
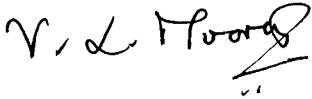




**FORM A**

1.	Name of the Company :	Gayatri Tissue and Papers Limited
2.	Annual financial statements for the year ended :	31 <sup>st</sup> March, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	Signatures :  1. Mr. P. Maruthi Babu – Executive Director  2. Dr. V.L. Moorthy - Audit Committee Chairman  3. For VAS & Co., Chartered Accountants- Statutory Auditors of the Company  Mr. G.S.S Srinivasa Rao Proprietor- Partner 020901	   



**GAYATRI TISSUE & PAPERS LTD.**

**28<sup>th</sup> ANNUAL REPORT 2013-2014**

## **BOARD OF DIRECTORS**

<b>Smt. T Indira Subbarami Reddy</b>	Chairperson
<b>Sri P Maruthi Babu</b>	Director
<b>Dr. V. L. Moorthy</b>	Director

### **Company Secretary & Compliance Officer**

Mr. Dinesh Vemula

## **STATUTORY AUDITORS**

VAS & Co.,  
Chartered Accountants  
5-392/5, Hyderbasti,  
Secunderabad - 500 003.

## **REGISTERED OFFICE**

16/137, Siddhartha Nagar  
No. 5, Near Prabodhan Krida Bhawan,  
Siddhartha Nagar,  
Goregaon (West), Mumbai – 400 104.

## **CORPORATE OFFICE**

B-1, TSR Towers, 6-3-1090,  
Rajbhavan Road, Somajiguda,  
Hyderabad – 500 082  
Tel : 040-23310330  
Fax : 040-23398435

## **BANKERS**

Canara Bank

## **REGISTRARS & TRANSFER AGENTS**

Venture Capital and Corporate Investments Pvt. Ltd.  
12-10-167, Bharat Nagar,  
Hyderabad - 500004  
Tel : 040 – 23818475

## NOTICE

**NOTICE** is hereby given that the Twenty Eighth Annual General Meeting of the Company will be held on Friday, the 19<sup>th</sup> day of September, 2014 at 10.30 a.m at Registered office of the Company at #16/ 137, Siddhartha Nagar No.5, Near Prabodhan Krida Bhawan, Siddhartha Nagar, Goregaon (West), Mumbai - 400104 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended as on that date and the reports of the Directors and Auditor's thereon.
2. **TO APPOINT AUDITORS AND FIX THEIR REMUNERATION**

To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of sections 139 (2) and 142(1) of the Companies Act 2013 the retiring Auditors, M/s. VAS & Co., Chartered Accountants, Hyderabad be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company from time to time."

### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT**, pursuant to provision of Section 149(10) of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, Shri. V.L. Moorthy (holding DIN 00013083), who holds office up to the date of this annual general meeting and liable to retire by rotation, be and is hereby appointed as Independent Director for a period of consecutive term of 5 years from the date of this general meeting."

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

**Appointment of Shri. P. Maruthi Babu, as Executive Director of the Company:**

**"RESOLVED THAT** pursuant to provisions of sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to such approvals/ permissions from any authorities as maybe necessary and subject to such modifications or stipulations as may be advised / stipulated by such authorities, approval of the members be and is hereby accorded for re-designating Shri. P.Maruthi Babu Director of the Company, as **Executive Director** w.e.f 19.09.2014 without any remuneration."

**"RESOLVED FURTHER THAT** any Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to do all acts deeds things necessary to give effect to this resolution."

For and on behalf of the Board

Place : Hyderabad  
Date : 14.08.2014

Sd/-  
**(P. MARUTHI BABU)**  
Director

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxies duly stamped and signed must be deposited at the company's registered office not less than 48 hours before the time for holding the meeting.
2. Members desirous of obtaining any information concerning the accounts and operations of the company, are requested to sent their queries to the Company at least seven days before the date of the meeting, so that the information required by the members may be made available at the meeting.
3. The Register of Members and the Share Transfer Registers will be closed from Tuesday 16<sup>th</sup> of September, 2014 to Friday, 19<sup>th</sup> of September, 2014 (both days inclusive).
4. Members are requested to intimate the Registrars and share transfer agents of the Company, M/s Venture Capital and Corporate Investments Pvt. Ltd, 12-10-167, Bharatnagar, Hyderabad - 500018 Ph: 23818475 immediately of any change in their address.
5. Members holding more than one share certificate in the same name under different folios are requested to apply for consolidation of such folios in one folio and send relevant share certificates to the company's registrars and share transfer agents M/s Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharatnagar, Hyderabad – 500 018 Ph: 23818475.
6. Members/proxies are requested to bring along with them the Annual Reports being sent to them.

**7. Appointment / Re-appointment of Directors**

The relevant information as required under Clause 49 of Listing Agreement concerning Corporate Governance Code in respect of appointment / re-appointment of Directors is given below for information of the Members;

**Dr. V.L. Moorthy**, is a master in science and Doctorate in Philosophy in the field of Pure Chemistry from University of Calcutta. He has an experience of 40 years in the field of paper and pulp Industry and visited many countries for project work operations. He worked with pulp & paper companies like ITC Bhadrachalam Paper Board in India and abroad.

**E-Voting Facility:**

**Process and Manner for members opting for e-voting is as under:-**

8. Voting through electronic means;
  - a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Securities Depository Limited (CSDL).
  - b. The instructions for e-voting are as under:

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

    - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
    - (ii) Click on "Shareholders" tab.
    - (iii) Now, select the "**Gayatri Tissue and Papers Limited**" from the drop down menu and click on "SUBMIT"
    - (iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

(v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

(vi) Now, fill up the following details in the appropriate boxes:

**For Members holding shares  
in Physical Form**

**For Members holding shares in  
Demat Form**

PAN\* Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

DOB# Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the Folio Number in the PAN field. Eg. If your name is Ramesh Kumar with Folio Number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on Gayatri Tissue and Papers Limited on which you choose to vote.

(xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The e-voting period commences on 13.09.2014 (9:00 am) and ends on 15.09.2014 (6:00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22.08.2014.

Mr. Y. Koteswara Rao, Practicing Company Secretary (Membership No. 3785) and has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favor or against, if any, forthwith to the Chairperson of the Company.

The Results shall be declared in the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.gtpltd.co.in](http://www.gtpltd.co.in) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

12. All documents referred to in the accompanying Notice and the Explanatory Statement shall open for inspection at the Registered Office of the Company during normal business hours 9.00am to 5.00 pm on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company

## **EXPLANATORY STATEMENT**

Pursuant to Section 102 of the Companies Act, 2013

### **Item No.3:**

Shri. V.L. Moorthy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on September 6, 1999.

Shri. V.L. Moorthy, holds a Masters Degree in science and a Doctorate in Philosophy in the field of pure chemistry from University of Calcutta. He has experience of 42 years in the fields of paper and pulp industry and was previously employed with ITC Bhadrachalam Paper Board.

Shri. V.L. Moorthy retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 is proposed to be appointed as an Independent Director for five consecutive years for a term upto 18<sup>th</sup> September, 2019.

In the opinion of the Board, Shri. V.L. Moorthy fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri. V.L. Moorthy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. V.L. Moorthy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. V.L. Moorthy as an Independent Director, for the approval by the shareholders of the Company by way of special resolution.

Except Shri. V.L. Moorthy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

### **Item No.4:**

Shri. P. Maruthi Babu, aged about 80 years, is a graduate in Electrical engineering having vast experience and had an active service of 38 years of which 19 years service in Andhra Pradesh State Electricity Board and 17 years in Central Autonomous Organization i.e., Central Board of Irrigation & Power. He has vast experience in Electrical Engineering, Administration and Accounts. As a senior officer in charge of Accounts in Central Board of Irrigation & Power, his experience is being used in the company for the benefit of reviewing the performance of Finance and Accounts of the company.

The Board of Directors at their meeting held on 14.08.2014, has approved the appointment, Shri. P. Maruthi Babu as Executive Director of the Company for a period of 5 years subject to the approval of members, with effect from 19<sup>th</sup> September, 2014 without any remuneration.

Except Shri. P. Maruthi Babu None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the above resolution for approval of the members by way of special resolution.



## DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Eighth Annual Report together with Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2014.

### Financial Results:

Your Directors are happy to report the operational results of the Company for the year ended 31<sup>st</sup> March 2014, the details of which are as under:

Rs. In Lakhs

Particulars	2013-2014	2012-2013
Total Income	526.12	605.53
Profit before depreciation and interest	46.29	54.92
Interest	—	—
Depreciation	—	—
Profit before tax	46.29	54.92
Provision for tax	14.59	17.18
Profit after tax	31.70	37.74

### Review of Operations:

The last few years were not the best for the infrastructure development in India and slow down of the economy has impacted all sectors. Additionally, companies continue to face challenges on the execution front such as delays in securing approvals in key infrastructure sectors such as power, roads and ports. In such a difficult business environment, most of the companies are facing severe financial strain and slow growth. The global economy is showing any signs of revival and the steps taken by new government to boost the economy will take time to show results. Hence in medium term the general outlook of industry is negative. In these difficult times, the Company has reasonably performed well by achieving the turnover of Rs 526.12 Laks in FY 2014 as against Rs 605.53 Laks in the previous year. The net profits after taxes are at Rs 31.70 lacs in FY 2014 as against Rs 37.74 Laks in the previous financial year.

### Dividend:

The Company proposes to retain profits of the current year for company's future plans and developments. Hence, your directors have not recommended dividend for the Financial Year 2013-2014.

### Listing of Securities:

The company's shares are listed with the Bombay Stock Exchange and the Company has complied with all rules, regulations and guidelines of the Stock Exchange.

### Directors Responsibility Statement:

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 your Directors state:

- i) That in preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- ii) That your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view

## **Twenty Eighth Annual Report**

of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

- iii) That your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That your Directors have prepared annual accounts on a going concern basis.

### **Public Deposits:**

The company has not accepted any deposit from the public falling under the provision of Section 58A and 58 AA of the Companies Act, 1956 during the year under review.

### **Auditors:**

The Auditors M/s. VAS & Co., Chartered Accountants, Secunderabad retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment as per the provisions of the Companies Act, 2013.

### **Particulars of Employees:**

The details required under section 217(2A) of the Companies Act, 1956 read the Companies (Particulars of Employees ) Rules, 1975 are not furnished as there are no employees who are covered under the above section.

### **Conservation of Energy and Foreign Exchange Earnings:**

Details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and outgo as required by Section 217(1)(e) of the Companies Act, 1956 read with the Companies ( Disclosure of the Particulars in the Report of Board of Directors ) Rules, 1988 are not given as the same is not applicable to the Company.

### **Corporate Governance:**

Pursuant to clause 49 of the Listing Agreement, a report on Corporate Governance and a certificate from the auditors of the company is given, which forms part of this report.

### **Compliance Certificate:**

The Company has obtained Compliance certificate pursuant to section 383A of the Companies Act, 1956 and is attached to this report.

### **Industrial Relations:**

Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation and creativity. The Industrial Relations continued to be peaceful during the year.

### **Acknowledgments:**

Your Directors wish to express their grateful appreciation for the cooperation and support received from the Government, Banks, vendors, customers, consultants, auditors, staff and others who have been assisting your Company in the various facets of its operations.

For and on behalf of the Board

Place : Hyderabad  
Date : 29.05.2014

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Director

Sd/-  
**(P. MARUTHI BABU)**  
Director



**Y. KOTESWARA RAO**  
**Practicing Company Secretary**  
H. No. 48-345, Ganesh Nagar Colony,  
Chinthal, HMT Road, Hyderabad – 500 054  
Phone: 040 2308 6394 (O & R)

## SECRETARIAL COMPLIANCE REPORT

**CIN** : L51900MH1987PLC042141  
**Nominal Capital** : Rs. 16,50,00,000/-  
**Name of the Company** : M/s GAYATRI TISSUE & PAPERS LIMITED

To,  
The Members,

I have examined the registers, records, books and papers of M/s. Gayatri Tissue & Papers Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a public limited Company, comments are not required.
4. The Board of Directors duly met four times respectively on 29.05.2013, 03.08.2013, 14.11.2013 and 14.02.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, and/or Debenture holders from September 4, 2013 to September 7, 2013 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2013 was held on 07.09.2013 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section where ever applicable.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.

11. As there were no instances falling within the purview of the section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
  - (i) has not made any allotment/transfer/transmission of securities during the financial year.
  - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - (iv) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and Shri P. Maruthi Babu who retired by rotation being eligible for re-appointment, has been re-appointed as Director and there was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/ or such authorities prescribed under various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has so far not issued any redeemable preference shares/debentures.
22. During the year under review, the Company has not declared any dividend, rights shares and bonus shares and hence the question of keeping in abeyance right to dividend, rights shares and bonus shares pending registration of transfer of shares does not arise.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31<sup>st</sup> March 2014.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the Company, and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The provisions of Employees Provident Fund and Miscellaneous Provisions Act 1952 are not applicable to the company.

Place : Hyderabad  
Date : 29.05.2014

Signature : Sd/-  
Name of Practicing  
Company Secretary: **Y. KOTESWARA RAO**  
C. P. No. : **7427**

**Annexure 'A'-SECRETARIAL COMPLIANCE CERTIFICATE**

**CIN** : L51900MH1987PLC042141  
**Nominal Capital** : Rs. 16,50,00,000/-  
**Name of the Company** : M/s GAYATRI TISSUE & PAPERS LIMITED

Registers Maintained by the Company

Sl. No.	Section Number	Name of the Register
1	108	Share Transfer Register
2	150/151	Register of Members/Index of members
3	193	Minutes of all meetings of Board of Directors
4	193(1)	Minutes of A.G.M/Extra-ordinary General Meetings
5	303	Register of Directors
6	307	Register of Directors' shareholding
7	-	Board Meeting/Shareholders attendance register(s)
8	297/299/301/301(3)	Register of contracts, companies and firms in which Directors of the company are interested.
9	372A	Register of Investments, Loans.

Place : Hyderabad  
Date : 29.05.2014

Signature : Sd/-  
Name of Practicing  
Company Secretary: **Y. KOTESWARA RAO**  
C. P. No. : **7427**

## Annexure 'B'-SECRETARIAL COMPLAINEE CERTIFICATE

**CIN** : L51900MH1987PLC042141  
**Nominal Capital** : Rs. 16,50,00,000/-  
**Name of the Company** : M/s GAYATRI TISSUE & PAPERS LIMITED

Returns/Documents/Forms filed with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended March 31, 2014.

### FOR THE YEAR 2013-2014 (01-04-2013 TO 31-03-2014) REGISTRAR OF COMPANIES

Sl. No.	Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form – 66	383A	Certificate of Secretarial Compliance for the year ended 31.03.2013 (Due date on or before 07/10/2013)	07/10/2013	Yes	No
2	Form – 23AC & 23ACA XBRL	220	Balance Sheet and Profit and Loss Account for the year ended 31.03.2013 adopted at the AGM held on 07/09/2013. (Due date on or before 07/10/2013)	29/11/2013	No	Yes
3	SH – V Form – 20B	159/160	Annual Return for the year 31/03/2013 made up to AGM held on 07/09/2013 (Due Date on or before 06/11/2012)	01/11/2013	Yes	—

#### REGIONAL DIRECTOR

NIL

#### CENTRAL GOVERNMENT & OTHER AUTHORITIES

NIL

Place : Hyderabad  
 Date : 29.05.2014

Signature : Sd/-  
 Name of Practicing  
 Company Secretary: **Y. KOTESWARA RAO**  
 C. P. No. : **7427**

## REPORT ON CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At the outset Clause – 49 of the Listing Agreement is not applicable to the Company as neither paid up capital nor the Net Worth of the Company has met the threshold limits prescribed by Securities and Exchange Board of India (SEBI). However, the Company believes that a good corporate governance practice enables the management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stakeholders. The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has adopted a code of conduct for members of the Board and senior management, who have all affirmed in writing their adherence to the code.

### II. BOARD OF DIRECTORS

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Memberships held by them in other companies is given below. Other Directorships do not include alternate Directorships, Directorships of private Ltd companies and of companies incorporated outside India. Chairmanship/ membership of Board Committees includes membership of Audit and Shareholders/Investors Grievance Committees.

Name of the Director & Category	No. of Board meetings during the year 2013-14		Whether attended last AGM held on 7th September 2013	No. of Directorships in other public Companies	No. of Committee positions held in other public companies	
	Held	Attended			Chairman	Member
Mrs. T Indira Subbarami Reddy (Chairperson) Non Executive & Non Independent	4	4	No	6	—	1
Mr. P. Maruthi Babu Executive & Non Independent	4	4	No	3	1	2
Dr. V L Moorthy Non Executive & Independent	4	4	Yes	3	—	2

Meetings held in the Financial Year 2013-2014 and the attendance of Directors:

The Board meets at least once in a quarter to consider among other business, the quarterly performance of the company and financials results. During the financial year 2013-2014, the Board held four meetings on 29.05.2013, 03.08.2013, 14.11.2013 and 14.02.2014.

### III. AUDIT COMMITTEE

- a) The Audit Committee of the Company is duly constituted taking into consideration of Clause 49 of the Listing Agreements with the Stock Exchanges to the maximum extent.

The Functions of Audit Committee include:

- ❖ Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.



- ❖ Reviewing the adequacy of internal audit functions.
  - ❖ Reviewing the quarterly and annual financial statements before submission to the Board.
  - ❖ Reviewing the adequacy of internal control and their compliance thereof.
  - ❖ Reviewing the Company's financial and risk management policies.
- b) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below :

Name of the Director	No. of Audit Committee meetings	
	Held	Attended
Dr. V.L. Moorthy – Chairman	4	4
Mr. P. Maruthi Babu – Member	4	4
Smt. T. Indra Subbarami Reddy – Member	4	4

Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: on 29.05.2013, 03.08.2013, 14.11.2013 and 14.02.2014. The necessary quorum was present at all the meetings.

**IV. Remuneration Committee**

During the year no remuneration committee meetings held.

**V. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE**

- a) A Shareholders / Investors Grievance Committee of Directors reviews the following:
- Transfer/transmission of shares / debentures
  - Issue of duplicate share certificates
  - Review of shares dematerialized and all other relevant matters
  - Monitors expeditious redressal of investor's grievances
  - Non receipt of Annual reports and declared dividend
  - All other matters related to shares/debentures
- b) The constitution of Shareholders/Investors Grievance Committee is as follows:
1. Dr. V.L. Moorthy                      Chairman
  2. Mr. P. Maruthi Babu                Member

Name of the Director	No. of Audit Committee meetings	
	Held	Attended
Dr. V.L. Moorthy – Chairman	NIL	NIL
Mr. P. Maruthi Babu – Member	NIL	NIL

- c) Name, designation and address of Compliance Officer:

**Dinesh Vemula**

Company Secretary & Compliance Officer  
 6-3-1090, TSR Towers  
 Raj Bhavan Road, Somajiguda, Hyderabad – 500082  
 Tel: +91 40 23310330 Fax: +91 40 23398435  
 E Mail: [cs@gayatri.co.in](mailto:cs@gayatri.co.in)

d) Details of complaints received and redressed :

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

**VI. GENERAL BODY MEETINGS**

**Annual General Meeting**

The Twenty Fifth Annual General Meeting of the Company was held on 16<sup>th</sup> September, 2011 at 3.30 PM at the Registered Office of the Company.

The Twenty Sixth Annual General Meeting of the Company was held on 28<sup>th</sup> September, 2012 at 3.00 PM at the Registered Office of the Company.

The Twenty Seventh Annual General Meeting of the Company was held on 7<sup>th</sup> September, 2013 at 12.30 PM at the Registered Office of the Company.

**Extra ordinary General Meeting**

No Extra ordinary General Meeting of the shareholders of the Company was conducted during the year.

No Postal Ballot was conducted during the year

**VII. DISCLOSURES**

1. Transactions entered with related parties during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. These transactions have no potential conflict with the interests of the Company at large.
2. The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the Directors and the members of the Senior Management and the code has also been posted on the Company's website.
3. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014: Nil.
4. Secretarial Audit:

A Qualified Practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**VIII. MEANS OF COMMUNICATION**

The quarterly, half-yearly results of the Company are published in leading newspapers in India which include Financial Express and Nav Shakti.

**IX. GENERAL SHAREHOLDER INFORMATION**

**a) Annual General Meeting :**

Financial Year : 2013 – 2014

Date : 19.09.2014

Time : 10.30 AM

Venue : 16/137, Siddhartha Nagar, No.5, Near Prabodhan Krida Bhawan, Siddhartha Nagar, Goregaon (West), Mumbai -400104.

**b) Financial Calendar (tentative) :**

For the Financial Year 2013-14, results will be announced on:

Results for the first quarter ended : Latest by Second week of August 2014  
June 30, 2014

Results for the second quarter ended : Latest by Second week of November 2014  
September 30, 2014

Results for the third quarter ended : Latest by Second week of February 2015  
December 31, 2014

Results for the fourth quarter ended : Within the time stipulated in Clause 41 of the Listing  
March 31, 2015 Agreement.

**c) Date of Book Closure:** From Tuesday 16<sup>th</sup> of September, 2014 to Friday the 19<sup>th</sup> of September, 2014 (both days inclusive).

**d) Listing on Stock Exchanges:** The shares of the Company are listed on The Bombay Stock Exchange. Listing Fee has been paid for the stock exchange for the financial year 2014-2015.

**e) Stock Market data :**

**Stock Code : 512479**

**Scrp ID : GYTRIPA**

**f) Registrar and Transfer Agents :**

VENTURE CAPITAL AND CORPORATE INVESMENTS PVT. LTD.

12-10-167 Bharat Nagar,

Hyderabad – 500018

Tel: 040 – 23818475/23818476/23868023

Fax: 040 – 23868024

Email: [info@vccilindia.com](mailto:info@vccilindia.com)

Website: [www.vccilindia.com](http://www.vccilindia.com)

**g) Share Transfer System :**

Transfers of shares held on dematerialized form are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with the Registrars & Share Transfer Agents at the above mentioned addresses. Transfers of shares in physical form are normally processed within 15 days from the date of receipt, if the documents are complete in all respects. The Directors and the Company Secretary are severally empowered to approve transfers.

**j) Shareholding as on 31<sup>st</sup> March, 2014**

**1) Categories of Shareholders as on 31<sup>st</sup> March, 2014:**

Shareholders	As on 31 <sup>st</sup> March, 2014		As on 31 <sup>st</sup> March, 2013	
	No. of Shares	%	No. of Shares	%
Promoters	1124700	74.98	1124700	74.98
Financial Institutions and Banks	—	—	—	—
Private corporate bodies	—	—	—	—
Indian Public	375300	25.02	375300	25.02
NRI/OCB	—	—	—	—
Clearing member	—	—	—	—
<b>Total</b>	<b>1500000</b>	<b>100.00</b>	1500000	100.00

**2) Distribution of Shareholding (as on 31<sup>st</sup> March, 2014)**

Category	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
Upto - 500	20	10.87	3000	0.2
501 - 1000	18	9.78	16700	1.11
1001 - 2000	100	54.35	157300	10.49
2001 - 3000	33	17.93	82000	5.47
3001 - 4000	7	3.8	24400	1.63
4001 - 5000	4	2.17	17800	1.19
10001 and above	2	1.09	1198800	79.92
Total	184	100	1500000	100

**3) Address for Correspondence**

**CS Dinesh Vemula**

Company Secretary & Compliance Officer

6-3-1090, TSR Towers

Raj Bhavan Road, Somajiguda, Hyderabad – 500 082

Tel: +91 40 23310330 Fax: +91 40 23398435

E Mail: csdinesh@gayatri.co.in

**DECLARATION**

As stipulated under the provisions of the sub-clause I (D) (iii) of Clause 49 of the Listing Agreement with stock exchanges, all the Directors and the designated personnel in the senior management of the Company have affirmed compliance with the code for the financial year ended 31<sup>st</sup> March, 2014.

**For GAYATRI TISSUE & PAPERS LTD**

Place : Hyderabad

Date : 29.05.2014

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Director

Sd/-  
**(P. MARUTHI BABU)**  
Director

## **Chief Executive Officer and Chief Finance Officer Certification under Clause 49 of the Listing Agreement with the Stock Exchange**

In relation to the Audited Financial Accounts of the Company as at 31<sup>st</sup> March, 2014, we hereby certify that

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the applicable accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**(P. MARUTHI BABU)**  
Director

Place : Hyderabad  
Date : 29.05.2014



**VAS & CO.,**  
CHARTERED ACCOUNTANTS  
# 5-392/5 Hyderbasti,  
Secunderabad – 500 003  
Tel. 27542721

**Certificate on Compliance of Corporate Governance as per the Standard Listing Agreement:**

**To the Members of Gayatri Tissue & Papers Limited**

We have examined the compliance conditions of corporate governance by Gayatri Tissue & Papers Ltd for the year ended 31<sup>st</sup> March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that, as per the records maintained by the Grievance Committee there are no investor grievances pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For VAS & CO.,**  
Chartered Accountants

Sd/-  
**G.S.S. SRINIVAS**  
Proprietor  
Membership No. 020901

Place : Secunderabad  
Date : 29.05.2014



**VAS & CO.,**  
CHARTERED ACCOUNTANTS  
# 5-392/5 Hyderbasti,  
Secunderabad – 500 003  
Tel. 27542721

## **INDIPENDENT AUDITORS' REPORT**

To the Members of **GAYATRI TISSUE & PAPERS LIMITED,**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **GAYATRI TISSUE & PAPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

## ***Twenty Eighth Annual Report***

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of cash flow statement, of the cash flows for the year ended on that date;

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the cash flow statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For VAS & CO.,**  
Chartered Accountants

Sd/-  
**G.S.S. SRINIVAS**  
Proprietor  
Membership No. 020901

Place : Secunderabad  
Date : 29.05.2014





## ANNEXURE TO THE AUDITOR'S REPORT

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

1. In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) None of the fixed assets was disposed off during the year.
2. In respect of its inventories:

As explained to us, there are no inventories in the company and hence clause (ii) of paragraph 4 of the Order is not applicable.
3. In respect of the Loans secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act.
  - a. The Company has not granted any loans, Secured or unsecured, to Companies, Firms or other parties covered in the register maintained under section 301 of the Act. Accordingly sub clauses (b), (c), (d) & (e) of clause (iii) of this Order are not applicable.
  - b. In our opinion and according to the information and explanations given to us, the rate of interest, where ever applicable and other terms and conditions of the unsecured loans taken by the Company are not prima facie, prejudicial to the interest of the Company.
  - d. The Company has not taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956.
  - a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
  - b. According to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of such contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lakhs in respect of each party during the year have been made at prices, which are reasonable having regard to the prevailing market price at the relevant time.
6. The Company has not accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- 8 We have broadly reviewed the book of accounts maintained by the company where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9 In respect of statutory dues:
- a. According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sale tax, service tax, and other material statutory dues applicable to it. There are no arrears of statutory dues as at 31<sup>st</sup> March, 2014, which are outstanding for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, sale tax, service tax, were in arrears, as at the last day of the financial year for a period of more than six months from the date they became payable.
- 10 The Company has no accumulated losses as at 31st March, 2014 and it has not incurred any cash loss in the financial year under report and in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- 12 In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14 In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. All the shares held as investments have been held by the Company in its own name.
- 15 The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 To the best of our knowledge and belief and according to the information and explanations given to us, the company has not availed any term loans.
- 17 According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that there are no funds raised on short-term basis, prima facie, been used during the year for long-term investments.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures during the year. Hence clause (xix) of paragraph 4 of the Order is not applicable.
- 20 The Company has not raised any money by the way of Public Issue during the year. Hence, clause (xx) of paragraph 4 of the Order is not applicable.
- 21 To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For VAS & CO.,**  
Chartered Accountants

Sd/-  
**G.S.S. SRINIVAS**  
Proprietor  
Membership No. 020901

Place : Secunderabad  
Date : 29.05.2014

**BALANCE SHEET AS AT 31st MARCH, 2014**

Amount (Rs.)

Particulars	Note	As at 31st March, 2014		As at 31st March, 2013	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholder's Funds</b>					
a) Share capital	2	<b>1,50,00,000</b>		1,50,00,000	
b) Reserves & Surplus	3	<b>1,83,30,463</b>	<b>3,33,30,463</b>	1,51,60,383	3,01,60,383
<b>2. Non-Current Liabilities</b>					
a) Long-term borrowings		—		—	
b) Deferred tax liabilities (net)		—		—	
c) Other long-term liabilities	4	—		5,57,000	
d) Long-term provisions		—		—	5,57,000
<b>3. Current Liabilities</b>					
a) Short-term borrowings		—		—	
b) Trade payables		—		—	
c) Other current liabilities	5	<b>60,340</b>		35,590	
d) Short-term provisions	6	<b>45,25,429</b>	<b>45,85,769</b>	36,47,847	36,83,437
<b>TOTAL:</b>			<b><u>3,79,16,232</u></b>	<u>3,44,00,820</u>	<u>3,44,00,820</u>
<b>II. ASSETS</b>					
<b>1. Non-Current Assets</b>					
a) Fixed Assets					
i) Tangible assets		—		—	
ii) Intangible assets		—		—	
iii) Capital Work-in-Progress		—		—	
b) Non-current investments		—		—	
c) Long-term loans & advances		—	—	—	—
<b>2. Current Assets</b>					
a) Inventories		—		—	
b) Trade receivables	7	<b>2,29,26,209</b>		1,48,84,546	
c) Cash & Bank Balances	8	<b>7,64,154</b>		8,82,515	
d) Short-term loans & Advances	9	<b>48,70,353</b>		74,07,139	
e) Other current assets	10	<b>93,55,516</b>	<b>3,79,16,232</b>	1,12,26,620	3,44,00,820
<b>TOTAL:</b>			<b><u>3,79,16,232</u></b>	<u>3,44,00,820</u>	<u>3,44,00,820</u>
Significant accounting policies	1				

The accompanying notes and other explanatory information form an integral part of the financial statements.  
As per our report attached For and on behalf of the Board

**For VAS & CO.,**  
Chartered Accountants

Sd/-  
**G.S.S. SRINIVAS**  
Proprietor  
Membership No. 020901

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Director

Sd/-  
**(P. MARUTHI BABU)**  
Director

Place : Hyderabad  
Date : 29-05-2014

Sd/-  
**(DINESH VEMULA)**  
Company Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014**

Amount (Rs.)

Particulars	Note	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
I. Revenue from Operations		5,26,12,500	6,05,52,970
II. Other Income		—	4,18,848
<b>III. Total Revenue</b>		<b>5,26,12,500</b>	<b>6,09,71,818</b>
<b>IV. EXPENSES</b>			
Work Expenditure	11	4,55,69,979	5,30,86,229
Employee benefit expense	12	14,76,000	15,58,000
Other expenses	13	9,37,658	8,35,762
<b>Total Expenses</b>		<b>4,79,83,637</b>	<b>5,54,79,991</b>
<b>V. Profit before exception &amp; extraordinary items and tax</b>		<b>46,28,863</b>	<b>54,91,827</b>
VI. Exceptional Items		—	—
<b>VII. Profit before extraordinary items and tax</b>		<b>46,28,863</b>	<b>54,91,827</b>
VIII. Extraordinary Items		—	—
<b>IX Profit before Tax</b>		<b>46,28,863</b>	<b>54,91,827</b>
<b>X Tax Expenses</b>			
a) Current tax expenses relating to prior years		—	—
b) Current Tax		14,58,783	17,18,191
c) Deferred Tax		—	—
<b>XI Profit (Loss) for the year</b>		<b>31,70,080</b>	<b>37,73,636</b>
<b>XII Earning per share</b> (of Rs. 10/- each)			
a) Basic and diluted		2.11	2.52
Significant accounting policies	1		

The accompanying notes and other explanatory information form an integral part of the financial statements.  
As per our report attached For and on behalf of the Board

**For VAS & CO.,**  
Chartered Accountants

Sd/-  
**G.S.S. SRINIVAS**  
Proprietor  
Membership No. 020901

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Director

Sd/-  
**(P. MARUTHI BABU)**  
Director

Place : Hyderabad  
Date : 29-05-2014

Sd/-  
**(DINESH VEMULA)**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Amount (Rs.)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extra ordinary items	46,28,863	54,91,827
Adjustment for:		
Add: Depreciation	—	—
<b>Operating profit before working capital changes</b>	<u>46,28,863</u>	<u>54,91,827</u>
Adjustment for:		
Increase /Decrease in deposit	—	—
Increase /Decrease in debtors	(80,41,663)	(60,24,929)
Increase /Decrease in other advances	44,07,890	29,03,991
Increase /Decrease in other liabilities	24,750	(2,37,435)
Increase /Decrease in sundry Creditors	—	—
	<u>(36,09,023)</u>	<u>(33,58,373)</u>
<b>Cash generated from operations</b>	<u>10,19,840</u>	<u>21,33,454</u>
Taxes paid	5,81,201	15,61,380
<b>Net cash from operating activities</b>	<u>4,38,639</u>	<u>5,72,074</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Net cash from investing activities	—	—
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES :</b>		
Advances	(5,57,000)	—
<b>Net cash from financing activities</b>	<u>(5,57,000)</u>	<u>—</u>
<b>A+B+C</b>	<u>(1,18,361)</u>	<u>5,72,074</u>
Cash & cash equivalents at 1st April 2012	8,82,515	3,10,441
Cash & cash equivalents at 31st March 2013	7,64,154	8,82,515

**Note:** 1. Cash and cash equivalents consist of cash on hand and balances with banks.  
2. The cash flow statement is prepared in accordance with the indirect method stated in accounting standard 3 issued by ICAI on Cash flow statements and presents cash flows by Operating, Investing and Financing activities.

As per our report attached

For and on behalf of the Board

**For VAS & CO.,**  
Chartered Accountants

Sd/-  
**G.S.S. SRINIVAS**  
Proprietor  
Membership No. 020901

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Director

Sd/-  
**(P. MARUTHI BABU)**  
Director

Place : Hyderabad  
Date : 29-05-2014

Sd/-  
**(DINESH VEMULA)**  
Company Secretary

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31.03.2014.**

### **Corporate Information :**

Gayatri Tissue and Papers Ltd. was incorporated in the year 1987 executing civil works as sub-contractors.

### **1. SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1. Basis for preparation of financial statements**

The financial statements have been prepared to comply in all respects with mandatory Accounting Standards issued by Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The accounts are prepared under historical cost convention and on the going concern basis, with revenue recognized, expenses accounted on their accrual and in accordance with applicable Accounting Standards issued by Institute of Chartered Accountants of India. The accounting policies have been consistently applied by the company.

#### **1.2. Use of estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### **1.3. Revenue recognition**

- a) Revenue from fixed price construction contracts is recognised by reference to the percentage of completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. Such estimates, made by the Company and certified to the Auditors have been relied upon by them, as there are of technical nature.
- b) The stage of completion of contracts is measure by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.

#### **1.4. Fixed Assets and Depreciation**

- a) Fixed Assets are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are of capital in nature are capitalized at cost, which comprises of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use.
- b) Depreciation is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Leasehold improvements are amortized over the period of lease.

#### **1.5. Earning per share**

Basic and Diluted Earnings per Share (EPS) is reported in accordance with Accounting Standard on Earning Per Share issued by ICAI. EPS is computed by dividing the net profit or loss for the year by weighted average number of Equity shares outstanding during the year.

#### **1.6. TAXATION**

##### **a) Current Tax**

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961. Provision for deferred tax is made for timing differences arising between the taxable incomes and accounting income computed using the tax rates and the laws that have been enacted or substantively enacted as of the Balance Sheet date.

**b) Deferred Taxes**

Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

**1.7. IMPAIRMENT OF FIXED ASSETS**

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the higher of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

**2. SHARE CAPITAL**

Particulars	As at March, 2014	As at March, 2013
<b>Authorised</b> 1,65,00,000 Equity shares of '10/- par value	<b>16,50,00,000</b>	16,50,00,000
<b>Issued, Subscribed and Paid-Up</b> Equity shares, '10/- par value 15,00,000 equity shares fully paid-up	<b>1,50,00,000</b>	1,50,00,000
	<b>1,50,00,000</b>	1,50,00,000

**2 (a)** The details of Share Holders holding more-than 5 percent shares as at 31st March, 2014 and 31st March, 2013 is set out below:

Shareholders	As on 31 <sup>st</sup> March, 2014		As on 31 <sup>st</sup> March, 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
T. Indira Subbarami Reddy	<b>11,24,700</b>	<b>74.98</b>	11,24,700	74.98

**3. RESERVES AND SURPLUS**

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>General Reserve</b> Opening Balance Add: Transferred from Surplus	<b>20,00,000</b> — <b>20,00,000</b>	20,00,000 — 20,00,000
<b>Profit and Loss Account</b> Opening Balance Add: Net profit after Tax Amount available for appropriation	<b>1,31,60,383</b> <b>31,70,080</b> <b>1,63,30,463</b>	93,86,747 37,73,636 1,31,60,383
<b>TOTAL</b>	<b>1,83,30,463</b>	1,51,60,383

**4. OTHER LONG TERM LIABILITIES**

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Loans and Advances</b>		
<i>Secured, considered good</i>	—	5,57,000

**5. OTHER CURRENT LIABILITIES:**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Current maturities of long term debt	—	—
Remuneration Payable to Directors	—	—
Unpaid dividends	—	—
Unpaid matured debentures and interest accrued thereon	—	—
Other Liabilities	60,340	35,590
<b>TOTAL</b>	<b>60,340</b>	<b>35,590</b>

**6. SHORT TERM PROVISIONS :**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for income tax	<b>45,25,429</b>	36,47,847

**7. TRADE RECEIVABLES**

Particulars	As at 31st March, 2014	As at 31st March, 2013
<i>Trade receivables outstanding for a period less than six months from the date they are due for payment</i>		
Unsecured, considered good	<b>2,29,26,209</b>	1,48,73,807
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
<i>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</i>		
Unsecured, considered good	—	10,739
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
<b>TOTAL</b>	<b>2,29,26,209</b>	1,48,84,546

**8. CASH AND CASH EQUIVALENTS**

Particulars	As at 31st March, 2014	As at 31st March, 2013
a) Cash on hand	<b>6,14,038</b>	2,07,786
b) Balances with Banks	<b>1,50,116</b>	6,74,729
<b>TOTAL</b>	<b>7,64,154</b>	8,82,515



**9. SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>a) Loans and Advances to Related Parties</b>		
<i>Secured, Considered Good</i>	—	—
Advances to Suppliers	—	—
Advances to Subcontractors	—	—
Staff Advances	—	—
Other Advances	—	—
<b>b) Loans and Advances to Others</b>		
<i>Secured, Considered Good</i>	—	—
Advances to Labour contractors	—	37,83,000
Rent Advance	<b>50,000</b>	50,000
Other Advances	<b>48,20,353</b>	35,74,139
<b>TOTAL</b>	<b>48,70,353</b>	74,07,139

**10. OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Pre-operative Expenses	<b>93,55,516</b>	1,12,26,620

**11. WORK EXPENDITURE**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Earth Work	<b>4,36,98,875</b>	5,12,15,125
Other Work Expenditure	<b>18,71,104</b>	18,71,104
<b>TOTAL</b>	<b>4,55,69,979</b>	5,30,86,229

**12. EMPLOYEE BENEFITS EXPENSES**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Salaries and Wages	<b>14,76,000</b>	15,58,000
Staff Welfare	—	—
<b>TOTAL</b>	<b>14,76,000</b>	15,58,000

**13. OTHER EXPENSES**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Printing and Stationery	<b>28,255</b>	24,487
Telephones	<b>54,000</b>	48,000
Traveling and Conveyance	<b>54,385</b>	76,815
Advertisement Expenses	<b>1,76,553</b>	1,73,395

General Expenses	<b>1,14,935</b>	1,36,031
Consultancy Fee	<b>1,12,200</b>	67,562
Listing Fee	<b>30,336</b>	30,336
Rent	<b>1,80,000</b>	1,69,500
Office Maintenance	<b>1,00,532</b>	78,755
Registration & Filing Fee	<b>4,207</b>	1,593
Interest	<b>49,770</b>	—
Bank Charges	<b>4,395</b>	1,198
Auditors Remuneration	<b>28,090</b>	28,090
<b>TOTAL</b>	<b>9,37,658</b>	8,35,762

**14. Earning Per Share (EPS)**

Earning per share calculated as per Accounting Standard 20 on Earning per share issued by the ICAI. For the purpose of computing

<b>Particulars</b>	<b>2013-14</b>	2012-13
a) Net profit available for equity share holders	<b>31,70,080</b>	37,73,636
b) Weighted average No. of equity shares as denominator for calculating EPS.	<b>15,00,000</b>	15,00,000
c) Basic and Diluted EPS (Rs.)	<b>2.11</b>	2.52

**15. Remuneration to Statutory Auditors**

<b>Particulars</b>	<b>2013-14</b>	2012-13
1. Statutory Audit	<b>28,090</b>	28,090

Fee mentioned above includes service tax and education cess thereon

**16. Details of related parties:**

<b>Associated Companies</b>	<b>Relationship</b>	<b>Nature of Transaction</b>
Gayatri Projects Limited	Associated Companies	Contract
<b>Key Management Personnel</b>		
Smt. T. Indira Subbarami Reddy	<b>Director</b>	Loans

**17. Related Party Transactions**

**Details of Transactions as per Accounting Standard – 18 are as under**

S.No.	Description	2013-2014	2012-2013
		Associate concerns	Associate concerns
1.	Gayatri Projects Limited - Contract Receipts	<b>5,26,12,500</b>	6,05,52,970
2.	Deep Corporation Private Limited - Rent	<b>NIL</b>	2,49,500
2.	Closing Balances-Debit-Contract Receipts	<b>2,29,26,209</b>	1,48,84,546
3	Closing Balances-Credit	<b>NIL</b>	NIL

**18.** Previous year figures have been regrouped / rearranged / reclassified wherever necessary to confirm with the current year presentation. All amounts are rounded off to the nearest rupee.

**19.** Information as per para 4C of part II of Sch. VI of the Companies Act – regarding licensed, installed, actual production is not applicable to the Company.

As per our report attached

For and on behalf of the Board

**For VAS & CO.,**  
Chartered Accountants

Sd/-  
**G.S.S. SRINIVAS**  
Proprietor  
Membership No. 020901

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Director

Sd/-  
**(P. MARUTHI BABU)**  
Director

Place : Hyderabad  
Date : 29-05-2014

Sd/-  
**(DINESH VEMULA)**  
Company Secretary



## GAYATRI TISSUE & PAPERS LTD.

Corp. Office : B-1, TSR Towers, 6-3-1090, Rajbhavan Road,  
Somajiguda, Hyderabad - 500 082.

### FORM OF PROXY

I/We .....  
of .....  
being a member/members of Gayatri Tissue & Papers Limited hereby appoint .....  
..... of  
.....  
failing him/her ..... of  
.....  
as my/our proxy to vote for me/us and of my/our behalf at the 28<sup>th</sup> Annual General Meeting to  
be held at 10.30 a.m. on Friday, the 19<sup>th</sup> September, 2014 or at any adjournment thereof.  
Signed this ..... day of ..... of 2014

Affix  
Re. 1/-  
revenue  
stamp

Regd Folio No. \_\_\_\_\_

No of Shares \_\_\_\_\_

### ATTENDANCE SLIP

#### 28th Annual General Meeting

(To be handed over at the entrance of the Meeting Hall)

Name of the Member :

Members Folio No :

No of shares held :

Name of Proxy :

(in case of Proxies only)

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the Company on Friday,  
the 19<sup>th</sup> September, 2014.

.....  
\*Member/Proxy Signature

\*to be signed at the time of handing over the slip.



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Hyderabad - 500 082.