

The Board of Directors  
Star Paper Mills Limited  
Duncan House, 2<sup>nd</sup> Floor  
31, Netaji Subhash Road  
Kolkata- 700 001

**Limited Review Report**

1. We have reviewed the accompanying statement of unaudited financial results ( the Results) of Star Paper Mills Limited for the quarter ended on 31<sup>st</sup> December 2014 *except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us.* This statement is the responsibility of the Company's Management and has been approved by the Board of Directors and has been initialed by us for identification only.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is invited to Note 2 of the Results regarding the remuneration payable to managerial personnel for earlier years amounting to Rs. 21.57 Lakhs, which due to inadequacy of profit has exceeded the limits prescribed under the provisions of the Companies Act 1956 and the same is subject to the approval of Central Government.
4. Based on our review conducted as above, we report that, subject to our comments as given in Para 3 above and non-provision of liability towards Mandi Fee and non-determination of amount thereof, as stated in Note 4 of the accompanying statement, nothing has come to our notice that causes us to believe that the accompanying statements of unaudited financial results prepared in accordance with applicable Accounting Standards issued under the Companies (Accounting Standards) Rule, 2006 as required in terms of Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with Stock Exchanges in India including the manner in which is to be disclosed, or that it contains any material misstatement.

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



H K Verma  
Partner

Membership No.055104

Dated: 11<sup>th</sup> February 2015  
Place: Kolkata

**UN AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31<sup>st</sup> DECEMBER - 2014**

| PART-4                                                                                             |               | (Rs. in Lakhs) |              |                   |              |            |
|----------------------------------------------------------------------------------------------------|---------------|----------------|--------------|-------------------|--------------|------------|
| Particulars                                                                                        | QUARTER ENDED |                |              | NINE MONTHS ENDED |              | Year ended |
|                                                                                                    | 31.12.2014    | 30.09.2014     | 31.12.2013   | 31.12.2014        | 31.12.2013   | 31.03.2014 |
|                                                                                                    | (Un-audited)  | (Un-audited)   | (Un-audited) | (Un-audited)      | (Un-audited) | (Audited)  |
| 1 Income from Operations                                                                           |               |                |              |                   |              |            |
| a) Net sales / Income from Operations(Net)                                                         | 6939          | 6572           | 7446         | 19497             | 19985        | 26782      |
| b) Other operating income                                                                          | 112           | 193            | 182          | 435               | 531          | 720        |
| Total Income from Operations (Net)                                                                 | 7051          | 6765           | 7628         | 19932             | 20516        | 27502      |
| 2 Expenditure                                                                                      |               |                |              |                   |              |            |
| a) Cost of materials consumed                                                                      | 2192          | 1997           | 2710         | 6608              | 7636         | 10102      |
| b) Purchase of Stock-in-trade                                                                      | 0             | -              | -            | -                 | -            | -          |
| c) Change in Inventories of finished goods, work- in- progress and stock-in-trade                  | 256           | (7)            | (257)        | (76)              | 224          | 281        |
| d) Employees benefits expense                                                                      | 674           | 751            | 649          | 2085              | 1926         | 2562       |
| e) Chemicals and Dyes Consumed                                                                     | 781           | 873            | 1283         | 2520              | 3142         | 4126       |
| f) Power & Fuel                                                                                    | 1891          | 1912           | 2316         | 5518              | 6067         | 8068       |
| g) Depreciation and amortisation expenses                                                          | 123           | 111            | 278          | 366               | 832          | 1108       |
| h) Other Expenses                                                                                  | 840           | 781            | 894          | 2306              | 2277         | 3171       |
| Total Expenses                                                                                     | 6757          | 6418           | 7873         | 19327             | 22104        | 29418      |
| 3 Profit/(Loss) from Operations before other income, finance cost and exceptional items(1-2)       | 294           | 347            | (245)        | 605               | (1588)       | (1916)     |
| 4 Other Income                                                                                     | 36            | 26             | 5            | 76                | 32           | 112        |
| 5 Profit/(Loss) from ordinary activities before finance cost and exceptional items(3+4)            | 330           | 373            | (240)        | 681               | (1556)       | (1804)     |
| 6 Finance Costs                                                                                    | 108           | 112            | 112          | 336               | 325          | 457        |
| 7 Profit/(Loss) from ordinary activities after finance cost but before exceptional items(5-6)      | 222           | 261            | (352)        | 345               | (1881)       | (2261)     |
| 8 Exceptional Items                                                                                | 0             | 0              | 0            | 0                 | 0            | 349        |
| 9 Profit/(Loss) from ordinary activities before tax (7-8)                                          | 222           | 261            | (352)        | 345               | (1881)       | (2610)     |
| 10 Tax Expenses                                                                                    | 0             | (5)            | (47)         | 0                 | (188)        | (402)      |
| 11 Profit/(Loss) from ordinary activities after tax (9-10)                                         | 222           | 267            | (305)        | 345               | (1693)       | (2208)     |
| 12 Extraordinary Items (net of Tax Expenses)                                                       | 0             | 0              | 0            | 0                 | 0            | 0          |
| 13 Net Profit/(Loss) for the period (11-12)                                                        | 222           | 267            | (305)        | 345               | (1693)       | (2208)     |
| 14 Paid-up Equity Share Capital<br>(Face Value of Rs. 10/- per share)                              | 1561          | 1561           | 1561         | 1561              | 1561         | 1561       |
| 15 Reserves (excluding Revaluation Reserves)<br>(as per balance sheet of previous accounting year) | -             | -              | -            | -                 | -            | -          |
| 16 Earnings per Share (before extraordinary items)<br>(of Rs 10/-each) (not annualised)            |               |                |              |                   |              |            |
| - Basic                                                                                            | 1.42          | 1.71           | (1.95)       | 2.21              | (10.85)      | (14.15)    |
| - Diluted                                                                                          | 1.42          | 1.71           | (1.95)       | 2.21              | (10.85)      | (14.15)    |
| Earnings per Share (after extraordinary items)<br>(of Rs 10/-each) (not annualised)                |               |                |              |                   |              |            |
| - Basic                                                                                            | 1.42          | 1.71           | (1.95)       | 2.21              | (10.85)      | (14.15)    |
| - Diluted                                                                                          | 1.42          | 1.71           | (1.95)       | 2.21              | (10.85)      | (14.15)    |

**PART-II**

**A. PARTICULARS OF SHAREHOLDING**

|                                                                                       |         |         |         |         |         |         |
|---------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|
| <b>1 Public Shareholding</b>                                                          |         |         |         |         |         |         |
| No. of Shares                                                                         | 7826131 | 7826131 | 7326131 | 7826131 | 7326131 | 7326131 |
| % of Shareholding                                                                     | 50.14%  | 50.14%  | 46.94%  | 50.14%  | 46.94%  | 46.94%  |
| <b>2 Promoters &amp; Promoter Group Shareholding</b>                                  |         |         |         |         |         |         |
| a) Pledge/Encumbered:                                                                 |         |         |         |         |         |         |
| -Number of Shares                                                                     | 4230433 | 3130433 | 4930433 | 4230433 | 4930433 | 4930433 |
| -Percentage of shares (as a % of total shareholding of the promoter & promoter group) | 54.36%  | 40.23%  | 59.53%  | 54.36%  | 59.53%  | 59.53%  |
| -Percentage of shares (as a % of total share capital of the company)                  | 27.10%  | 20.06%  | 31.59%  | 27.10%  | 31.59%  | 31.59%  |
| b) Non-encumbered:                                                                    |         |         |         |         |         |         |
| -Number of Shares                                                                     | 3551786 | 4651786 | 3351786 | 3551786 | 3351786 | 3351786 |
| -Percentage of shares (as a % of total shareholding of the promoter & promoter group) | 45.64%  | 59.77%  | 40.47%  | 45.64%  | 40.47%  | 40.47%  |
| -Percentage of shares (as a % of total share capital of the company)                  | 22.76%  | 29.80%  | 21.47%  | 22.76%  | 21.47%  | 21.47%  |

|                                                |                                  |
|------------------------------------------------|----------------------------------|
|                                                | <b>3 MONTHS ENDED 31.12.2014</b> |
| <b>PARTICULARS</b>                             |                                  |
| <b>B. INVESTOR COMPLAINTS</b>                  |                                  |
| Pending at the beginning of the quarter        | 0                                |
| Received during the quarter                    | 0                                |
| Disposed off during the quarter                | 0                                |
| Remaining unresolved at the end of the quarter | 0                                |



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*[Handwritten initials]*

Notes

1. The Company operates in single business segment of Paper and Paper Board.
2. The auditors have qualified in the Auditors' Report for the year ended 31st March 2014 that the remuneration payable to managerial personnel for earlier years amounting to Rs. 64.51 Lakhs which due to inadequacy of profit exceeded the limits prescribed under the provisions of the Companies Act, 1956. Out of above, with regard to remuneration of Rs. 42.94 lakhs payable to Managing Director, approval from Central Government has been received during the quarter. Necessary steps are being taken to obtain approval for the remaining amount.
3. Depreciation for the quarter has been computed based on the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013 made effective from 1st April, 2014. Accordingly, net book value of the fixed assets existing as on date has been depreciated over the remaining useful life of the asset computed as aforesaid. Consequently, charge on account of depreciation for the quarter and nine months ended 31<sup>st</sup> Dec., 2014 is lower by Rs. 137.99 lakhs and Rs. 412.48 lakhs respectively.
4. Company's special leave petition (SLP) against the order of Hon'ble High Court Allahabad concerning the demand of mandi fee amounting to Rs. 230.00 lacs (excluding interest), which has been deposited, pertaining to goods procured in earlier years has since been rejected by the Hon'ble Supreme Court of India. Future course of action including filing of a review petition is being examined.
5. Previous years/periods figures have been re-grouped/re-arranged wherever necessary.
6. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 11<sup>th</sup> Feb., 2015.

11<sup>th</sup> Feb., 2015  
New Delhi

For Star Paper Mills Ltd

M. Mishra  
Managing Director

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