



**31.10.2017**

To  
**The Department of Corporate Relationship,  
The Bombay Stock Exchange Limited.,  
25<sup>th</sup> Floor, Phiroz Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001**

Dear Sir/Madam,

**Sub: Submission of Annual Report under regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Reg.,**

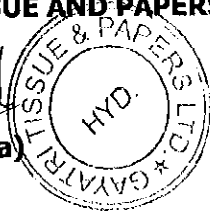
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Pursuant to regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed 31<sup>st</sup> Annual Report of the Company for the Financial Year ended 31.03.2017 being approved and adopted in the 31<sup>st</sup> Annual General Meeting of the Company.

This is for your kind information and record please.

Thanking you,

Yours Faithfully,  
**For GAYATRI TISSUE AND PAPERS LIMITED**

  
**(CS Dinesh Vemula)**  
Company Secretary



Regd. Office :  
**Gayatri Tissue & Papers Limited**  
16/137, No. 5, Near Prabodhan Krida Bhawan,  
Siddhartha Nagar, Goregaon (West), Mumbai 400 104.

Corp Office :  
B1, 6-3-1090, TSR Towers, Raj Bhavan Road.

T +91 40 2331 0330/4284

www.gtpltd.co.in



**GAYATRI TISSUE & PAPERS LTD.**

**31<sup>st</sup> ANNUAL REPORT 2016-2017**



## **BOARD OF DIRECTORS**

<b>Smt. T. Indira Subbarami Reddy</b>	Chairperson	(DIN: 00009906)
<b>Shri P. Maruthi Babu</b>	Executive Director	(DIN: 00016650)
<b>Shri. J.N. Karamchetti</b>	Independent Director	(DIN: 00940963)
<b>Shri. U. Mallikarjuna Uppara</b>	Independent Director	(DIN: 06725976)

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Dinesh Vemula

## **STATUTORY AUDITORS**

### **VAS & Co.,**

Chartered Accountants  
5-392/5, Hyderbasti,  
Secunderabad-500003

## **REGISTERED OFFICE**

16/137, Siddhartha Nagar  
No.5, Near Prabodhan Krida Bhawan,  
Siddhartha Nagar,  
Goregaon (West), Mumbai - 400104.  
CIN: L51900MH1987PLC042141

## **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 31<sup>st</sup> Annual General Meeting of the Company will be held on Saturday, the 23<sup>rd</sup> of September, 2017 at 3.00 p.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, 2017 and the Statement of Profit and Loss and Cash flow Statement for the year ended as on that date and the reports of the Directors and Auditor's thereon.
2. To appoint a Director in place of Mrs. T. Indira Subbarami Reddy, who retires by rotation and being eligible offers herself for re-appointment.
3. **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 section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. N G RAO & Associates, Chartered Accountants, Hyderabad be and are hereby appointed as Auditors of the Company, in the place of retiring auditors M/s. VAS & Co, Chartered Accountants to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 36<sup>th</sup> Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors from time to time.”

### **SPECIAL BUSINESS:**

4. **APPOINTMENT OF SHRI. J. N. KARAMCHETTI AS INDEPENDENT DIRECTOR OF THE COMPANY.**

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

**“RESOLVED THAT** pursuant to provision of Section 149 of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, Shri. J.N. Karamchetti (holding DIN 00940963), who was appointed as additional director of the Company on 18.01.2017 and who holds office up to the date of this annual general meeting and in respect of whom the company has received a notice in writing form a member in terms of Section 160 of the Companies Act, 2013 along with a deposit of Rs. 1 lakh signifying his intention to propose the appointment of Shri. J.N. Karamchetti as Independent Director, be and is hereby appointed as Independent Director of the Company for a period of consecutive term of 5 years from 18.01.2017.”

**For and on behalf of the Board**

Place : Hyderabad  
Date : 14.08.2017

Sd/-  
**(P. MARUTHI BABU)**  
Executive Director  
DIN : 00016650

**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 19th of September, 2017 to Saturday the 23rd of September, 2017 (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**

At the ensuing Annual General Meeting, Smt T. Indira Subbarami Reddy Director retire by rotation and being eligible offers herself for re-appointment

**Details of the director seeking re-appointment:**

Name of the Director	T. Indira Subbarami Reddy
Director Identification No	00009906
Date of Birth	13.03.1951
Date of appointment	08.03.1996
Occupation	Industrialist
Relationship between directors inter-se	Nil
Nature of expertise in specific functional area	25 years of experience in the construction industry
Directorship in other Companies	19
Shareholding in the Company	1124700

**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** 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:

	<b>For Members holding shares in Physical Form</b>	<b>For Members holding shares in Demat Form</b>
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 Foilo 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 20.09.2017 (9:00 am) and ends on 22.09.2017 (5:00 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 16.09.2017, 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 i.e 16.09.2017

Mr. Y. Koteswara Rao, Practicing Company Secretary (Membership No. 3785) and has been appointed as the Scrutinizer to scrutinize the e-voting and ballot 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 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**

(Pursuant to Section 102 of the Companies Act, 2013)

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

Shri. J.N. Karamchetti (holding DIN 00940963) is a Chairman of the Audit and Nomination and Remuneration Committee of the Board of Directors of the Company and appointed as additional director of the Company on 18.01.2017.

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 w.e.f 18.01.2017. A notice has been received from a member proposing Shri. J.N. Karamchetti as a candidate for the office of Director of the Company along with a deposit of Rs. 1 Lakh.

In the opinion of the Board, Shri. J.N. Karamchetti 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. J.N. Karamchetti 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 appointment would be of immense benefit to the Company and it is desirable to appoint Shri. J.N. Karamchetti as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. J.N. Karamchetti as an Independent Director, for the approval by the shareholders of the Company by way of special resolution.

Except Shri. J.N. Karamchetti, 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. 4.



## DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report together with Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017.

### Financial Results:

Your Directors are happy to report the operational results of the Company for the year ended 31<sup>st</sup> March 2017, the details of which are as under:

Particulars	Rs. In Lakhs	
	2016-2017	2015-2016
Gross Income	415.00	359.32
Profit Before Interest and Depreciation	24.27	19.87
Finance Charges	—	—
Gross Profit	24.27	19.87
Provision for Depreciation	—	—
Net Profit Before Tax	24.27	19.87
Provision for Tax	7.50	6.18
Net Profit After Tax	16.77	13.69
Profit brought forward	197.18	183.49
Profit available for appropriation	213.95	197.18
Appropriations: Transferred to General Reserve	—	—
Surplus carried forwarded to Balance Sheet	213.95	197.18

### Review of Operations:

The performance of the Company is in line with the past and achieving the turnover of Rs 415.00 Lakhs in FY 2016-2017 registered a growth of 16% in sales. The net profits after taxes are also increased to Rs 16.77 lakhs in FY 2016-2017 as against Rs 13.69 Lakhs in the previous financial year. The is having order book of Rs. 1789 Laks as at 31<sup>st</sup> March 2017 and the company is exploring opportunities to increase the order book.

### Events Subsequent to the date of Financial Statements:

There were no changes in the nature of business of the company during the financial year ending 31<sup>st</sup> March, 2017

### 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 2016-2017.

### Board Meetings :

During the financial year 2016-2017, the Board met Five times on 30.05.2016, 13.08.2016, 14.11.2016, 18.01.2017 and 14.02.2017. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013

## Thirtyfirst Annual Report

### Meetings held and attended:

Name of the Director	Number of Board Meetings	
	Held	Attended
T. Indira Subbarami Reddy	5	5
P. Maruthi Babu	5	5
U. Mallikarjuna	5	5
V.L.Moorthy	4	1
J.N. Karamchetti	1	1

### Directors and Key Managerial Personnel :

During the year under review Shri. V.L. Moorthy, resigned from the Board of Directors of the Company and Shri. J. N. Karamchetti appointed as Independent director of the Company.

### Declaration from Independent Directors on Annual Basis:

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

### Composition of the Audit Committee:

S.No.	Members of the Audit committee	Designation
1	J. N. Karamchetti	Chairman
2	Shri. Mallikarjuna Uppara	Member
3	Smt. T. Indira Subbarami Reddy	Member

### Meetings held and attended:

Name of the Director	Number of Board Meetings	
	Held	Attended
T. Indira Subbarami Reddy	4	4
U. Mallikarjuna	4	4
V.L.Moorthy	3	0
J.N. Karamchetti	1	1

During the year under review Shri. V.L. Moorthy, resigned from the Audit Committee of Board of Directors of the Company and Shri. J. N. Karamchetti appointed as Chairman and member of the Committee.

### Composition of the Nomination and Remuneration Committee:

S.No.	Members of the Nomination & Remuneration Committee	Designation
1	J. N. Karamchetti	Chairman
2	Shri. Mallikarjuna Uppara	Member
3	Smt. T. Indira Subbarami Reddy	Member

**Meetings held and attended:**

Name of the Director	Number of Board Meetings	
	Held	Attended
T. Indira Subbarami Reddy	2	2
U. Mallikarjuna	2	2
V.L.Moorthy	2	0
J.N. Karamchetti	1	1

During the year under review Shri. V.L. Moorthy, resigned from the Nomination and Remuneration Committee of Board of Directors of the Company and Shri. J. N. Karamchetti appointed as Chairman and member of the Committee.

Remuneration policy of the company has been disclosed as **Annexure - I**

**Vigil Mechanism:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.gtpltd.co.in](http://www.gtpltd.co.in) under investors/Policies link..

**Director's Responsibility Statement:**

**In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:**

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Extract of Annual Return:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report in **Annexure- II**

**Auditors:**

The Auditors, M/s. VAS & Co, Chartered Accountants, retire at the ensuing Annual General Meeting. M/ s. N G RAO & Associates, Chartered Accountants are being appointed for a period of five years from the conclusion of this Annual General Meeting [AGM] till the conclusion of 36<sup>th</sup> AGM. Your Board of Directors have recommended the appointment of M/s. N G RAO & Associates, Chartered Accountants, based on the recommendation of the Audit Committee to the members for their approval at the forthcoming Annual general meeting for a term of five years till the conclusion of the 36<sup>th</sup> AGM.

**Secretarial Audit:**

Secretarial audit report as provided by Mr. Y. Koteswara Rao, Practising Company Secretary is annexed to this Report as **Annexure- III**

**Qualifications in Audit Reports:**

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made:

**(a) by the Statutory Auditor in their report;**

As there are no any qualifications in the Auditors Report, there are no comments by the Board of Directors.

**(b) by the company secretary in practice in his secretarial audit report;**

As there are no qualifications in the Secretarial Audit Report, there are no comments by the Board of Directors.

**Conservation of energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

Details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and outgo as required by Section 134 of the Companies Act, 2013 are detailed as below:

**Energy conservation:** Adequate measures are taken for energy conservation and optimum utilisation of energy.

**Technology Absorption:** Not Applicable

**Foreign Exchange earnings and outgo:** Not Applicable

**Details relating to Deposits:**

Company has not accepted any deposits during the year under review.

**Internal Financial Controls**

The internal financial controls with reference to the Financial Statements for the year ended 31 March, 2017 commensurate with the size and nature of business of the Company.

**Particulars of loans, guarantees or investments:**

The Company has not given any loans, Guarantee or Provide Security to any other body corporate or person or acquired securities within the meaning of Section 186 of the Companies Act, 2013.

**Risk Management Policy:**

The Company has been addressing various risks impacting the Company and developed risk policy and procedures to inform Board members about the risk assessment and minimization procedures.

**Related Party Transactions:**

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC-2 as **Annexure - IV**

**Management Discussion and Analysis:**

Management Discussion and Analysis Report which forms part of this report is annexed as **Annexure - V**

**Ratio of Remuneration to Each Director:**

The Company has not paid remuneration to any of the directors of the Company for the financial year 2016-17

**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.

**Evaluation by Board:**

The Board has carried out the annual performance evaluation of its own performance, the Directors individually (excluding the director being evaluated) as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, to fulfill its responsibilities, execution and performance of specific duties etc. The Board decided that the performance of individual directors, its own performance and working of the committees is excellent.

**Corporate Governance and Shareholders Information :**

The compliance of provisions Corporate Governance are not applicable to the Company, neither the paid up capital nor the Net worth of the company has met the threshold limits prescribed under regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Significant and material orders passed by the regulators or courts :**

There are no significant & material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**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**

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Chairperson  
DIN: 00009906

Sd/-  
**(P. MARUTHI BABU)**  
Executive Director  
DIN: 00016650

Place : Hyderabad  
Date : 14.08.2017

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

## **ANNEXURE - I**

### **NOMINATION, REMUNERATION AND EVALUATION POLICY**

#### **I. PREAMBLE**

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 29<sup>th</sup> May 2014 changed the nomenclature of the "Remuneration Committee" as "Nomination and Remuneration Committee".

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **II. OBJECTIVE**

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### **III. DEFINITIONS**

- "Board" means Board of Directors of the Company.
- "Company" means "Gayatri Tissue and Papers Limited."
- "Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- "Key Managerial Personnel" (KMP) means
  - (i) Chief Executive Officer or the Managing Director or the Manager,
  - (ii) Company Secretary,
  - (iii) Whole-time Director,
  - (iv) Chief Financial Officer and
  - (v) Such other officer as may be prescribed.
- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- "Policy or This Policy" means, "Nomination, Remuneration & Evaluation Policy."
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

- "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

#### **IV. INTERPRETATION**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

#### **V. GUIDING PRINCIPLES**

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

#### **VI. ROLE OF THE COMMITTEE**

The role of the Committee inter alia will be the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **VII. MEMBERSHIP**

- The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **VIII. CHAIRMAN**

- Chairman of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **IX. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

#### **X. COMMITTEE MEMBERS' INTERESTS**

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **XI. VOTING**

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. Managing Director/Whole-time Director/Manager (Managerial Person):  
The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director:
  - An Independent Director shall hold office for a term up to five consecutive years on the Board. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1<sup>st</sup> October, 2014 or such



other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT**

- **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1<sup>st</sup> April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. **Fixed pay:**

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be

decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**2. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

**3. Provisions for excess remuneration:**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

● **Remuneration to Non-Executive / Independent Director:**

**1. Remuneration / Commission:**

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

**2. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**3. Limit of Remuneration /Commission:**

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

**4. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**XIV. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**XV. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**ANNEXURE - II**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31/03/2017  
[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 : L51900MH1987PLC042141
- (ii) Registration Date : 07.01.1987
- (iii) Name of the Company: Gayatri Tissue & Papers Ltd
- (iv) Category / Sub-Category of the Company: Company Limited by Shares/Indian Non Government Company
- (v) Address of the Registered office and contact details: 16/137, Siddhartha Nagar No.5, Near Prabodhan Krida Bhawan Siddhartha Nagar Goregaon (West), Mumbai - 400104.
- (vi) Whether listed company : Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: Venture Capital And Corporate Investments Private Limited,12-10-167, Bharat Nagar, Hyderabad, 500018, Phone : +91 040-23818475/23818476/23868023, Fax : +91 040-23868024

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Civil Works	45203	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Nil	Nil	Nil	Nil	Nil

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year(01.04.2015)				No. of Shares held at the end of the year (31.03.2017)				% of change during the
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares Year	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	1124700	—	1124700	74.98	1124700	—	1124700	74.98	—
(b) Central Govt	—	—	—	—	—	—	—	—	—
(c) State Govt (s)	—	—	—	—	—	—	—	—	—
(d) Bodies Corp.	—	—	—	—	—	—	—	—	—
(e) Banks / FI	—	—	—	—	—	—	—	—	—
(f) Any Other....	—	—	—	—	—	—	—	—	—
Sub-Total (A) (1)	1124700	—	1124700	74.98	1124700	—	1124700	74.98	—

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Category of Shareholders	No. of Shares held at the beginning of the year(04.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% of change during the
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares Year	
(2) Foreign									
(a) NRIs-Individuals	—	—	—	—	—	—	—	—	—
(b) Other-Individuals	—	—	—	—	—	—	—	—	—
(c) Bodies Corp.	—	—	—	—	—	—	—	—	—
(d) Banks / FI	—	—	—	—	—	—	—	—	—
(e) Any Other....	—	—	—	—	—	—	—	—	—
Sub-Total (A) (2)	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter	—	—	—	—	—	—	—	—	—
(A) = (A) (1) + (A) (2)	1124700	—	1124700	74.98	1124700	—	1124700	74.98	—
<b>(B) Public Shareholding</b>									
(1) Institutions									
(a) Mutual Funds	—	—	—	—	—	—	—	—	—
(b) Banks/FI	—	—	—	—	—	—	—	—	—
(c) Central Govt	—	—	—	—	—	—	—	—	—
(d) State Govt (s)	—	—	—	—	—	—	—	—	—
(e) Venture Capital funds	—	—	—	—	—	—	—	—	—
(f) Insurance Companies	—	—	—	—	—	—	—	—	—
(g) FIs	—	—	—	—	—	—	—	—	—
(h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
(i) Others (Specify)	—	—	—	—	—	—	—	—	—
Sub-Total (B)(1)	—	—	—	—	—	—	—	—	—
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	—	—	—	—	—	—	—	—	—
ii. Overseas	—	—	—	—	—	—	—	—	—
(b) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	4200	297000	301200	20.08	4400	296800	301200	20.08	—
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	74100	—	74100	4.94	74100	—	74100	4.94	—
(C) Others (Specify) Non Resident Individuals	—	—	—	—	—	—	—	—	—
Clearing Member	—	—	—	—	—	—	—	—	—
Sub-Total (B)(2)	78300	297000	375300	25.02	78500	296800	375300	25.02	—
Total Shareholding of Public = (B) (1) + (B) (2)	1203000	297000	1500000	25.02	1203200	297000	1500000	25.02	—
C. Shares held by custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	1203000	297000	1500000	25.02	1203200	297000	1500000	25.02	—

**(ii) Shareholding of Promoter**

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged encumbered to total shares	
1	T. INDIRA SUBBARAMI REDDY	1124700	74.98	—	1124700	74.98	—	—
	Total	1124700	74.98	—	1124700	74.98	—	—

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change):**

S. No	Particulars	Shareholding at the 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
i	At the beginning of the year	1124700	74.98	1124700	74.98
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
	At the End of the year	1124700	74.98	1124700	74.98

**Note : No change in Promoters Shareholding.**

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

S.No	For Each of the Top 10 Shareholders		Shareholding at the 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
	At the beginning of the year	1. Purna Chander Rao Popuri 2. K. Muthaiah 3. K. Srinivasa Rao 4. A. Chandramouli 5. P. Hanumantha Rao 6. K V S N Prasad 7. Seshagiri Rao Nangineni 8. N. Hanumantha Rao 9. P. Srinivasa Rao 10. E. Srinivasa Rao	74100 4800 4500 4400 4100 4000 3900 3400 3400 3300	4.94 0.32 0.30 0.29 0.27 0.27 0.26 0.23 0.23 0.22	74100 4800 4500 4400 4100 4000 3900 3400 3400 3300	4.94 0.32 0.30 0.29 0.27 0.27 0.26 0.23 0.23 0.22
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	—	—	—	—	—
	At the End of the year (or on the date of separation, if Separated during the year)	1. Purna Chander Rao Popuri 2. K. Muthaiah 3. K. Srinivasa Rao 4. A. Chandramouli 5. P. Hanumantha Rao 6. K V S N Prasad 7. Seshagiri Rao Nangineni 8. N. Hanumantha Rao 9. P. Srinivasa Rao 10. E. Srinivasa Rao	74100 4800 4500 4400 4100 4000 3900 3400 3400 3300	4.94 0.32 0.30 0.29 0.27 0.27 0.26 0.23 0.23 0.22	74100 4800 4500 4400 4100 4000 3900 3400 3400 3300	4.94 0.32 0.30 0.29 0.27 0.27 0.26 0.23 0.23 0.22

**(v) Shareholding of Directors and Key Managerial Personnel:**

S.No	For Each of the Directors and KMP		Shareholding at the 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
	At the beginning of the year	1.T. Indira Subbarami Reddy 2. V.L. Moorthy 3. Dinesh Vemula	1124700 20 20	74.98 0.00 0.00	1124700 20 20	74.98 0.00 0.00
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	—	—	—	—	—
	At the end of the year	1.T. Indira Subbarami Reddy 2. V.L. Moorthy 3. Dinesh Vemula	1124700 20 20	74.98 0.00 0.00	1124700 20 20	74.98 0.00 0.00

**V. INDEBTEDNESS:**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—
<b>Change in Indebtedness during the financial year</b>				
Addition	—	—	—	—
Reduction	—	—	—	—
<b>Net Change</b>	—	—	—	—
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

**(Rs. in Lakhs)**

S.No	Particulars of Remuneration	Name of Whole-time Director				Total Amount
		P Maruthi Babu				
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	—	—	—	—
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—	—
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—	—
2	Stock Option	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—
4	Commission - as % of profit - others, specify...	—	—	—	—	—
5	Others, please specify Provident Fund Contribution	—	—	—	—	—
	<b>Total (A)</b>	—	—	—	—	—
	<b>Ceiling as per the Act</b>	—	—	—	—	—



**B. Remuneration to other Directors:**

S.No	Particulars of Remuneration	Name of Directors			Total Amount
		V.L. Moorthy	J.L. Karamchetti	U. Mallikarjuna	
	1.Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	—	5000	5000	10000
<b>Total (1)</b>		—	5000	5000	10000
		T Indira Subbarami Reddy			
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	5000	—	—	5000
<b>Total (2)</b>		5000	—	—	5000
<b>Total (B) = (1)+(2)</b>		5000	5000	5000	15000
<b>Total Managerial Remuneration</b>		—	—	—	—
<b>Overall Ceiling as per the Act</b>		—	—	—	—

**C. Remuneration to other Directors key managerial personnel other than MD/MANAGER/ WTD:**

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	9,66,408/-	—	9,66,408/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission- as % of profit- others, specify...	—	—	—	—
5	Others, please specify	—	—	—	—
<b>Total (A)</b>		—	<b>9,66,408/-</b>	—	<b>9,66,408/-</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type Act	Section of theCompanies	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any(give Details)
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

**For and on behalf of the Board**

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Chairperson  
DIN: 00009906

Sd/-  
**(P. MARUTHI BABU)**  
Executive Director  
DIN: 00016650

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

Place : Hyderabad  
Date : 14.08.2017



**Y. KOTESWARA RAO**

**Practicing Company Secretary**

H. No. 48-345, Ganesh Nagar Colony,  
Chinthal, HMT Road, Hyderabad – 500 054  
Phone: 040 4021 0182 (Office)

**ANNEXURE -III**  
**FORM NO- MR-3**  
**Secretarial Audit Report**  
**For The Financial Year Ended 31<sup>st</sup> March, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**M/s. GAYATRI TISSUE AND PAPERS LIMITED**  
Mumbai, Maharashtra State.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. GAYATRI TISSUE AND PAPERS LIMITED (CIN: L51900MH1987PLC042141)** (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period ended on **31<sup>st</sup> March, 2017** ('Audit Period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. GAYATRI TISSUE AND PAPERS LIMITED** for the period ended on **31<sup>st</sup> March, 2017** 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, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Applicable w.e.f. 15th May, 2015);
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable during the audit period**);
  - d. 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 notified on 28<sup>th</sup> October, 2014 (**Not Applicable during the audit period**);

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable during the audit period**);
- f. 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;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009 (**Not Applicable during the audit period**) and;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998 (**Not Applicable during the audit period**);

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered by the Company with National Stock Exchange of India and BSE Limited upto 30<sup>th</sup> November, 2015.
- iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 1<sup>st</sup> December, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in the composition of the Board during the period under review.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda was sent in advance except when board meetings were called by giving less than seven days notice in accordance with the provisions of section 173 of the act 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.

All decisions at Board Meetings and Committee Meetings are carried out and are recorded in the minutes of the meeting of the Board of Directors or Committee of the Board as the case may be and majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that as far as possible, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Hyderabad  
Date : 10.08.2017

**Y. KOTESWARA RAO**  
ACS No. 3785  
C. P. No. : 7427

**Note:** This report is to be read with my letter of even date which is annexed as **Annexure - A** and forms an integral part of this report.



**Y. KOTESWARA RAO**

**Practicing Company Secretary**

H. No. 48-345, Ganesh Nagar Colony,  
Chinthal, HMT Road, Hyderabad – 500 054

Phone: 040 4021 0182 (Office)

### **Annexure ‘A’**

To,

The Members

**M/s. GAYATRI TISSUE AND PAPERS LIMITED**

Mumbai, Maharashtra State.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices that, I have followed has provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

Place : Hyderabad

Date : 10.08.2017

**Y. KOTESWARA RAO**

ACS No. 3785

C. P. No. : 7427

**Annexure - IV**

**FORM NO. AOC.2**

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

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

**Details of material contracts or arrangements or transactions at arm's length basis:**

S.No	Description	Details
(a)	Name(s) of the related party and nature of relationship	Gayatri Projects Limited, a group company
(b)	Nature of contracts /arrangements/transactions	Sub-contracting services
(c)	Duration of the contracts /arrangements/transactions	Yearly basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The total contract value is Rs 42.00 crores and work executed till 31.03.2017 is Rs 22.91 crores.

**For and on behalf of the Board**

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Chairperson  
DIN: 00009906

Sd/-  
**(P. MARUTHI BABU)**  
Executive Director  
DIN: 00016650

Place : Hyderabad  
Date : 14.08.2017

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

## ANNEXURE -V

## MANAGEMENT DISCUSSION AND ANALYSIS

**(a) Industry Structure and Developments:**

Construction is the sixth-largest economic sector in India, accounting for 7.8% of the country's GDP in FY2016, the second-biggest employer (after agriculture), with about 35mn people engaged, and the second-largest recipient of FDI after the services sector.

In the Union Budget 2017-18, the Government of India has taken the following measures for the development of infrastructure.

- Increased total infrastructure outlay and defence capital expenditure by 10 per cent and 20.6 per cent to Rs 396,135 crore (US\$ 59.18 billion) and Rs 86,488 crore (US\$ 13.1 billion) respectively, over FY17 revised estimate.
- Railway expenditure allocation has increased by 8 per cent to Rs 131,000 crore (US\$ 19.58 billion) for laying down 3,500 km of railway lines in 2017-18.
- Affordable housing has been given infrastructure status.
- Lock-in period for long-term capital gains on land and buildings has been reduced from three to two years.

**(b) Opportunities and Threats:**

India's construction industry will continue to expand over the forecast period (2016–2020), with investments in residential, infrastructure and energy projects continuing to drive growth. Various government flagship programs – including 100 Smart Cities Mission, Housing for All, Atal Mission for Urban Rejuvenation and Transformation (AMRUT), Make in India and Power for All – will be the growth drivers. As per the government reports, the sector is valued at over \$126 billion. It also accounts for more than 60 per cent in total infrastructure investment. About half of the demand comes from the infrastructure sector, and the rest is driven by the real estate sector and other industrial activities.

The Budget gives a substantial boost to infrastructure development by increasing allocation to a record R4 trillion and the largest-ever rail budget of R1.31 trillion, an 8.26% increase over the R1.21 trillion allocated to the national carrier in FY17. The allocation to the national highways sector was also increased by 12% to R64,900 crore for FY18 as the sector has always been a priority sector for the government. As per the 12th five year plan document, National highways constitute less than 2% of the total road network but carry 40% traffic. The Budget has a significant focus on the airports development, with the finance minister informing that a select few airports from tier-II cities will be developed through the public-private partnership mode.

**(c) Outlook:**

The latest market research states that the infrastructure construction market is expected to grow at a higher CAGR than the overall construction market during 2015-20. Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development.

**(d) Risks and Concerns:**

The scarcity of land for infrastructural development hinders the growth of the market. Currently major construction companies are experiencing liquidity constraints due to tightening of funding norms employed by the financial institutions in India. Moreover, rise in the cost of inputs acts as a major bottleneck in the development of the Indian infrastructure construction industry. Indian infrastructure construction market witnesses stiff competition among the major construction companies.

**(e) Internal Control Systems and their adequacy:**

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded, and protected against loss from unauthorized use or disposition. The Company ensures and adherence to all internal control procedures.

**(f) Discussion of financial performance with respect to operational performance:**

The performance of the Company is in line with the past and achieving the turnover of Rs 415.00 Lakhs in FY 2016-2017 registered a growth of 16% in sales. The net profits after taxes are also increased to Rs 16.77 lakhs in FY 2016-2017 as against Rs 13.69 Lakhs in the previous financial year. The is having order book of Rs. 1789 laks as at 31st March 2017 and the company is exploring opportunities to increase the order book.

**(g) Human Resource Development and Industrial Relations:**

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip themselves with skill, enabling them to adapt to contemporary technological advancements. During the year under review, relations with customers, partners, suppliers, workers, employees, and other industries were cordial.

**Cautionary Statement:**

Statements in the management discussion analysis describing the Company's objectives, projections, estimates, expectations may be forward looking within the meaning of applicable security-laws and regulations. Actual results may differ materially from these expressed in the statement. Important factors that could make difference to Company's operations include economic conditions affecting the domestic market and the overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.



## INDEPENDENT AUDITOR'S REPORT

To the Members of **M/s. GAYATRI TISSUE & PAPERS LIMITED**

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

We have audited the accompanying financial statements of **GAYATRI TISSUE AND PAPERS LIMITED** ("**the Company**") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

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

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

### **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, of the

state of affairs of the Company as at March 31, 2017, and its Profits and its Cash Flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" 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 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 does not have any pending litigations which would impact its financial position.
    - 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.

Place: Hyderabad  
Date : 29.05.2017

**For VAS & Co.**  
Chartered Accountants  
Firm's Registration Number: 004537S

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

## **“ANNEXURE A” TO INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

1. The Company is not having any fixed assets and accordingly the provisions of the clause (i) (a) to (c) are not applicable to the company and hence not commented upon.
2.
  - a) The management has conducted the physical verification of inventory at reasonable intervals.
  - b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has not provided any loans, investments, guarantees, and security to any other body corporate or person.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7.
  - a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
  - b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, The Company has not paid any managerial remuneration during the year;

## ***Thirtyfirst Annual Report***

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Hyderabad  
Date : 29.05.2017

**For VAS & Co.**  
Chartered Accountants  
Firm's Registration Number: 004537S

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

## **"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Gayatri Tissue and Papers Limited.**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **GAYATRI TISSUE AND PAPERS LIMITED ("the Company")** as of March 31, 2017 in conjunction with our audit of the 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 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 the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be 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 an 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 statements, 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 detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide

reasonable assurance regarding prevention or timely detection of unauthorised 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 limitations 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 respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Place: Hyderabad

Date : 29.05.2017

**For VAS & Co.**

Chartered Accountants

Firm's Registration Number: 004537S

Sd/-

**G. S.S. Srinivas**

Proprietor

Membership No.020901

**BALANCE SHEET AS AT 31st MARCH, 2017**

Amount (Rs.)

Particulars	Note	As at		As at	
		31st March, 2017		31st March, 2016	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholder's Funds</b>					
Share capital	1	<b>15,000,000</b>		15,000,000	
Reserves & Surplus	2	<b>23,395,308</b>	<b>38,395,308</b>	21,718,149	36,718,149
<b>2. Non-Current Liabilities</b>					
<b>3. Current Liabilities</b>					
Other current liabilities	3		<b>116,233</b>		298,515
<b>TOTAL:</b>			<b>38,511,541</b>		<b>37,016,664</b>
<b>II. ASSETS</b>					
<b>1. Non-Current Assets</b>					
(1) (a) Fixed Assets			—		—
<b>2. Current Assets</b>					
Trade receivables	4	<b>32,444,135</b>		31,073,756	
Cash & Bank Balances	5	<b>178,445</b>		62,854	
Short-term loans & Advances	6	<b>2,146,757</b>		266,746	
Other current assets	7	<b>3,742,204</b>	<b>38,511,541</b>	5,613,308	37,016,664
<b>TOTAL:</b>			<b>38,511,541</b>		<b>37,016,664</b>

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  
Firm Regn. No. 004537S

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

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Chairperson  
DIN : 00009906

Sd/-  
**(P. MARUTHI BABU)**  
Executive Director  
DIN : 00016650

Place : Hyderabad  
Date : 29-05-2017

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

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2017**

Amount (Rs.)

Particulars	Note	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
<b>INCOME</b>			
1. Revenue from Operations		<b>41,500,000</b>	35,932,450
2. Other Income		—	—
<b>Total Revenue</b>		<b>41,500,000</b>	35,932,450
<b>EXPENSES</b>			
3. Work Expenditure	8	<b>36,486,280</b>	31,452,869
4. Employee benefit expense	9	<b>1,473,908</b>	1,470,168
5. Other expenses	10	<b>1,112,665</b>	1,021,743
<b>Total Expenses</b>		<b>39,072,853</b>	33,944,780
<b>Profit before exception &amp; extraordinary Items and tax</b>		<b>2,427,147</b>	1,987,670
6. Exceptional Items		—	—
<b>Profit before extraordinary items and tax</b>		<b>2,427,147</b>	1,987,670
7. Extraordinary Items		—	—
<b>Profit before Tax</b>		<b>2,427,147</b>	1,987,670
8. <b>Tax Expenses</b>	11	<b>749,988</b>	618,639
<b>Profit (Loss) for the year</b>		<b>1,677,159</b>	1,369,031
9. <b>Earning per share</b> (of Rs. 10/- each)			
a) Basic and diluted		<b>1.12</b>	0.91

Significant accounting policies

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  
Firm Regn. No. 004537S

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

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Chairperson  
DIN : 00009906

Sd/-  
**(P. MARUTHI BABU)**  
Executive Director  
DIN : 00016650

Place :Hyderabad  
Date : 29-05-2017

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



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Amount (Rs.)

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extra ordinary items	2,427,147	1,987,670
Adjustment for:		
Add: Depreciation	—	—
<b>Operating profit before working capital changes</b>	<u>2,427,147</u>	<u>1,987,670</u>
Adjustment for:		
Increase /Decrease in deposit	—	—
Increase /Decrease in debtors	(1,370,379)	(3,240,217)
Increase /Decrease in other advances	(1,880,011)	(299,778)
Increase /Decrease in other liabilities	(182,282)	218,111
Increase /Decrease in sundry Creditors	1,871,104	1,871,104
	<u>(1,561,568)</u>	<u>(1,450,780)</u>
<b>Cash generated from operations</b>	<u>865,579</u>	<u>536,890</u>
Taxes paid	749,988	618,639
<b>Net cash from operating activities</b>	<u>115,591</u>	<u>(81,749)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
<b>Net cash from investing activities</b>	—	—
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES :</b>		
Repayment of Loans	—	—
<b>Net cash from financing activities</b>	—	—
<b>A+B+C</b>	<u>115,591</u>	<u>(81,749)</u>
Cash & cash equivalents at 1st April 2016	62,854	144,603
Cash & cash equivalents at 31st March 2017	178,445	62,854
Decrease in Cash Balance = Net Cash Used (A+B+C)	115,591	(81,749)

- Note:**
1. Cash and cash equivalents consists 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.
  3. Figures in brackets represent cash outflows.
  4. See accompanying Notes forming part of the Financial Statements.

As per our report attached

For and on behalf of the Board

**For VAS & CO.,**  
Chartered Accountants  
Firm Regn. No. 004537S

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

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Chairperson  
DIN : 00009906

Sd/-  
**(P. MARUTHI BABU)**  
Executive Director  
DIN : 00016650

Place :Hyderabad  
Date : 29-05-2017

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

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31.03.2017.**

### **Corporate Information :**

Gayatri Tissue and Papers Ltd. is incorporated in the year 1987 executing infrastructure 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, 2013. 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 II of the Companies Act, 2013. Leasehold improvements are amortized over the period of lease.

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

Basic and Diluted Earning 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, 2017	As at March, 2016
<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 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 is set out below:

Shareholders	As on 31st March, 2017		As on 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% 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, 2017	As at 31st March, 2016
<b>General Reserve</b> Opening Balance	<b>20,00,000</b>	20,00,000
Add: Transferred from Surplus	—	—
	<b>20,00,000</b>	20,00,000
<b>Profit and Loss Account</b> Opening Balance	<b>1,97,18,149</b>	1,83,49,118
Add: Net profit after Tax	<b>16,77,159</b>	13,69,031
Amount available for appropriation	<b>2,13,95,308</b>	1,97,18,149
<b>TOTAL</b>	<b>2,33,95,308</b>	2,17,18,149

**4. OTHER CURRENT LIABILITIES:**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Other Liabilities	1,16,233	2,98,515
<b>TOTAL</b>	<b>1,16,233</b>	<b>2,98,515</b>

**5. TRADE RECEIVABLES**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<i>Trade receivables outstanding for a period less than six months from the date they are due for payment</i>		
Unsecured, considered good	3,24,44,135	3,10,73,756
Less: Provision for doubtful debts		
<i>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</i>	—	—
<b>TOTAL</b>	<b>3,24,44,135</b>	<b>3,10,73,756</b>

**6. CASH AND CASH EQUIVALENTS**

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Cash on hand	17,003	19,218
b) Balances with Banks	1,61,442	43,636
<b>TOTAL</b>	<b>1,78,445</b>	<b>62,854</b>

**7. SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>a) Loans and Advances to Related Parties</b>	—	—
<i>Secured, Considered Good</i>	—	—
<b>b) Loans and Advances to others</b>	—	—
<i>Secured, Considered Good</i>	—	—
Loans to Others	18,00,000	—
Rent Advance	50,000	50,000
Other Advances	2,96,757	2,16,746
<b>TOTAL</b>	<b>21,46,757</b>	<b>2,66,746</b>

**8. OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Pre-operative Expenses	37,42,204	56,13,308

**9. WORK EXPENDITURE**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Work Executed by Sub-contractor	2,90,50,001	2,36,79,165
Earth Work	55,65,175	59,02,600
Other Work Expenditure	18,71,104	18,71,104
<b>TOTAL</b>	<b>3,64,86,280</b>	<b>3,14,52,869</b>

**10. EMPLOYEE BENEFITS EXPENSES**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Salaries and Wages	14,73,908	14,70,168
Staff Welfare	—	—
<b>TOTAL</b>	<b>14,73,908</b>	<b>14,70,168</b>

**11. OTHER EXPENSES**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Printing and Stationery	11,250	12,000
Telephones	44,800	40,500
Traveling and Conveyance	9,613	14,855
Advertisement Expenses	1,23,625	1,81,460
General Expenses	92,710	90,253
Consultancy Fee	94,662	1,08,615
Listing Fee	2,29,000	2,24,720
Rent	1,72,500	1,67,500
Office Maintenance	72,240	70,855
Registration & Filing Fee	1,35,453	62,184
Interest	35,827	14,397
Bank Charges	7,730	696
Auditors Remuneration	35,292	33,708
Incometax-Previous year	32,963	—
Directors sitting Fee	15,000	—
<b>TOTAL</b>	<b>11,12,665</b>	<b>10,21,743</b>

**12. TAXES EXPENSES**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Tax expenses	7,49,988	6,18,639
<b>TOTAL</b>	<b>7,49,988</b>	<b>6,18,639</b>

**13. 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

Particulars	2016-17	2015-16
a) Net profit available for equity share holders	16,77,159	13,69,031
b) Weighted average No. of equity shares as denominator for calculating EPS.	15,00,000	15,00,000
c) Basic and Diluted EPS (Rs.)	1.12	0.91

**14. Remuneration to Statutory Auditors**

Particulars	2016-17	2015-16
1. Statutory Audit	<b>35,292</b>	33,708

Fee mentioned above includes service tax and education cess thereon

**15. Details of related parties:**

Associated Companies	Relationship	Nature of Transaction
Gayatri Projects Limited	Associated Company	Contract

**16. Related Party Transactions :**

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

S.No.	Description	2016-2017	2015-2016
		Associate concerns	Associate concerns
1.	Gayatri Projects Limited - Contract Receipts	<b>4,15,00,000</b>	3,59,32,450
2.	Deep Corporation Private Limited - Rent	<b>NIL</b>	NIL
2.	Closing Balances-Debit- Contract Receipts	<b>4,16,44,492</b>	3,54,46,794
3	Closing Balances-Credit	<b>NIL</b>	NIL

**17.** 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.

**18.** 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  
Firm Regn. No. 004537S

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

Sd/-  
**(T. INDIRA SUBBARAMI REDDY)**  
Chairperson  
DIN : 00009906

Sd/-  
**(P. MARUTHI BABU)**  
Executive Director  
DIN : 00016650

Place : Hyderabad  
Date : 29-05-2017

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

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:** L51900MH1987PLC042141

**Name of the company:** Gayatri Tissue and Papers Limited

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

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

Name of the member (s): Registered address:		Email Id: Folio No./ Client Id No.: DP Id No.:	
1. Name: Address: E-Mail Id: Signature: or failing him	1. Name: Address: E-Mail Id: Signature: or failing him	1. Name: Address: E-Mail Id: Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on 23.09.2017 at 16/137, Siddhartha Nagar No.5, Near Prabodhan Krida Bhawan, Siddhartha Nagar, Goregaon (West), Mumbai - 400104 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution	For	Against
1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 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 a Director in place of Mrs. T. Indira Subbarami Reddy who retires by rotation and being eligible offers himself for re-appointment.		
3. To Appoint Auditors and fix their remuneration.		
4. Appointment of Shri J.N. Karamchetti as Independent Director of the Company.		

Signed this..... day of..... 2017

Signature of shareholder:

Signature of Proxy holder(s):

Affix  
Re. 1/-  
revenue  
stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

# **GAYATRI TISSUE AND PAPERS LIMITED**

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

**CIN:** L51900MH1987PLC042141

## **ATTENDANCE SLIP** **31<sup>st</sup> Annual General Meeting**

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

Name of the Member :

Members Folio No /  
DPID & Client ID :

No of shares held :

Name of Proxy :  
(in case of Proxies only)

I hereby record my presence at the 31<sup>st</sup> Annual General Meeting of the Company on Saturday  
the 23<sup>rd</sup> September, 2017.

.....  
\*Member/Proxy Signature

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



## PRINTED MATTER

*If undelivered, please return to :*

**GAYATRI TISSUE & PAPERS LTD.**

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