continuous Process Plant on the basis of technical assessment.

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

3.3 Derecognition of Tangible assets

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

3.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount.

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.5 Impairment of Tangible Assets

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

3.6 Financial assets and financial liabilities

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

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

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

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

(i) Cash and cash equivalents

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

(ii) Financial Assets and Financial Liabilities measured at amortized cost

Company Overview, Basis of Preparation & Significant Accounting Policies

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

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

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

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

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

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

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

(v) Financial Assets or Liabilities at Fair value through profit or loss

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

(vi) Impairment of financial assets

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

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

(vii) De-recognition of financial instruments

The Company de-recognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and also transfer qualifies for derecognition under Ind-AS - 109.

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

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

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

(viii) Valuation of Investments

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

3.7 Biological Assets

Biological Assets

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

On transition to Ind AS the company has recognised biological assets for the first time as required by Ind AS 101 at fair value less cost to sell as at April 1, 2016 (transition date).

Company Overview, Basis of Preparation & Significant Accounting Policies

3.8 Inventories

The materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost. Except for this the Inventories are valued at lower of cost or net realisable value. However, Cost of inventories other than raw material is ascertained on 'weighted average' basis. The value of raw materials is determined by first in first out method.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods and wrapper represents material, labour and other manufacturing cost and appropriate portion of overheads but does not include interest, selling and distribution overheads.

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

3.9 Asset Held for Sale

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

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

3.10 Foreign Currency Transactions

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

3.11 Equity Share Capital

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

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

3.12 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

3.13 Employee Benefits

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

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

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

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

Company Overview, Basis of Preparation & Significant Accounting Policies

3.14 Revenue

Sale of goods

Revenue is recognized at the fair value of consideration received or receivable when the significant risk and rewards of goods and ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes and duties collected on behalf of third parties and is inclusive of excise and other duties which the company pays as principal.

Interest, Dividend and Claims

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

Export Benefits

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

3.15 Borrowing Costs

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

3.16 Research and Development Expenditure

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

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

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

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

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

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

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

3.18 Earnings Per Share

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

3.19 Segment Reporting

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

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

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions

Company Overview, Basis of Preparation & Significant Accounting Policies

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

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

4.1 Arrangement containing leases and classification of leases

The Company enters into service/hiring arrangements for various assets/services. The determination of lease and classification of the service/hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.2 Fair value as Deemed cost for PPE

The Company has used fair value of land as carried out by external valuer as on the date of transition i.e. 1st April 2016 as deemed costs. Such fair valuations involves higher degree of uncertainty and subjectivity.

4.3 Impairment loss on trade receivables

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

4.4 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. The deferred tax liability (without considering indexation Benefit) consequent to fair valuation of land and financial instruments involving estimation for timing differences has been recognised in these financial statements.

4.5 Provisions and Contingencies

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

4.6 Defined benefit obligation (DBO)

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

Notes to Financial Statements for the year ended March 31, 2018

1. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Total
<u>Gross Block</u>						
As at April 1, 2016	32,145.82	108.76	8,357.18	13.35	14.48	40,639.59
Additions	-	-	171.94	11.51	-	183.45
Disposals	-	-	49.46	4.48	-	53.94
Other Adjustments	-	-	-	-	-	-
As at March 31, 2017	32,145.82	108.76	8,479.66	20.38	14.48	40,769.10
Additions	-	-	486.76	11.64	32.37	530.77
Disposals	-	-	12.54	1.31	13.19	27.04
Other Adjustments	-	-	-	-	-	-
As at March 31, 2018	32,145.82	108.76	8,953.88	30.71	33.66	41,272.83
<u>Depreciation</u>						
As at April 1, 2016	-	-	-	-	-	-
Charge for the period	-	23.90	374.94	7.75	5.79	412.38
Disposals	-	-	47.47	3.28	-	50.75
Other Adjustments	-	-	-	-	-	-
As at March 31, 2017	-	23.90	327.47	4.47	5.79	361.63
Charge for the period	-	18.40	370.19	8.93	9.50	407.02
Disposals	-	-	0.59	1.28	6.87	8.74
Other Adjustments	-	-	-	-	-	-
As at March 31, 2018	-	42.30	697.07	12.12	8.42	759.91
<u>Net Carrying Amount</u>						
As at April 1, 2016	32,145.82	108.76	8,357.18	13.35	14.48	40,639.59
As at March 31, 2017	32,145.82	84.86	8,152.19	15.91	8.69	40,407.47
As at March 31, 2018	32,145.82	66.46	8,256.81	18.59	25.24	40,512.92

- 1.1 The Gross Block as on the transition date i.e. April 01, 2016 includes certain Property, Plant and Equipment i.e. freehold land which have been valued by an Independent valuer and considered as "deemed cost" as per the provision of Ind AS 101 "First-time Adoption of Indian Accounting Standards" - refer Note No. 48.
- 1.2 Gross block and Net block of Buildings include flat acquired under joint ownership with others at New Delhi amounting Rs 21.13 Lakhs (March 31, 2017 Rs. 21.13 lakhs and April 1, 2016 Rs. 21.13 lakhs) and Rs 13.48 Lakhs (March 31, 2017, Rs.16.87 Lakhs and April 1, 2016 Rs.16.87 Lakhs) respectively.

2. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
As at Opening date	32.17	55.09	47.16
Increase due to purchases / physical changes	56.80	43.85	69.82
Decreases due to harvest / Sales	25.08	49.76	60.93
Decreases due to write off	36.17	18.71	0.96
Net change in fair value less estimated costs to sell	-	1.69	-
As at Closing date	27.72	32.16	55.09

Notes to Financial Statements for the year ended March 31, 2018

3. NON-CURRENT INVESTMENTS

(Fully paid up except otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Holding	Value	Holding	Value	Holding	Value
Investments in Equity Instruments						
Investment designated at Fair Value through Other Comprehensive Income						
Quoted						
ISG Traders Limited (Face value of Rs.10/- each)	1,745,786	1689.92	1,745,786	1,382.66	1,745,786	1,284.89
Total -Non -Current Investments		<u>1,689.92</u>		<u>1,382.66</u>		<u>1,284.89</u>
Aggregate amount of Quoted Investments		1,689.92		1,382.66		1,284.89

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

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

4. OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	Ref. note no.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good				
Security Deposits		199.02	176.73	176.77
Deposit with related parties	4.1	35.00	35.00	35.00
Total		234.02	211.73	211.77

4.1 Security deposits include Rs. 35 lakhs (March 31, 2017 Rs. 35.00 lakhs and April 1, 2016 Rs. 35.00 lakhs) with a private limited company in which directors are interested as a member/director.

5. OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances	153.27	61.38	14.39
Balances/Deposits with Government Authorities	567.53	557.38	538.28
Total	720.80	618.76	552.67

6. INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials	1,834.46	856.38	578.88
Raw materials in transit	-	0.22	0.30
Chemicals	308.48	299.42	250.02
Process stock	356.49	292.79	485.26
Finished goods	388.36	438.62	544.86
Finished goods in transit	-	-	17.83
Stores and spares	1,517.03	1,395.41	813.25
Stores and spares in transit	6.59	1.19	-
Loose Tools	2.94	3.49	0.99
Total	4,414.36	3,287.52	2,691.39

Notes to Financial Statements for the year ended March 31, 2018

7. CURRENT INVESTMENTS

(Fully paid up except otherwise stated)

(₹)

(₹ in lakhs)

Particulars	Face Value	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Holding	Value	Holding	Value	Holding	Value
Investment measured at fair value through Profit and Loss							
Investment in Mutual Funds							
Quoted							
Aditya Birla Sunlife Short Term Fund- Growth Plan	10			690,223.00	429.81	-	-
HDFC High Interest Fund - Dynamic Plan- Growth	10			690,185.71	390.86	-	-
ICICI Prudential Corporate Bond - Growth	10	7915832.46	2,140.71	4,436,677.10	1,125.51	-	-
Kotak Medium Term Fund- Growth	10	747283.62	107.85	747,283.62	101.17	-	-
Reliance Corporate Bond Fund- Growth	10	15037714.01	2,160.54	5,457,386.00	718.51	-	-
Birla Sunlife Dynamic Bond Fund- Growth	10			288,262.97	83.69	-	-
UTI Income Opportunity Fund- Growth	10	5160602.68	817.81	-	-	-	-
Reliance Equity Saving Fund- Growth	10	1637424.99	202.89	-	-	-	-
Reliance Money Manager Fund - G	10	8480.80	203.03				
UTI Floating Rate Fund-STP-Regular-G	10	10777.37	304.41				
ICICI Prudential equity income fund Monthly Dividend	10	1889960.78	210.16	-	-	-	-
Birla Sunlife Short Term Opportunities Fund- Growth	10			753,639.14	204.49	-	-
ICICI Prudential Equity Income Fund Cumulative	10	777388.41	9.91				
ICICI Prudential Equity Arbitrage Fund- DR	10			1,469,963.00	202.00	-	-
Total			6,157.31		3,256.04		-
Aggregate amount of Quoted Investments							
- In Mutual Funds			6,157.31		3,256.04		-
Aggregate amount of Net Asset Value of Quoted Investments							
- In Mutual Funds			6,157.31		3,256.04		

8. TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Considered good			
Secured	357.85	677.17	1,041.01
Unsecured	403.70	-	-
Considered doubtful	-	-	-
Less: Impairment allowances for doubtful debts	8.69	8.83	10.27
Total	752.86	668.34	1,030.74

Notes to Financial Statements for the year ended March 31, 2018

9. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks:			
-In current and cash credit accounts	280.27	274.35	12.97
-In Fixed Deposits with Banks (having original maturity of less than 3 months)	-	200.03	400.00
Cash hand	2.37	3.36	7.04
Cheques/drafts in hand	-	11.90	-
Total	282.64	489.64	420.01

10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	Ref. Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other balance with banks:				
-In Margin Money Accounts	10.1	84.90	50.90	87.33
Earmarked balances with bank:				
-Redemption of preference share		-	0.22	0.22
-Unpaid Dividend Account		4.25	1.98	3.88
Fixed deposits with Banks (having original maturity of more than 3 months)	10.2	16.75	17.35	15.34
Total		105.90	70.45	106.77

10.1 Fixed Deposits with banks include Fixed Deposit of Rs. 84.90 lakhs (March 31, 2017 Rs 50.90 lakhs and April 1, 2016 Rs. 87.33 lakhs) have been lodged with Banks against guarantee issued by them.

10.2 Against employee security deposits.

11. OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest receivable	20.56	20.56	11.28
Total	20.56	20.56	11.28

12. OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, Considered Good)			
Advances for supply of goods and rendering of services	412.13	268.22	256.79
Balance with Government authorities	60.97	342.25	259.25
Prepaid expenses	32.40	64.27	87.24
Loans and Advances to Employees	16.39	34.48	60.16
Total	521.89	709.22	663.44

Notes to Financial Statements for the year ended March 31, 2018

13. ASSET HELD FOR SALE

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Plant and equipment	3.59	3.59	1.59
Total	3.59	3.59	1.59

14. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorized			
10,000 5% Cumulative Tax Free Redeemable Preference Shares of Rs.100 each	10.00	10.00	10.00
39,800,000 Equity Shares of Rs.10 each	3,980.00	3,980.00	3,980.00
100,000 'A' Equity Shares of Rs.10 each	10.00	10.00	10.00
Total	4,000.00	4,000.00	4,000.00
Issued			
15,511,250 Equity Shares of Rs.10 each	1,551.12	1,551.12	1,551.12
100,000 'A' Equity Shares of Rs.10 each	10.00	10.00	10.00
	1,561.12	1,561.12	1,561.12
Subscribed and Paid-up			
15,508,350 Equity Shares of Rs.10 each	1,550.83	1,550.83	1,550.83
100,000 'A' Equity Shares of Rs.10 each	10.00	10.00	10.00
Total	1,560.83	1,560.83	1,560.83

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

- 14.2 Reconciliation of the number of equity shares outstandings

No. of shares

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Number of shares at the beginning	15,608,350	15,608,350	15,608,350
Add: Addition during the year	-	-	-
Number of shares at the end	15,608,350	15,608,350	15,608,350

- 14.3 Shareholders holding more than 5% equity shares

Name of share holders	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ISG Traders Ltd.	5,104,744	5,174,344	5,350,319
Albert Trading Company Pvt. Ltd.	905,200	905,200	905,200

Notes to Financial Statements for the year ended March 31, 2018

15. OTHER EQUITY

(₹ in lakhs)

Particulars	Ref. Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Redemption Reserve	15.2	50.00	50.00	50.00
Capital Reserve	15.3	3.20	3.20	3.20
Securities Premium Reserve	15.4	4,459.50	4,459.50	4,459.50
General Reserve	15.5	1,282.01	1,282.01	1,282.01
Retained Earnings	15.6	35,185.05	30,134.72	24,099.17
Other Comprehensive Income	15.7			
Equity instrument through other comprehensive income		(1,888.98)	(2,196.23)	(2,294.00)
Re-measurement of Defined benefit plans		(50.94)	(12.24)	-
Total		39,039.84	33,720.96	27,599.88

15.1 Refer Statement of changes in Equity for movement in balances of reserves

15.2 Capital Redemption Reserve

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

15.3 Capital Reserve

Capital Reserve comprises of:

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Reserve	3.20	3.20	3.20
Total	3.20	3.20	3.20

15.4 Securities Premium Reserve

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

15.5 General Reserve

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

15.6 Retained Earnings

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

15.7 Other Comprehensive Income

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

- i) Items that will not be reclassified to profit and loss
 - a. The company has elected to recognise changes in the fair value of non-current investments in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.
 - b. The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI.

Notes to Financial Statements for the year ended March 31, 2018

15.8 The Board of Directors has recommended a dividend of Rs. 2.50/- per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2018. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 390.21 lakhs and the dividend distribution tax thereon amounts to Rs.81.65 lakhs.

16. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits			
(i) from wholesalers	751.66	763.66	710.91
(i) from others	79.09	75.82	72.79
Total	830.75	839.48	783.70

17. PROVISIONS

Particulars	Ref. Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits	36	896.17	1,033.71	1,043.84
Total		896.17	1,033.71	1,043.84

18. DEFERRED TAX LIABILITIES

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

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax Assets	(3,203.45)	(1,897.74)	(1,289.62)
Deferred tax Liabilities	11,135.71	9,782.26	9,783.62
Net Deferred Tax (Assets)/Liabilities	7,932.26	7,884.52	8,494.00

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2018 are given below:

Particulars	As at April 1, 2017	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in other comprehensive income	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2018
Deferred Tax Assets:					
Expenses allowable on payment basis	469.88	(1,276.53)	-	-	1,746.41
MAT credit entitlement	1,418.33	-	-	-	1,418.33
Provision for doubtful debts	3.05	(8.69)	-	-	11.74
Remeasurement of defined benefit obligations	6.48	(20.49)	-	-	26.97
Total Deferred Tax Assets	1,897.74	(1,305.71)	-	-	3,203.45
Deferred Tax Liabilities:					
Fair valuation (gain)/ loss on Investments	9.25	282.11	-	-	291.36
Timing difference with respect to Property, Plant & Equipment	9,761.88	1,071.34	-	-	10,833.22
Recognition of Biological Assets	11.13	-	-	-	11.13
Total Deferred Tax Liabilities	9,782.26	1,353.45	-	-	11,135.71
Net Deferred Tax (Assets)/Liabilities	7,884.52	47.74	-	-	7,932.26

Notes to Financial Statements for the year ended March 31, 2018

Components of Deferred tax Liabilities/ (Assets) as at March 31, 2017 are given below:

(₹ in lakhs)

Particulars	As at April 1, 2016	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in other comprehensive income	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2017
Deferred tax (Liabilities) / Assets in relation to:					
Deferred Tax Assets:					
Expenses allowable on payment basis	505.48	35.60	-	-	469.88
MAT credit entitlement	92.68	(1,325.65)	-	-	1,418.33
Unused tax losses	687.90	687.90	-	-	-
Provision for doubtful debts	3.56	0.51	-	-	3.05
Remeasurement of defined benefit obligations	-	-	(6.48)	-	6.48
Total Deferred Tax Assets	1,289.62	(601.64)	(6.48)	-	1,897.74
Deferred Tax Liabilities:					
Fair valuation (gain)/ loss on Investments	-	9.25	-	-	9.25
Timing difference with respect to Property, Plant & Equipment	9,764.55	(2.67)	-	-	9,761.88
Recognition of Biological Assets	19.07	(7.93)	-	-	11.13
Total Deferred Tax Liabilities	9,783.62	(1.36)	-	-	9,782.26
MAT Credit Entitlement				-	
Net Deferred Tax (Assets)/ Liabilities	8,494.00	(603.00)	(6.48)	-	7,884.52

19. BORROWINGS

(₹ in lakhs)

Particulars	Ref. Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
SECURED				
Repayable on demand from banks	19.1			
Indian Currency		-	111.53	300.08
UNSECURED				
From related parties		153.24	313.24	363.24
Total		153.24	424.77	663.32

- 19.1 Loans repayable on demand being Working Capital facilities from Banks (both fund based and non-fund based) are secured by first pari passu charge 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.

20. TRADE PAYABLES

(₹ in lakhs)

Particulars	Ref. Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payable for Goods and Services				
Due to Micro and Small Enterprises	20.1	126.15	6.97	6,283.87
Others		4,034.80	4,280.14	-
Total		4,160.95	4,287.11	6,283.87

Notes to Financial Statements for the year ended March 31, 2018

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

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Principal & Interest amount remaining unpaid but not due as at year end	Nil	6.98	Nil
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	Nil	Nil	Nil
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil
d) Interest accrued and remaining unpaid as at year end	Nil	Nil	Nil
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil	Nil

21. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	Ref. Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest accrued but not due on borrowings		219.39	184.71	135.57
Unclaimed dividends	21.1	4.26	1.98	3.86
Unclaimed liability in respect of preference shares	21.1	0.59	0.59	0.59
Capital vendors		102.49	102.49	102.49
Others		338.46	687.08	400.88
Total		665.19	976.85	643.39

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

22. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance from customers	277.75	322.48	237.90
Statutory dues	190.88	207.79	201.95
Excise duty on stock	-	30.41	32.43
Total	468.64	560.68	472.28

23. PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits	194.81	55.06	50.26
Total	194.81	55.06	50.26

24. CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for taxation (net of advance tax)	278.17	59.45	127.86

Notes to Financial Statements for the year ended March 31, 2018

25. REVENUE FROM OPERATION

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Sale of products (including Excise Duty)	33899.86	33712.41
Other Operating Revenue:		
-Sale of Waste Sludge, Scrap, etc.	357.84	345.56
-Provision/ Liability no longer required written back	867.46	302.11
-Incentive on Export	<u>2.71</u>	<u>7.13</u>
	<u>1228.01</u>	<u>654.80</u>
Total	35127.87	34367.21

26. OTHER INCOME

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest Income		
-On loans, deposits, overdue debts etc.	27.94	97.18
-On Financial Assets measured at amortised cost	2.43	1.07
Dividend income on Current investments	18.48	1.09
Net change in fair value less estimated costs to sell of biological assets	0.00	1.69
Net gain/(loss) on sale / redemption of Current investments (net)	56.52	1.53
Net gain/(loss) on fair valuation of Current investments through profit and loss (net)	282.08	53.43
Profit/(loss) on sale of fixed assets (net)	3.91	1.06
Net gain/(loss) on foreign currency transaction and translation	0.42	1.24
Miscellaneous Income	112.68	49.39
Total	504.46	207.68

27. COST OF MATERIALS CONSUMED

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Raw Material Consumed	11174.08	10276.49

27.1. DETAILS OF MATERIAL CONSUMED

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Wood, wood and paper waste and wood pulp	7621.36	7333.77
Chemical and Dyes Consumed	3552.72	2942.72
Total	11174.08	10276.49

Notes to Financial Statements for the year ended March 31, 2018

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

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Opening Stock:		
Stock In Process	292.79	485.26
Finished Paper	438.61	562.69
In Transit	0.00	0.00
	731.41	1047.95
Closing Stock:		
Stock In Process	356.49	292.79
Finished Paper	388.36	438.62
In Transit	0.00	0.00
	744.85	731.41
Total	-13.44	316.54

29. EMPLOYEES BENEFIT EXPENSES

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Salaries, Wages, Bonus Etc.	2395.85	2534.69
Contribution to:		
Provident and Other Funds	256.05	186.17
Workmen and Staff Welfare Expenses	160.32	187.84
Total	2812.22	2908.70

30. FINANCIAL COSTS

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest Expenses (on working capital)	1.51	12.30
On Other Accounts	103.39	115.08
Total	104.90	127.38

31. DEPRECIATION AND AMORTISED EXPENSES

Particulars	Year Ended 31 St March, 2018	Year Ended 31 St March, 2017
Depreciation Expenses	407.02	412.38
Total	407.02	412.38

32. OTHER EXPENSES

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Stores and Components Consumed	1470.72	1270.88
Power and Fuel	8474.57	7126.92
Repairs to:		
-Buildings	301.06	123.27
-Machinery	718.02	775.46
-Others	28.99	89.36
Rent	84.24	94.07
Net Change n Fair Valuation of Biological Assets	4.45	24.61
Rates and Taxes	88.49	184.24
Excise Duty	470.02	1949.30
Insurance	12.10	16.12

Notes to Financial Statements for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Packing, Selling, Transportation and Other Expenses	328.65	466.96
Charity and Donations	1.20	20.51
Directors' Fees	8.60	8.60
Provision for Doubtful Debts	1.07	2.71
Provision for Unrecoverable Advances	23.94	0.00
Miscellaneous Expenses	1911.16	1622.16
Total	13927.28	13775.17

32.1 AUDITORS REMUNERATION (Included In Miscellaneous Expenses)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Statutory Audit Fee	8.00	7.00
Fee for Taxation Matters	1.80	1.80
Fee for Certification and Review	1.50	5.00
For reimbursement of expenses	2.23	3.21
Total	13.53	17.01

32.2 During the year, the company has incurred Rs 78.00 lakhs (March 31, 2017 Rs. 86.48 lakhs) on account of research and development expenses which has been charged to statement of Profit & Loss.

32.3 During the year, the Company has incurred Rs. 66.54 lakhs (March 31, 2017 Rs. 23.75 lakhs) on account of Corporate Social Responsibility (CSR) included under Miscellaneous Expenses.

32.4 Obligation under leases

A. Operating Lease disclosures:

The Company has operating lease arrangements for office accommodations etc. with tenure extending upto 9 yrs. Term of certain lease arrangements include escalation clause for rent on expiry of 36 months from the commencement date of such lease and deposit/refund of security deposit etc. Expenditure incurred on account of rent during the year and recognized in the Statement of Profit and Loss amounts to Rs. 45.97 lakhs (March 31, 2017 Rs. 40.50 lakhs).

32.5 Revenue from operation is inclusive of excise duty upto 30.06.2017 and is net of Goods & Service Tax (GST) w.e.f. 01.07.2017.

33. TAX EXPENSES - CURRENT TAX

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Provision For Current Tax	1722.59	1325.65
Total	1722.59	1325.65

33.1 COMPONENT OF TAX EXPENSES

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Current Tax		
In respect of current year	1722.59	1325.65
Total Current Tax expenses recognised in the current year	1722.59	1325.65
Deferred Tax		
In respect of current year	71.64	-602.99
Total Deferred Tax expenses recognised in the current year	71.64	-602.99
Total Tax expense recognised in the current year	1794.23	722.66

Notes to Financial Statements for the year ended March 31, 2018

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

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

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Profit before tax	7220.27	6758.23
Income tax expense calculated at 34.608%	2498.79	2338.89
Less : Effect of income exempt from taxation		
- Utilization of unused tax credit and losses not considered in earlier years	0.00	-1256.94
- Dividend	-6.40	-0.38
- Deduction u/s 80-IA	-656.51	-419.01
- Other Adjustment	-150.20	0.00
Add : Effect of expenses that are not deductible in determining taxable profit		
- Other disallowance	30.80	15.94
- Effect of other adjustments	77.75	44.16
Income tax expense recognised in profit or loss	1794.23	722.66

The tax rate used for reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax laws.

34. COMPONENTS OF OTHER COMPREHENSIVE INCOME

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Items that will not be reclassified to Statement of Profit or Loss:		
Net fair value changes on investments in equity shares at FVTOCI	307.27	97.76
Re-measurement of defined benefit plans	-59.51	-18.72
Total	248.07	79.04

35. FINANCIAL INSTRUMENTS

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

(₹ in lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)						
Financial Assets measured at Amortised Cost						
Cash and cash equivalents	282.64	282.64	489.64	489.64	420.01	420.01
Bank Balances Other than Cash and Cash Equivalents	105.90	105.90	70.45	70.45	106.77	106.77
Other Financial Assets	254.58	254.58	232.29	232.29	223.05	223.05
Financial Assets designated at Fair Value through Profit and Loss Account						
Investment in Mutual Funds	6,157.31	6,157.31	3,256.04	3,256.04	-	-
Financial Assets designated at Fair Value through Other Comprehensive Income						
Investment in Equity Instruments	1,689.92	1,689.92	1,382.66	1,382.66	1,284.89	1,284.89
Financial Liabilities (Current and Non-Current)						
Financial Liabilities designated at Amortised Cost						
Borrowings	153.24	153.24	424.77	424.77	663.32	663.32
Trade Payables	4,160.95	4,160.95	4,287.11	4,287.11	6,283.87	6,283.87
Other Financial Liabilities	1,495.95	1,495.95	1,816.33	1,816.33	1,427.09	1,427.09

Notes to Financial Statements for the year ended March 31, 2018

Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

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

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

Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2018:

(₹ in lakhs)

Particulars	As at March 31	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Investment in Mutual Funds	6,157.31	6,157.31	-	-
	(3,256.04)	(3,256.04)	-	-
	-	-	-	-
Investment in Equity Instruments(Non-Current)	1,689.92	-	-	1,689.92
	(1,382.66)	-	-	(1,382.66)
	[1284.89]	-	-	[1284.89]

(*) Figures in round brackets () indicate figures as at March 31, 2017 and in brackets [] indicate figures as at April 01, 2016.

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

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

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

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

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

Financial Risk Factors

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

Notes to Financial Statements for the year ended March 31, 2018

Market Risk

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

Foreign Currency Risk

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

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

Interest rate risk

Borrowings at fixed interest rate exposes the company to the fair value interest rate risk. As at the March 31, 2018 100% (March 31, 2017: 74 %) of the company's borrowings are at fixed rate.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings.

(₹ in lakhs)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2018	For the year ended March 31, 2017
Rupee Loan	+0.50	1.26	1.57

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's financial statements

Other price risk

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

Credit Risk

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

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are two customers (Pramod Paper Products and Metro International Trading) having outstanding of Rs. 210.11 lakhs which accounted for more than 10% of the accounts receivable as at March 31, 2018.

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

Financial assets that are neither past due nor impaired

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

Financial assets that are past due but not impaired

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

Notes to Financial Statements for the year ended March 31, 2018

Liquidity Risk

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

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as on March 31, 2018:

Interest rate and currency of borrowings

As at March 31, 2018

(₹ in lakhs)

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Interest free borrowings	Weighted average Interest Rate (%)
INR	153.24	-	153.24	-	-
Total	153.24	-	153.24	-	-

As at March 31, 2017

(₹ in lakhs)

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Interest free borrowings	Weighted average Interest Rate (%)
INR	424.77	111.53	313.24	-	-
Total	424.77	111.53	313.24	-	-

Maturity Analysis of Financial Liabilities

As at March 31, 2018

(Amount ₹ in lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	-	-	-	-	-	-
Other Liabilities	1,495.95	1,495.95	-	-	-	1,495.95
Trade and other payables	4,160.95	4,160.95	-	-	-	4,160.95

As at March 31, 2017

(Amount ₹ in lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	424.77	424.77	-	-	-	424.77
Other Liabilities	1,129.25	1,129.25	-	-	-	1,129.25
Trade and other payables	4,287.11	4,287.11	-	-	-	4,287.11

As at April 1, 2016

(Amount ₹ in lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	663.32	663.32	-	-	-	663.32
Other Liabilities	1,026.21	1,026.21	-	-	-	1,026.21
Trade and other payables	6,283.87	6,283.87	-	-	-	6,283.87

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

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

Capital Management

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

Notes to Financial Statements for the year ended March 31, 2018

The gearing ratio are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	153.24	424.77	663.32
Less Cash and Cash Equivalents	282.64	489.64	420.01
Net Debt	(129.40)	(64.87)	243.31
Equity	40,600.67	35,281.80	29,160.71
Equity and Net Debt	40,471.27	35,216.93	29,404.02
Gearing Ratio	(0.00)	(0.00)	0.01

36. POST RETIREMENT EMPLOYEE BENEFITS

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

a) Defined Contribution Plans

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

(₹ in lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Employer's Contribution to Provident Fund & Family Pension Fund	113.22	105.77
Employer's State Insurance Fund	55.47	51.18

b) Defined Benefit Plans

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

(₹ in lakhs)

	Gratuity (Funded)		Pension (Non Funded)		Leave Encashment (Non Funded)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
a) Change in the Present value of the defined benefit obligation:						
Liability at the beginning of the year	752.14	767.36	397.50	370.91	77.21	88.26
Interest Cost	51.86	59.81	27.42	28.93	8.18	6.88
Current Service Cost	45.02	31.93	0.92	1.18	5.32	8.13
Actuarial (gain) / loss on obligations	65.86	14.52	(19.64)	36.56	12.61	23.69
Benefits paid	(157.75)	(121.48)	(41.70)	(40.08)	(27.32)	(49.75)
Liability at the end of the year	757.13	752.14	364.50	397.50	76.00	77.21
b) Changes in the Fair Value of Plan Asset						
Fair value of Plan Assets at the beginning of the year	138.07	132.41	-	-	-	-
Expected Return on Plan Assets	9.52	9.14	-	-	-	-
Contributions by the Company	120.00	120.00	41.70	40.08	27.32	49.75
Benefits paid	(157.75)	(121.48)	(41.70)	(40.08)	(27.32)	(49.75)
Actuarial gain / (loss) on Plan Assets	(3.19)	(2.00)	-	-	-	-
Fair value of Plan Assets at the end of the year	106.65	138.07	-	-	-	-
c) Actual return on Plan Asset						
Expected return on Plan assets	9.52	9.14	-	-	-	-
Actuarial gain / (loss) on Plan Assets	(3.19)	(2.00)	-	-	-	-
Actual Return on Plan Assets	6.33	7.14	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2018

(₹ in lakhs)

	Gratuity (Funded)		Pension (Non Funded)		Leave Encashment (Non Funded)	
d) Amount Recognized in Balance Sheet						
Liability at the end of the year	757.13	752.14	364.50	397.50	76.00	77.21
Fair value of Plan Assets at the end of the year	106.65	138.07	-	-	-	-
	650.48	614.07	364.50	397.50	76.00	77.21
e) Components of Defined Benefit Cost						
Current Service Cost	45.02	31.93	0.92	1.18	5.32	8.13
Interest Cost	51.86	59.81	27.42	28.93	8.18	6.88
Expected Return on Plan Assets	(9.52)	(9.14)	-	-	-	-
Net Actuarial (gain) / loss on remeasurement recognised in OCI	69.05	16.52	(19.64)	36.56	12.61	23.69
Total Defined Benefit Cost recognised in Profit and Loss and OCI	156.41	99.12	8.70	66.67	26.11	38.70
f) Balance Sheet Reconciliation						
Opening Net Liability	614.07	634.95	397.50	370.91	77.21	88.26
Expenses as above	156.41	99.12	8.70	66.67	26.11	38.70
Employers Contribution	(120.00)	(120.00)	(41.70)	(40.08)	(27.32)	(49.75)
Amount Recognized in Balance Sheet	650.48	614.07	364.50	397.50	76.00	77.21
g) Principal Actuarial assumptions as at the Balance Sheet date						
Discount Rate(Per annum)	7.55%	6.90%	7.55%	6.90%	7.55%	6.90%
Salary Growth Rate (Per annum)	5.00%	5.00%	5.00	5.00%	5.00	5.00%
Rate of Return on Plan Assets	8.00%	8.00%	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Notes:

- Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.
- The Company expects to contribute Rs lakhs (Previous Year Rs. 120 lakhs) to Gratuity fund in 2018-19.

Recognised in Other Comprehensive Income

(₹ in lakhs)

Particulars	Gratuity	Pension
Remeasurement - Acturial loss/(gain)	-	-
For the year ended March 31, 2017	16.52	36.56
Remeasurement - Acturial loss/(gain)	-	-
For the year ended March 31, 2018	69.05	(19.64)

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

(₹ in lakhs)

Particulars	Change in Assumption	Effect in Gratuity Obligation	Effect in Pension Obligation
For the year ended 31st March, 2017			
Discount Rate	+1%	723.43	367.37
	-1%	783.76	432.58
Salary Growth Rate	+1%	784.04	398.16
	-1%	722.66	396.82
For the year ended 31st March, 2018			
Discount Rate	+1%	728.66	337.23
	-1%	788.59	395.79
Salary Growth Rate	+1%	788.89	365.05
	-1%	727.91	363.88

Notes to Financial Statements for the year ended March 31, 2018

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

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

History of experience adjustments is as follows:

(₹ in lakhs)

Particulars	Gratuity	Pension	Leave
For the year ended March 31, 2017			
Plan Liabilities - (loss)/gain	(11.36)	2.43	19.59
Plan Assets - (loss)/gain	(4.11)	-	-
For the year ended March 31, 2018			
Plan Liabilities - (loss)/gain	(65.86)	(19.64)	12.61
Plan Assets - (loss)/gain	(3.19)	-	-

Maturity Profile of Defined Benefit Obligation

History of experience adjustments is as follows:

(₹ in lakhs)

Expected Cash Flows over the next (valued on undiscounted basis)	Gratuity	Pension	Leave
1 year	251.76	34.44	15.27
2 to 5 years	431.31	139.32	36.72
6 to 10 years	178.33	166.38	26.04
More than 10 years	242.57	381.87	77.87

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

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

Presentation in Statement of Profit & Loss and Balance Sheet.

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

37. CALCULATION OF EARNING PER SHARE IS AS FOLLOWS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Net profit for basic and diluted earnings per share as per Statement of Profit and Loss	5,426.04	6,035.57
Net profit for basic and diluted earnings per share	5,426.04	6,035.57
(b) Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Rs. 10/- per share)		
No of equity shares outstanding as on 31st March	15,608,350	15,608,350
(c) Weighted average number of equity shares outstanding	15,608,350	15,608,350
d) Earnings per share (EPS) of Equity Share of Rs. 10 each:		
a) Basic (Rs.)	34.76	38.67
b) Diluted (Rs.)	34.76	38.67

Notes to Financial Statements for the year ended March 31, 2018**38. COMMITMENTS NOT PROVIDED FOR**

Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs.18.63 Lakhs (March 31, 2017 Rs. 57.70 lakhs and April 1, 2016 Rs. 13.47 lakhs).

39. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Various show cause notices/demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forum / authorities:			
1. Sales Tax including Trade Tax	450.17	838.08	859.28
2. Mandi fee	-	560.72	-
3. Excise Duty	24.36	41.16	30.44
4. Electric Duty	2.70	2.70	2.70
5. Employees State Insurances Corp.	4.90	4.90	4.90
6. Sales Tax on Royalty	69.10	69.10	69.10
7. Entry tax on fuels, etc.	144.71	144.71	144.71
8. Demand in respect of Railway Plot Rent	-	-	300.00
9. Municipal Corporation Tax	-	-	72.00
10. Workers Claims	61.54	78.15	58.97

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

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

1) Key Management Personnel (KMP) and their close member	Mr. G.P. Goenka - Executive Chairman (w.e.f May 20, 2015)
	Mr. M. Mishra - Managing Director
	Mr. S. Sharma - Director
	Mr. M.P. Pinto - Director
	Mr. S.V. Goenka - Director and son of Executive Director
	Mr. C.M. Vasudev - Director
	Ms. S.L. Acharya - Director
	Mr. P.K. Agrawal - Chief Financial Officer
	Mrs. M. Mishra - wife of Managing Director
	Mrs. R. Agrawal - wife of Chief Financial Officer
2) Enterprise where KMP and/or Close member of the family have significant influence or control	I S G Traders Limited
	Kavita Marketing Pvt. Ltd.

Notes to Financial Statements for the year ended March 31, 2018

B) Related Party Transactions

(₹ in lakhs)

Particulars	KMP & Close members of Family	KMP have control	Total	Outstanding as on March 31, 2018	Outstanding as on March 31, 2017	Outstanding as on April 1, 2016
Remuneration						
Mr. G.P. Goenka	234.07	-	234.07	132.16	147.93	6.50
Mr. M. Mishra	210.70	-	210.70	70.25	72.61	94.25
Mr. S. Sharma	3.00	-	3.00	-	-	-
Mr. M.P. Pinto	1.60	-	1.60	-	-	-
Mr. S.V. Goenka	0.40	-	0.40	-	-	-
Mr. C.M. Vasudev	3.80	-	3.80	-	-	-
Ms. S.L. Acharya	1.80	-	1.80	-	-	-
Mr. P.K. Agrawal	28.41	-	28.41	4.73	-	-
Total	483.78	-	483.78	207.14	220.54	100.75
Previous Year						
Mr. G.P. Goenka	228.19	-	228.19	147.93	6.50	-
Mr. M. Mishra	201.62	-	201.62	72.61	94.25	-
Mr. S. Sharma	3.00	-	3.00	-	-	-
Mr. M.P. Pinto	1.20	-	1.20	-	-	-
Mr. S.V. Goenka	0.20	-	0.20	-	-	-
Mr. C.M. Vasudev	2.20	-	2.20	-	-	-
Ms. S.L. Acharya	2.00	-	2.00	-	-	-
Mr. P.K. Agrawal	25.18	-	25.18	-	-	-
Security Deposit given						
Mrs. M. Mishra	-	-	-	20.00	20.00	20.00
Kavita Marketing Pvt. Ltd.	-	-	-	35.00	35.00	35.00
Total	-	-	-	55.00	55.00	55.00
Previous Year						
Mrs. M. Mishra	20.00	-	20.00	20.00	20.00	-
Kavita Marketing Pvt. Ltd.	35.00	-	35.00	35.00	35.00	-
Rent Paid						
Mrs. M. Mishra	21.48	-	21.48	-	-	-
Kavita Marketing Pvt. Ltd.	-	2.40	2.40	-	-	-
Total	21.48	2.40	23.88	-	-	-
Previous Year						
Mrs. M. Mishra	21.48	-	21.48	-	-	-
Kavita Marketing Pvt. Ltd.	-	2.40	2.40	-	-	-
Taxi Hiring charges paid						
Mrs. R. Agrawal	1.80	-	1.80	-	-	-
Total	1.80	-	1.80	-	-	-
Previous Year						
Mrs. R. Agrawal	1.80	-	1.80	-	-	-
Loan Taken						
I S G Traders Limited	-	-	-	-	313.24	363.24
Previous Year						
I S G Traders Limited	-	-	-	313.24	363.24	-

Notes to Financial Statements for the year ended March 31, 2018

(₹ in lakhs)

Particulars	KMP & Close members of Family	KMP have control	Total	Outstanding as on March 31, 2018	Outstanding as on March 31, 2017	Outstanding as on April 1, 2016
Loan Repaid						
I S G Traders Limited	160.00		160.00			
Previous Year						
I S G Traders Limited	50.00	-	50.00	-	-	-
Interest Payable						
I S G Traders Limited		219.39	219.39	219.39	184.71	135.57
Previous Year						
I S G Traders Limited	-	184.71	184.71	184.71	135.57	-
Security Deposit received						
I S G Traders Limited	-		-	5.00	5.00	5.00
Previous Year						
I S G Traders Limited	-	-	-	5.00	5.00	-
Creditor/ Credit balances						
I S G Traders Limited	-	33.48	33.48	33.48	37.62	36.65
Investment in shares						
I S G Traders Limited	-	1,689.92	1,689.92	1,689.92	1,382.66	1,284.89
Previous Year						
I S G Traders Limited	-	1,382.66	1,382.66		1,382.66	-

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

40.1 In respect of the above parties ,there is no provision for doubtful debts as on March 31, 2018 and no amount has been written off or written back during the year in respect of debt due from/to them.

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

41. SEGMENT REPORTING

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

(₹ in lakhs)

Particulars	2017-18			2016-17		
	Within India	Outside India	Total	Within India	Outside India	Total
Sales (gross)	33,503.05	396.80	33,899.85	33,169.56	542.85	33,712.41
Non-Current Assets other than financial instruments	41,997.80	-	41,997.80	41,303.68	-	41,303.68

b)w Sales to two Customers of the Company is Rs.7,558.32 Lakhs (Previous Year Rs 6,688.13 Lakhs) which is more than 10% of the Company's total turnover.

42. Disclosures of Loans and Advances as per the Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) are as follows**Investment by loanee companies in the shares of the company :-**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	(₹. In lakhs)	No. of shares	(₹. In lakhs)	No. of shares	(₹. In lakhs)
I S G Traders Limited	51,04,744	10,196.73	51,74,344	9,166.35	53,50,319	9,478.09

Notes to Financial Statements for the year ended March 31, 2018

43. FIRST TIME ADOPTION OF IND AS-DISCLOSURES, RECONCILIATION ETC.

a) Reconciliation in terms of Ind AS 101 "First time adoption of Indian Accounting Standards"

i) Reconciliation of Equity as at March 31, 2017 and April 1, 2016

Particulars	Ref. Note No. {Under 43(c)}	As at March 31, 2017 (End of last period presented under Previous GAAP)			As at April 1, 2016		
		As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS
ASSETS							
1. Non-Current Assets							
(a) Property, Plant and Equipment	(i)	8,282.63	32,124.84	40,407.47	8,514.76	32,124.84	40,639.60
(b) Capital work-in-progress		245.29	-	245.29	53.99	-	53.99
(c) Biological Assets other than bearer plants	(viii)	-	32.16	32.16	-	55.09	55.09
(d) Financial Assets							
(i) Investments	(iii)	3,229.70	(1,847.04)	1,382.66	3,229.70	(1,944.81)	1,284.89
(ii) Others	(ii)	216.09	(4.36)	211.73	216.00	(4.23)	211.77
(e) Other Non current Assets		618.76	-	618.76	552.67	-	552.67
2. Current Assets							
(a) Inventories		3,287.52	-	3,287.52	2,691.39	-	2,691.39
(b) Financial Assets							
(i) Investments	(iv)	3,202.61	53.43	3,256.04	-	-	-
(ii) Trade receivables		668.34	-	668.34	1,030.74	-	1,030.74
(iii) Cash and Cash equivalents		489.64	-	489.64	420.01	-	420.01
(iv) Bank balances other than (iii) above		70.45	-	70.45	106.77	-	106.77
(v) Others		20.56	-	20.56	11.28	-	11.28
(d) Other current Assets		704.99	4.23	709.21	659.21	4.23	663.44
(e) Asset held for sale		3.59	-	3.59	1.59	-	1.59
Total Assets		21,040.17	30,363.26	51,403.43	17,488.11	30,235.12	47,723.23
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		1,560.83	-	1,560.83	1,560.83	-	1,560.83
(b) Other Equity	43(a)(ii)	10,789.86	22,931.11	33,720.97	4,795.60	22,804.28	27,599.88
Liabilities							
1 Non-current Liabilities							
(a) Financial liabilities:							
(i) Other financial liabilities		839.48	-	839.48	783.70	-	783.70
(b) Provisions		1,033.71	-	1,033.71	1,043.84	-	1,043.84
(c) Deferred tax liabilities (net)	(vi)	452.37	7,432.15	7,884.52	1,063.16	7,430.84	8,494.00
2 Current Liabilities							
(a) Financial liabilities:							
(i) Borrowings		424.77	-	424.77	663.32	-	663.32
(ii) Trade payables		4,287.11	-	4,287.11	6,283.87	-	6,283.87
(iii) Other financial liabilities		976.85	-	976.85	643.39	-	643.39
(b) Other Current liabilities		560.68	-	560.68	472.28	-	472.28
(c) Provisions		55.06	-	55.06	50.26	-	50.26
(d) Current tax liabilities (Net)		59.45	-	59.45	127.86	-	127.86
Total Equity and Liabilities		21,040.17	30,363.26	51,403.43	17,488.11	30,235.12	47,723.23

Notes to Financial Statements for the year ended March 31, 2018

ii) Reconciliation of Total Equity as given above:

Particulars	Ref. Note No. {Under 43(c)}	As at March 31, 2017 (End of last period presented under Previous GAAP)	As at April 01, 2016 (Date of transition)
Total equity (shareholders' funds) under Previous GAAP		12,350.69	6,356.42
Ind AS Adjustment			
Effect on recognition of biological assets other than bearer plant	(viii)	32.17	55.09
Effect of fair valuation of Equity instrument measured at fair value through other comprehensive income	(iii)	(1,847.05)	(1,944.81)
Effect of fair valuation of current investment	(iv)	53.43	
Effect of fair valuation on date of transition as deemed cost and other adjustments under the head Property, Plant and Equipment	(i)	32,124.83	32,124.83
Others	(ii)	(0.13)	-
Adjustment of Deferred tax Liability created due to Ind AS impact and reversal of the same during the year.	(vi)	(7,432.15)	(7,430.84)
Total adjustment to equity		22,931.11	22,804.28
Total equity under Ind AS		35,281.80	29,160.70

iii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Ref. Note No. {Under 43(c)}	As per IGAAP for the year ended March 31, 2017	Ind AS Adjustments	As per Ind As for the year ended March 31, 2017
REVENUE				
Revenue from operations		34,367.21	-	34,367.21
Other Income		151.49	56.19	207.68
Total Revenue		34,518.70	56.19	34,574.89
EXPENSES				
Cost of materials consumed		10,276.49	-	10,276.49
Changes in inventories of finished goods, Stock-in-Trade and work-in progress		316.54	-	316.54
Employee Benefit Expenses		2,927.42	(18.72)	2,908.70
Finance costs		127.38	-	127.38
Depreciation, and Amortisation Expenses		412.38	-	412.38
Other Expenses		13,749.36	25.81	13,775.17
Total Expenses		27,809.57	7.09	27,816.66
Profit/(loss) before tax		6,709.13	49.10	6,758.23
Tax Expense:				
Current tax		1,325.65	-	1,325.65
Deferred tax	(vi)	(610.78)	7.79	(602.99)
Profit/(loss) for the year		5,994.26	41.31	6,035.57
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss		(0.00)	79.04	79.04
(ii) Income tax related to items that will not be reclassified to profit and loss		0.00	6.48	6.48
Total Comprehensive Income for the year, net of tax		5,994.26	126.83	6,121.09

Notes to Financial Statements for the year ended March 31, 2018

iv) There is no significant reconciliation items between cash flow prepared under previous GAAP and prepared under Ind AS.

b) FIRST-TIME ADOPTION – Mandatory Exceptions and optional Exemptions

These financial statements are covered by Ind AS 101, "First Time Adoption of Indian Accounting Standards", as they are the Company's first Ind AS financial statements for the year ended March 31, 2018.

i) Overall principle:

a) The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company used in its opening Ind-AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments arising from events and transactions occurring before the date of transition to Ind-AS has been recognized directly in retained earnings at the date of transition.

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

ii) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

iii) Fair Value as deemed cost for Property, Plant and Equipment

Property, plant and equipment has been carried in accordance with previous GAAP carrying value as deemed cost at the date of transition excepting freehold land valued at Fair value at the date of transition, which has been considered as deemed cost.

iv) Impairment of financial assets

Ind AS 109 "Financial Instruments" requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Company, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

v) Determining whether an arrangement contains a lease

The Company as on the date of transition complied with Ind AS 17 "Leases" to determine whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS.

ix) Business Combination

In terms of Ind AS 101 "First Time Adoption of Indian Accounting Standards", the Company has elected to not to apply Ind AS 103 "Business Combination" for past combinations.

c) Explanatory Notes to reconciliation between Previous GAAP and Ind AS

(i) Property, Plant and Equipment

The company has used previous GAAP carrying value as deemed cost excepting fair value of certain Property, Plant and Equipment (PPE) ie. freehold land as carried out by an external valuer in its opening Ind AS financial statement as deemed cost.

i) the aggregate of those fair values is Rs. 32,145.82 lakhs.

ii) the aggregate adjustment to the carrying amount of land reported under previous GAAP is Rs.32,124.84 lakhs.

The fair value of PPE has been determined based on the valuation carried out by External Independent Valuer. The fair value of the properties was determined based on market value of similar assets, significantly adjusted for differences in the nature, location or condition of the specific items of PPE. The fair valuation involves higher degree of uncertainty and subjectivity."

(ii) Fair Valuation of financial assets and liabilities

Under previous GAAP, receivables and payables were measured at transaction cost less allowances for recoverability, if any.

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowances for impairment, if any. The resulting changes are recognised either under finance income or expenses in the Statement of profit and loss.

On transition, the company has fair valued certain financial assets including Security deposits. This has resulted in decrease in total equity by Rs. 0.13 lakhs and Rs. nil lakhs as on March 31, 2017 and April 1, 2016 respectively.

Notes to Financial Statements for the year ended March 31, 2018

(iii) Investment in Equity Instruments

Under previous GAAP, Non-current Investments were stated at cost less provision, if any, for diminution in value other than temporary.

Under Ind AS, the Company has made an irrevocable decision to consider equity instruments not held for trading to be recognized at FVTOCI.

On transition, the Company has recognized a loss of Rs. 1,847.04 lakhs as on March 31, 2017 and Rs. 1,944.81 lakhs as on April 1, 2016 in OCI with the corresponding decrease in the carrying value of such investments.

(iv) Fair valuation of Current Investment

Under previous GAAP, Current investments were measured at lower of cost or market price.

Under Ind AS, these investment are measured at fair value through profit or loss and accordingly, difference between the fair value and carrying value is recognised in Statement of profit or loss.

On transition, the Company has recognised a gain of Rs. 53.43 lakhs as on March 31, 2017 and Rs. nil lakhs as on April 1, 2016 in respect of mutual funds with corresponding increase in total equity.

(v) Borrowings

Under previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to Statement of profit and loss in the year in which such costs were incurred.

Under Ind AS, Finance Liabilities consisting of Long Term Borrowings are to be fair valued and designated and measured at amortised cost based on Effective Interest Rate (EIR) method. The transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in Statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying EIR.

On transition, the Company did not have any unamortised portion of outstanding borrowings.

(vi) Taxation

Deferred tax has been recognized in respect of on accounting differences between previous GAAP and Ind AS. Moreover, carryforward of unused tax credits are to be treated as deferred tax assets which was earlier considered as Other non-current non-financial assets.

These adjustments have resulted increase in deferred tax liability and decrease in equity by Rs. 7,432.16 lakhs and Rs. 7,430.85 lakhs as on March 31, 2017 and April 1, 2016 respectively.

(vii) Remeasurement of Defined Benefit Plan

Under previous GAAP and Ind AS, the Company recognizes cost related to its post-employment defined benefit plan on an actuarial basis.

Under previous GAAP, the entire cost, including re-measurement, are charged to Statement of profit and loss.

Under Ind AS, the actuarial gain and losses from part of remeasurements net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect on the same has also been recognised in OCI instead of statement of profit and loss.

Under Ind AS, the entity is permitted to transfer amounts recognized in the Other Comprehensive Income within equity. The Company has taken recourse of the said provision and has transferred all re-measurement costs recognized relating prior to the transition date from Retained earnings as on the date of transition as permitted under Ind AS.

On transition, this has resulted in reclassification of re-measurement losses on defined benefit plans of Rs. 18.72 lakhs for the year ended March 31, 2017 from Statement of profit and loss to OCI.

(viii) Fair Value measurements for biological assets other than bearer plants

Under previous GAAP, biological assets were not required to be recognised. Under Ind AS, these have been recognised at fair value less costs to sell and change in fair value has been recognised in profit or loss.

(ix) Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.

Notes to Financial Statements for the year ended March 31, 2018

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

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

(₹ in lakhs)

Biological Asset	As at 31-Mar-18	As at 31-Mar-17	As at April 1, 2016	Fair value hierarchy	Valuation techniques and key inputs
Unharvested clonal plants	27.72	32.16	55.09	Level 2	Fair value is being arrived at based on the observable market prices of clonal plants. The same is applied on the quantity of the clonal plants unharvested using average plucking in various fields.

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

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

- 46. Figures have been given in Rupee lakhs and have been rounded off to two decimal places.**
- 47. Previous year's figures have been regrouped/reclassified to confirm with current year presentation wherever considered necessary.**

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

Chartered Accountants

On behalf of the Board

(P.K. Jain)

Partner

G.P. Goenka

Executive Chairman

Shiromani Sharma

M.P. Pinto

Shrivardhan Goenka

Savita L. Acharya (Ms)

Directors

Place: Kolkata

Date: 21st May, 2018

Saurabh Arora

Company Secretary

P.K. Agrawal

Chief Financial Officer

Madhukar Mishra

Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

	Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
A.	Cash Flow from the Operating Activities		
	Net Profit/(Loss) before Tax and Exceptional Items	7220.27	6,758.23
	Adjustments for:		
	Depreciation and Amortization expenses	407.02	412.38
	Loss/(Profit) on sale of Fixed Assets	(3.91)	(1.06)
	Provision/Liabilities no longer required written back	(867.45)	(262.27)
	Foreign Exchange Fluctuations	(0.42)	(1.24)
	Provision for unrecoverable advance & Doubtful Debts	25.01	-
	Fair Value Adjustment	(333.23)	(50.79)
	Interest Received	(27.94)	(97.18)
	Finance Costs	104.90	127.38
	Operating Profit before Working Capital changes	6,524.25	6,885.45
	Adjustments for:		
	Change in Financial Assets, Non-Current Assets	63.00	(121.11)
	Change in Inventories & Biological Assets	(1,122.39)	(549.08)
	Change in Trade Receivables	(84.52)	362.40
	Change in Financial & Other Liabilities & Trade Payables	(514.51)	(1,340.92)
	Change in Provisions	75.38	(24.05)
	Cash generated from Operations	4,941.21	5,212.69
	Income Tax (Paid)/Refund (Net)	(1,748.84)	(1,323.96)
	Net Cash from the Operating Activities	3,192.37	3,888.73
B.	Cash Flow From Investing Activities		
	Purchase of Fixed Assets	(469.11)	(374.75)
	Investments	(2,620.32)	(3,256.04)
	Sale of Fixed Assets	22.21	4.25
	Interest Income	27.94	87.90
	Other Bank Balance: Deposits within 3 to 12 Months Maturity	(35.45)	36.32
	Net Cash from Investing Activities	(3,074.73)	(3,502.32)
C.	Cash Flow from the Financing Activities		
	Short Term Borrowings	(271.53)	(238.54)
	Interest Paid	(53.11)	(78.24)
	Net Cash From Financing Activities	(324.64)	(316.78)
	Net Increase/(Decrease) in Cash Equivalents	(207.00)	69.63
	Cash and Cash Equivalents at the beginning of the year	489.64	420.01
	Cash and Cash Equivalents at the end of the year	282.64	489.64

Notes:

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

(₹ in lakhs)

Balances with Banks	Current Year	Previous Year
-in Current Accounts	280.27	274.35
-Short term Deposits	-	200.03
Cash in hand	2.37	3.36
Cheques/Drafts in hand	-	11.9
	282.64	489.64

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

Chartered Accountants

(P.K. Jain)

Partner

Place: Kolkata

Date: 21st May, 2018

Saurabh Arora

Company Secretary

P.K. Agrawal

Chief Financial Officer

G.P. Goenka

Executive Chairman

Madhukar Mishra

Managing Director

Shiromani Sharma

M.P. Pinto

Shrivardhan Goenka

Savita L. Acharya (Ms)

Directors

[illegible]



STAR PAPER MILLS LIMITED

Registered Office : Duncan House,
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Kolkata-700 001