

23rd ANNUAL REPORT
2013 - 2014



SHREE RAMA NEWSPRINT LIMITED

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BOARD OF DIRECTORS

SHREE KUMAR BANGUR	CHAIRMAN
VIRENDRAA BANGUR	VICE CHAIRMAN
K. L. CHANDAK	DIRECTOR
LT. GEN. (RETD) ASHOK KAPUR	INDEPENDENT DIRECTOR
NARAYAN ATAL	INDEPENDENT DIRECTOR
MOHAN M. PHADKE	INDEPENDENT DIRECTOR
NAMRATA SHARMA	INDEPENDENT DIRECTOR
V. D. BAJAJ	EXECUTIVE DIRECTOR

Bankers

Bank of India
Oriental Bank of Commerce
Central Bank of India
Axis Bank Ltd.
ICICI Bank Ltd.

Registered Office & Factory

Village : Barbodhan, Taluka : Olpad,
District : Surat, Gujarat – 395 005.

Corporate Office :

Shreeniwas House, 4th Floor,
Hazarimal Somani Marg, Fort,
Mumbai - 400 001.
Ph.: 022-22070041 / 42
E-mail : ramanewsprint@ramanewsprint.com
website: www.ramanewsprint.com

Registrar & Transfer Agent

LINK INTIME INDIA PVT. LTD.
Unit : Shree Rama Newsprint Ltd.
C – 13, Pannalal Silk Mills Compoud,
L.B.S Marg, Bhandup (W),
Mumbai - 400 078.
Ph. : 022-25963838
Fax : 022-25946969
E-mail : rnt.helpdesk@linkintime.co.in

Auditors

Haribhakti & Co., Mumbai

Advocates & Solicitors

Khaitan & Co., Mumbai

Sr. Vice President (F & A) & Company Secretary

Girish Sharma

NOTICE

ANNUAL REPORT 2013 - 2014

NOTICE IS HEREBY GIVEN THAT THE 23rd ANNUAL GENERAL MEETING OF THE MEMBERS OF SHREE RAMA NEWSPRINT LIMITED WILL BE HELD ON SATURDAY, 27th SEPTEMBER 2014 AT 2.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT VILLAGE BARBODHAN, TALUKA OLPAD, DISTRICT SURAT, GUJARAT - 395005, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
- (2) To appoint a Director in place of Shri S. K. Bangur (DIN: 00053237), who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
- (3) To appoint M/s. Haribhakti & Company, Chartered Accountants, retiring Auditors, as Statutory Auditors of the Company to hold office from conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

- (4) **Ratification of remuneration to Cost Auditor of the Company**

To ratify the remuneration of M/s. Nanty Shah & Associates, Cost Auditor for the financial year ending 31st March, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Nanty Shah and Associates, Cost Auditor holding membership No. 31497 appointed by the Board of Directors of the Company for conducting the audit of the cost records of the Company, if required, for the financial year ending 31st March, 2015, be paid remuneration of ₹ 35,000/- plus out of pocket expenses and applicable Service Tax.”

- (5) **Appointment of Shri V. D. Bajaj as Director of the Company**

To consider and, if thought fit to pass with or without modification, the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** Shri V. D. Bajaj (DIN: 00034710), an Additional Director of the Company u/s 260 of the Companies Act, 1956 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 u/s 160 of the Companies Act 2013, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company not liable to retire by rotation.”

- (6) **Appointment of Shri V. D. Bajaj as Executive Director of the Company**

To consider and, if thought fit, to pass, with or without modification, the following resolutions as **Special Resolution**:

“**RESOLVED THAT** consent of the members be and is hereby accorded pursuant to provisions of Section 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the “Act”) read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for the time being in force and approval of the Central Government u/s 269(2) of the Act, if required, to the appointment of Shri V. D. Bajaj as Executive Director of the Company for a period of 3(three) years with effect from 11th September, 2013 on the following terms and conditions.

1. EMOLUMENTS:

- i) Salary: ₹ 4,22,000/- (Rupees Four Lacs Twenty Two Thousand only) per month.
- ii) Special allowance: ₹ 3,050/- (Rupees Three thousand Fifty only) per month.

The Remuneration Committee is authorized to raise salary by giving annual increment.

2. PERQUISITES:

- i) Housing: Furnished accommodation.
- ii) Medical Reimbursement: Medical and Hospitalization benefits for him and his family by way of reimbursement of expenses actually incurred, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years.
- iii) Leave: On full pay in accordance with the Rules of the Company.
- iv) Leave Travel Concession: For him and his family once in a year in accordance with the Rules of the Company.
- v) Personal Accident Insurance: Premium as per the Rules of the Company.
- vi) Provident Fund: Contribution to Provident Fund in accordance with the Rules of the Company.
- vii) Gratuity: One half month's salary for each completed year of service.
- viii) Conveyance: Provision of Car for use on the Company's Business. In case Car is not provided, then reimbursement of expenses incurred on conveyance up to ₹ 1,00,000/- (Rupees One Lac only) per month.
- ix) Telephone: Free telephone facility at residence.
- x) Other benefits as are applicable to other senior executives of the Company (including but not limited to production incentive, bonus, ex-gratia, encashment of leave subject to a maximum of Ninety days, compensatory allowance in accordance with the schemes of the Company).

NOTICE



3. MINIMUM REMUNERATION:

If the Company has no profits or its profits are inadequate, the Company will pay to Shri V. D. Bajaj minimum remuneration by way of salary, perquisites and other allowances, on terms and conditions mentioned above, and in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if required.

4. TERMINATION:

The appointment may be terminated by either party by giving three months' notice of such intention in writing to the other party.

5. Shri V. D. Bajaj will be a Director whose period of office will not be liable to retire by rotation.

6. Shri V. D. Bajaj will not be paid any sitting fees for attending the meetings of Board of Directors or Committees thereof.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and actions and to sign and execute such papers, forms and other documents as may be expedient to give effect to this resolution.”

“RESOLVED FURTHER THAT in the event of any modification or revision in the provisions of remuneration payable to whole time directors, as set out in Schedule XIII of the Companies Act, 1956, the Remuneration Committee of Directors shall be entitled at its discretion to revise the remuneration payable to Shri V. D. Bajaj from the date of such modification or revision, without any further reference to the Company in general meeting.”

“RESOLVED FURTHER THAT the consent of the Company be and is hereby granted and deemed to have been granted to pay Shri V. D. Bajaj, in the event of no profits or inadequate profit, minimum remuneration by way of salary, perquisites and other allowance, on terms and conditions mentioned above, and in accordance with Schedule XIII of the Companies Act, 1956 and subject to the approval of Central Government, if required.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/or revise the remuneration of the said Executive Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto.”

(7) Appointment of Shri Mohan M. Phadke as Independent Director of the Company

To consider and, if thought fit, to pass, with or without modification, the following resolutions as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the

Listing Agreement, Shri Mohan M. Phadke (DIN: 06825479), who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 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 u/s 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.”

(8) Appointment of Smt. Namrata Sharma as Independent Director of the Company

To consider and, if thought fit, to pass, with or without modification, the following resolutions as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Namrata Sharma (DIN: 02136222), who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 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 u/s 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.”

(9) Appointment of Lt. Gen. (Retd.) Ashok Kapur as Independent Director of the Company

To consider and, if thought fit, to pass, with or without modification, the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Lt. Gen. (Retd.) Ashok Kapur (DIN: 2592202), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing u/s 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.”

(10) Appointment of Shri Narayan Atal as Independent Director of the Company

To consider and, if thought fit, to pass, with or without modification, the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Narayan Atal (DIN: 00237626), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing u/s 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.”

(11) Empowering the Board to borrow money upto a limit of ₹ 750 crores u/s 180(1)(c)

To consider and, if thought fit, to pass, with or without modification, the following resolution as **Special Resolution**:

“RESOLVED THAT in supersession of the Ordinary Resolution passed at the 9th Annual General Meeting of the Company held on 30th September, 2000, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013, to the Board of Directors of the Company for borrowing from time to time all such sums of money as it may deem requisite for the purpose of the business of the Company, notwithstanding that the monies to be borrowed by the Company together with the monies, if any, already borrowed by the Company (neither of which sums shall include the temporary loans, if any, obtained from the Company’s bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of monies so borrowed by the Board shall not at any time exceed ₹ 750 crores (Rupees Seven Hundred Fifty crores)”

(12) Empowering the Board to create mortgage/ security upto a limit of ₹ 750 crores u/s 180(1)(a)

To consider and, if thought fit, to pass, with or without modification, the following resolution as **Special Resolution**:

“RESOLVED THAT in supersession of the Ordinary Resolution passed at the 9th Annual General Meeting of the Company held on 30th September, 2000, the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, to mortgaging and/or charging by the Board of Directors of the Company of all the moveable and/or immoveable properties of the Company wheresoever situated, both present and future, and the whole undertaking(s) of the Company (subject to prior charges in favour of the Company’s bankers

for cash credit and other facilities) together with the power of the mortgagee/s to take over the management of the business and concern of the Company in certain events, in order to secure Rupee Term Loans/ Foreign Currency Loans and the issue of Partly Convertible Debentures and Non Convertible Debentures or any other debts taken by the Company for amounts not exceeding in the aggregate ₹ 750 crores (Rupees Seven Hundred Fifty crores) obtained/ to be obtained from the Financial Institutions and/or Banks or issued/to be issued by the Company or to be privately placed with the Financial Institutions and/or Banks and/ or Mutual Funds or any other person as the case may be, and interest at the respective agreed rates, compound/ additional interest, in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, costs, charges and expenses, remuneration of the Trustees and all other monies payable in respect of the aforementioned borrowings as may be agreed to by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with the Financial Institutions, Banks, Mutual Funds and Trustees for the Debenture holders, the documents for creating the aforesaid mortgages and/or charges and to do all such acts and things as may be required for giving effect to the Resolution.”

By Order of the Board

For SHREE RAMA NEWSPRINT LIMITED

Girish Sharma

Sr. Vice President (F&A) & Company Secretary

Place : Mumbai

Date : 09.08.2014

Registered Office:

Village Barbodhan,
Taluka Olpad, District Surat,
Gujarat – 395 005.

NOTICE



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY. HOWEVER, SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 in respect of Item Nos. 4 to 12 set out above is annexed hereto. Books of the Company shall remain closed from 19th September, 2014 to 27th September, 2014 (both days inclusive).
4. Pursuant to the requirement of Clause 49 of the Listing Agreement, a statement containing brief resume of the Directors who are seeking appointment/re-appointment under item no. 2 and item nos. 5-10 is annexed hereto.
5. Members are requested to notify immediately any change in their Registered Address to the Company's Registrar, **LINK INTIME INDIA PVT. LIMITED**, Unit: Shree Rama Newsprint Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078.
6. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the Meeting.
7. Shareholders seeking any information with regard to the Accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
8. The documents referred to in this Notice are open for inspection by any Member at the Registered Office of the Company during the Company's business hours on any working day up to the date of the Annual General Meeting and will also be available for inspection at the Meeting.
9. Pursuant to the Green Initiative taken by the Government, your Company shall send Annual Report and other communications from time to time to the shareholders electronically to the e-mail address provided by them.
10. The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for availing Electronic Voting facility which is required as per provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014. Members having shares in physical form are requested to intimate their e-mail Ids to Registrar & Share Transfer Agents viz., Link Intime India Pvt. Ltd., and members holding shares in electronic form are requested to intimate their e-mail Ids to Depository Participants with whom they have maintained their Demat Account.

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
- (ii) Click on "Shareholders" tab.
- (iii) Now, select "Shree Rama Newsprint Ltd." from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. if your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
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.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "Shree Rama Newsprint Ltd." on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - 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.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to 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 sr. no. (i) to sr. no. (xvii) above to cast vote.
- b. The voting period begins on 21.09.2014 at 9.00 AM and ends on 23.09.2014 at 6.00 PM. During this period shareholders'

of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.08.2014 (Record Date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- c. 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

A Member can opt for only one mode of voting, i.e., either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

ANNEXURE TO THE NOTICE**STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****ITEM Nos. 5 & 6**

Your Directors vide board resolution by circulation dated 11th September 2013 had appointed Shri V. D. Bajaj as Additional Director of the Company. He was also appointed as Executive Director subject to the approval of the members of the Company in the ensuing general meeting.

Shri V. D. Bajaj who is 63, is Masters in Commerce–Gold Medalist. He has about 41 years of Industrial Experience with some renowned Paper mills including 7 years as Executive Director in the Company from 2004 to 2011.

Shri V. D. Bajaj shall carry out such duties as may be entrusted to him from time to time by the Board of Directors.

The appointment of Shri V. D. Bajaj was made in accordance with the conditions specified in Schedule XIII of the Companies Act, 1956, subject to the approval of the members of the Company and Central Government, if required.

An abstract of terms and conditions of appointment of Shri V. D. Bajaj as an Executive Director u/s 302 of the Companies Act, 1956 along with memorandum of interest was sent to the members on 27th September 2013.

The proposed appointment and remuneration of Shri V. D. Bajaj as Executive Director complies with the provisions of section 152, 196 & 197 read with Schedule V of the Companies Act, 2013.

The Directors are of the view that having regard to Shri V. D. Bajaj's educational qualification and varied experience, his appointment as Executive Director will be in the interest of the Company and its Shareholders and, accordingly, commend the resolution of Item No. 6 for your approval.

Shri V. D. Bajaj is interested in the Resolutions at Item no. 5 and 6 since it concerns to his appointment as Director & his own remuneration.

None of the other Directors or Key Managerial Personnel (KMP) or their relatives are, in any way, concerned or interested in the passing of these resolutions.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

I. GENERAL INFORMATION:**(i) Nature of Industry:**

Manufacturing and sale of Newsprint and Writing & Printing Paper.

NOTICE



(ii) Date of commencement of commercial production:

The company commenced commercial production in August 1996.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable, as the company is an existing company.

(iv) Financial performance based on given indicators – as per audited financial results for the year ended 31st March, 2014:

(₹ in lacs)

Particulars	31.03.2014	31.03.2013	31.03.2012
Sales (Gross)	40,440.00	37,844.39	34,860.03
Profit/ Loss before tax	(1,348.86)	(7,974.67)	(8,262.30)
Profit/ Loss after tax	(1,550.92)	(5,668.98)	(5,552.68)
Shareholders' Funds	3,734.81	5,285.73	10,954.71

(v) Foreign investments or collaborators: NIL

II. INFORMATION ABOUT THE APPOINTEE:

(i) Background details:

Shri V. D. Bajaj, who is 63, is Masters in Commerce (Gold Medalist) and has about 41 years of Industrial Experience with some renowned Paper mills including 7 years as Executive Director in the Company from 2004 to 2011. He joined the Paper Industry in the year 1970 as Management Trainee in M/s. J.K. Paper Mills, Rayagada (Orissa) and rose upto the rank of Vice President (Works)- heading the entire unit operations. He was associated with The West Coast Paper Mills Ltd. in September, 1998 as President (Corporate), to look after marketing & sales, purchases, co-ordination with Mills and other related corporate functions.

Shri V. D. Bajaj has a rich and varied work experience in Paper Industry and taking into consideration his qualifications and expertise, he is best suited for the responsibilities as assigned to him by the Board of Directors of the Company.

(ii) Past remuneration during the financial year ended 31st March, 2014:

Being appointed as Executive Director w.e.f. 11.09.2013

(iii) Recognition or awards:

The information is already covered in the section "Background details".

(iv) Job Profile and his suitability:

Shri V. D. Bajaj is responsible for the operations and the affairs of the Company and he shall perform such other duties and services as may be entrusted to him, subject to the supervision of the Board of Directors. Taking into consideration his qualifications and expertise in the relevant fields, he is best suited for the responsibilities currently assigned to him by the Board of Directors.

(v) Remuneration proposed:

The remuneration of Shri V. D. Bajaj is set out above.

(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The substantive remuneration of Shri V. D. Bajaj is not out of tune with the remuneration in similar sized industries in same segment of business.

(vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Other than the remuneration stated above, Shri V. D. Bajaj has no other pecuniary relationship, directly or indirectly with the Company.

III. OTHER INFORMATION:

(i) Reasons of loss or inadequate profits:

The performance of the Company during the year ended 31st March 2014, as explained in the Board's Report annexed, was adversely affected due to higher input cost without commensurate increase in the selling prices.

(ii) Steps taken or proposed to be taken for improvement, and

(iii) Expected increase in productivity and profits in measurable terms:

With the continuing growth and demand and optimum capacity utilization coupled with infusion of fresh funds out of leveraging of surplus assets, the Company expects improved performance in future.

IV. DISCLOSURES:

The information and Disclosures of the remuneration package of the Executive Director have been mentioned in the Annual Report in the Corporate Governance Report Section under the heading "Details of remuneration for the year ended 31st March 2014"

Shri V. D. Bajaj satisfies all the conditions set out in Part-I of Schedule V and section 164 and 196 of the Companies Act, 2013.

Brief resume of Shri V. D. Bajaj, nature of his expertise, name of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships among directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in the Corporate Governance Report forming part of the Annual Report.

ITEM No. 7

The Board of Directors had appointed Shri Mohan M. Phadke as an Additional Director of the Company on 31st January 2014. Shri Mohan M. Phadke, M.Sc. in Metallurgy & Material Science from Carnegie-Mellon University, USA, alongwith Master of Management from Asian Institute of Management, Philippines, has a rich and varied work experience of over 38 years with renowned companies.

A Notice u/s 160 of the Companies Act, 2013 along with the deposit of requisite amount has been received from a

member signifying his intention to propose the name of Shri Mohan M. Phadke as a candidate for the office of Director of the Company. He is eligible for the appointment and is independent of the management. He fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder, for appointment as Independent Director of the Company. Your Directors are of the opinion that appointment of Shri Mohan M. Phadke will be in the interest of the Company and hence commend the same for approval of members.

None of the other Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in the passing of this resolution.

ITEM No. 8

The Board of Directors has appointed Smt. Namrata Sharma as an Additional Director of the Company on 09th August 2014. Smt. Namrata Sharma is B.E. (Electricals) & MD (Alternative Medicine) and has a varied work experience of about 20 years with renowned companies.

A Notice u/s 160 of the Companies Act, 2013 along with the deposit of requisite amount has been received from a member signifying his intention to propose the name of Smt. Namrata Sharma as a candidate for the office of Director of the Company. She is eligible for the appointment and is independent of the management. She fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder, for appointment as Independent Director of the Company. Your Directors are of the opinion that appointment of Smt. Namrata Sharma will be in the interest of the Company and hence commend the same for approval of members.

None of the other Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in the passing of this resolution.

ITEM No. 9

Lt. Gen. (Retd.) Ashok Kapur will retire by rotation at the ensuing Annual General Meeting as per the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Lt. Gen. (Retd.) Ashok Kapur being eligible, offers himself for appointment as Independent Director on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Lt. Gen. (Retd.) Ashok Kapur as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years.

A Notice u/s 160 of the Companies Act, 2013 along with the deposit of requisite amount has been received from a member signifying his intention to propose the name of Lt. Gen. (Retd.) Ashok Kapur as a candidate for the office of Director of the Company. He is eligible for the appointment and he is independent of the management. He fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder, for appointment as Independent Director of the Company. Your Directors are of the opinion that appointment of Lt. Gen. (Retd.) Ashok Kapur will be in the interest of the Company and hence commend the same for approval of members.

None of the other Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in the passing of this resolution.

ITEM No. 10

Shri Narayan Atal has been an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges since 31.08.2013. Shri Narayan Atal, being eligible, is proposed to be appointed as Independent Director pursuant to provisions of Section 149 read with Schedule IV of the Companies Act, 2013, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.

A Notice u/s 160 of the Companies Act, 2013 along with the deposit of requisite amount has been received from a member signifying his intention to propose the name of Shri Narayan Atal as a candidate for the office of Director of the Company. He is eligible for the appointment and he is independent of the management. He fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder, for appointment as Independent Director of the Company. Your Directors are of the opinion that appointment of Shri Narayan Atal will be in the interest of the Company and hence commend the same for approval of members.

None of the other Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in the passing of this resolution.

ITEM Nos. 11 & 12

The Section 180(1)(a)&(c) of the Companies Act, 2013 and the rules made thereon requires special resolution to be passed in respect of borrowings and sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company. The members of the Company had earlier passed an ordinary resolution in the Annual General Meeting held on 30th September, 2000 for the same amount.

None of the other Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in the passing of this resolution.

The Directors recommend the resolution for your approval.

NOTICE



DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Shri Shree Kumar Bangur	Lt. Gen. (Retd.) Ashok Kapur	Shri Narayan Atal	Shri V. D. Bajaj	Shri Mohan M. Phadke	Smt. Namrata Sharma
Date of Birth	16.11.1949	13.05.1947	12.01.1956	02.07.1950	12.03.1946	28.01.1972
Qualifications	B.Com	B.A. (Economics) & M.Sc. (Defence Studies), joined National Defence Academy, Khadakwasla.	B.Com, F.C.A., Grad. CWA, LLB (Gen.)	Masters in Commerce (Gold Medalist)	M.Sc. in Metallurgy & Material Science & Master of Management	B.E. (Electricals) & MD (Alternative Medicine)
Expertise in specific functional areas	An industrialist of repute with extensive experience of paper industry and general management of Corporate & Industrial affairs. He has also served as past president of Indian Chamber of Commerce & Indian Paper Manufacturers Association. He is also a Committee Member of Federation of Indian Chamber of Commerce & Industry (FICCI), Indian Chamber of Commerce and Bharat Chamber of Commerce. He is currently associated with a number of philanthropic and charitable organizations.	He has a vast administrative experience having successfully performed various assignments in the Indian Army. At the time of his retirement from the Indian Army, he was Chief of Staff, Southern Command, Pune. Post retirement he has been Director General of operations and administration of Military World Games, Additional Director General for Common Wealth Youth Games at Pune in 2007 and for Common Wealth Games in 2010.	He is a Chartered Accountant and has over 30 years of experience in the field of Accountancy, Taxation, Finance and Management Consultancy.	He has about 42 years of Industrial Experience with some renowned Paper Mills including 7 years as Executive Director in the Company from 2004 to 2011. He joined the Paper Industry in the year 1970 as Management Trainee in M/s. J.K. Paper Mills, Rayagada (Orissa) & rose upto the rank of Vice President (Works)- heading the entire unit operations. He was associated with The West Coast Paper Mills Ltd. in Sept. 1998 as President (Corporate), to look after marketing & sales, purchases, co-ordination with Mills & other related corporate functions.	He has a rich and varied work experience of over 38 years with renowned companies– Tata Motors, Kirloskar Services Ltd., Ballarpur Industries Ltd. and Chemtex International Inc., USA. He has also held professional and institutional membership and trusteeship of various national and international educational and other business organizations. Presently, he is an International Consultant, specialized in Management Education, Solar Energy & Nuclear Vendor Certification.	She has an experience of about 20 years in business management, development & marketing of software, etc. She has handled various projects with renowned organizations in India as well as abroad such as Rolex, TELCO, Siemens, Oracle, etc.

NOTICE**ANNUAL REPORT
2013 - 2014**

Name of Director	Shri Shree Kumar Bangur	Lt. Gen. (Retd.) Ashok Kapur	Shri Narayan Atal	Shri V. D. Bajaj	Shri Mohan M. Phadke	Smt. Namrata Sharma
Directorship in other Companies	The West Coast Paper Mills Ltd., The Diamond Company Ltd., Jayshree Chemicals Ltd., The Thirumbadi Rubber Company Ltd., Mothola Company Ltd., Shree Satyanarayan Investments Co. Ltd., Union Company Ltd. Gloster Telecom Ltd., Shree Satyanarayan Properties Pvt. Ltd., The Marwar Textiles (Agency) Pvt. Ltd. and Madhu Corporate Park Ltd.	NIL	Elpro International Ltd., Elpro Estates Ltd., Ajcon Global Services Ltd., Shree Madhu Industrial Estate Ltd., Gama Leafin Pvt. Ltd., N. T. Atal & Co. Chartered Accountants and Ajcon Commodity Brokers Ltd.	NIL	NIL	NIL
Membership of Committees of Board of other Companies	Remuneration Committee: Jayshree Chemicals Ltd.	NIL	NIL	NIL	NIL	NIL
Shareholding in the Company	13,27,885	NIL	NIL	NIL	NIL	NIL

By Order of the Board
For SHREE RAMA NEWSPRINT LIMITED

Place : Mumbai
Date : 09.08.2014

Girish Sharma
Sr. Vice President (F&A) & Company Secretary

BOARD'S REPORT



To
The Members of
SHREE RAMA NEWSPRINT LIMITED

Your Directors are pleased to present the 23rd Annual Report and the Audited Accounts for the Financial Year ended 31st March 2014.

FINANCIAL RESULTS

	(₹ in lacs)	
	Year Ended 31.03.2014	Year Ended 31.03.2013
Revenue from operations	40844.76	38283.45
Profit before Interest, Depreciation and Tax	1750.80	363.44
Finance Cost	4868.19	4865.45
Profit before Depreciation and Tax	(3117.39)	(4502.01)
Depreciation	3477.03	(3472.66)
Profit/(Loss) before Tax and Exceptional items	(6594.42)	(7974.67)
Exceptional Items	5245.56	-
Deferred Tax / (Credit)	202.06	(2305.69)
Net Profit / (Loss) from ordinary activities	(1550.92)	(5668.98)

Performance

During the year under review the Company improved its capacity utilization to 94% (98% in the second half of the year) as against 90% during 2012-13. The average selling price of Newsprint improved by about 11% during the year. However, the increase in input cost neutralized most of the benefit and the operating profit during the year improved to 4.28% as against 0.94% during 2012-13. Capex projects of about ₹ 15 crs. were completed during the year which will help improve the operating efficiency of the plant and reduce the fibre cost. The performance of the paper industry in general (including Newsprint) remained sluggish during the year.

CORPORATE SOCIAL RESPONSIBILITY

The Company continues to be conscious about its social responsibilities towards the public living within the vicinity of its Mills. The Company values human rights and thrives to invest in innovative and efficient technology for sustainable energy flow and economic growth. Apart from imparting regular health check facilities for the community in the nearby villages, distributing free medicines to the needy, we also supply free Drinking Water on a regular basis to the nearby villages.

The Company has opened a modern English Medium School to impart quality education to the students in the vicinity. In addition, the Company also undertakes various community welfare jobs as and when needed.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134(3)(c) OF THE COMPANIES ACT, 2013

The Directors hereby confirm that: -

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

2. 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;
3. proper and sufficient care has been taken 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;
4. the annual accounts have been prepared on a "going concern" basis;
5. 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;
6. 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.

LISTING OF SHARES

Equity Shares of Company continue to be listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Company has duly paid listing fees to the stock exchanges.

DIRECTORS

Shri Shree Kumar Bangur is retiring by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

Lt. Gen. (Retd.) Ashok Kapur is retiring by rotation at the ensuing Annual General Meeting and has offered himself for appointment as Independent Director for a period of 5 years.

Shri Narayan Atal who was earlier appointed as a Director liable to retire by rotation, has offered himself for appointment as Independent Director for a period of 5 years.

The Board of Directors appointed Shri V. D. Bajaj as an Additional Director w.e.f. 11.09.2013. He was also appointed as Executive Director for a period of 3 years. His appointment and the terms of remuneration are to be approved by the members at the ensuing Annual General Meeting.

The Board of Directors appointed Shri Mohan M. Phadke and Smt. Namrata Sharma as Additional Independent Directors w.e.f. 31.01.2014 and 09.08.2014, respectively, who will hold their positions till the date of the ensuing Annual General Meeting.

The Company has received notices u/s 160 of the Companies Act, 2013, proposing the candidature of Lt. Gen. (Retd.) Ashok Kapur, Shri Narayan Atal, Shri V. D. Bajaj, Shri Mohan Phadke and Smt. Namrata Sharma for appointment of directors at the ensuing Annual General Meeting.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required

u/s 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are furnished as Annexure – I to this Report and form part of it.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS

Report on Corporate Governance is made part of this Annual Report as Annexure – II and Management Discussion and Analysis Report as Annexure – III.

As required by the Listing Agreements, the Certificate of Auditors on Corporate Governance compliance is also annexed to this Annual Report.

The Certificate from CEO/CFO was placed before the Board of Directors at its meeting held on 13.05.2014.

PARTICULARS OF EMPLOYEES

The particulars of employees, as required under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure IV to this Report.

CASH FLOW STATEMENT

As required under Clause 32 of the Listing Agreement with the Stock Exchanges, the Cash Flow Statement is attached to the Balance Sheet.

AUDITORS

The present Auditors of your Company, M/s. Haribhakti & Co., Chartered Accountants hold office until the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board has taken note of the qualification made by the Auditors in their report regarding the Company having recognized Deferred Tax Asset (DTA) in the absence of convincing evidence s to support virtual certainty about the future taxable income. However, as explained in the notes to Accounts the Board is of a strong opinion that in view of the improved market scenario and the infusion of fresh funds, the Company will have sufficient future taxable profits.

The other observations of the Auditors in their report read with the relevant notes are self explanatory.

COST AUDIT

The cost accounting records maintained by the company are subject to audit by the qualified Cost Auditors. Your Company has appointed M/s. Nanty Shah and Associates, qualified Cost Accountant for conducting the audit of cost account records for the year ended 31.03.2014 and the Cost Audit report will be submitted to the Ministry of Corporate Affairs, Government of India in due course. The Cost Audit report for the year ended 31.03.2013 was filed on 27.09.2013.

INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year under review.

ACKNOWLEDGEMENT

The Directors wish to place on record and acknowledge their appreciation and gratitude for the continued co-operation and support received from the Central Government, the State Government of Gujarat, Regulatory Bodies, participating Financial Institutions and Banks, Customers, Suppliers and Dealers. The Directors take this opportunity to express their appreciation towards the dedication, commitment and teamwork shown by employees, which has contributed in taking the Company on the path of prosperity. Your Directors further thank the fraternity of Members/Shareholders for their continued confidence reposed in the management of the Company.

On behalf of the Board

Place: Mumbai
Date: 09.08.2014

S. K. Bangur
Chairman

ANNEXURE TO BOARD'S REPORT



ANNEXURE – I

INFORMATION AS PER SECTION 134(3)(m) READ WITH COMPANIES (ACCOUNTS), RULES, 2014 AND FORMING PART OF THE BOARD'S REPORT FOR THE YEAR ENDED 31st MARCH 2014

A. CONSERVATION OF ENERGY

1. Energy Conservation Measure Taken in FY 2013-14

- i) In FDP-2, Krofta ADT Pump of 110 kW has been replaced with a new pump of capacity 135 m³/hr & 55 kW motor.
- ii) In FDP-2, reduction of the pulley size of Krima Screw Press feed (Gould pump- PP-712-31-12) has been done.
- iii) In Sludge chest of FDP-1, lower capacity pump no. 711-31-17 (22 KW) taken into operation in place of higher capacity pump 711-31-17N (55 KW) as per original design.
- iv) In PM-1, connection has been changed from delta to star in Trim pulper agitator -1 motor (851-51-01), Exhaust fan motor (851-77-04) and Exhaust fan motor (851-77-06) motor.
- v) In PM-1, Metallic fan replaced with energy efficient FRP fan for Exhaust fan (851-77-04) and Exhaust fan (851-77-06).
- vi) Bow roll motor bypassed & now roll is driving with rope pulley in both paper machines.
- vii) In PM-2, Metallic fan replaced with energy efficient FRP fan for Exhaust fan (852-77-05) and Exhaust fan (852-77-06)
- viii) In PM-2, connection has been changed from delta to star for Exhaust fan motor #3.
- ix) In Compressor, Re-commissioning of Air Compressor Refrigerant dryer has been done.
- x) In ETP, AT1 sludge recirculation pump made shut for four hrs in every shift without affecting the process.

2. Water Conservation Measures Taken in FY 2013-14

- i) Pressure Screen Sealing water pumped in to warm water tank.
- ii) Joining the buffer tank with Common Wash Water Tank for saving water.

3. Energy Conservation Measures Proposed for future

- i) Five numbers of Metallic fan replaced with FRP fan. One number remaining yet to be replaced.
- ii) Motors with efficiency lower than 85% have been identified. It is proposed to replace it with high efficiency motors.
- iii) VFD installation in ID fan & FD fan for CE-4 boiler.
- iv) Replacement of reciprocating compressors with centrifugal compressor.
- v) Coating of Cooling tower pumps for energy saving.

4. Water Conservation Measures proposed for future

- i) To reduce fresh water consumption by utilization of back wash water of ACF and DMF unit in DM plant as make up water for cooling tower.
- ii) It is proposed to work on "Zero Effluent Discharge" for water conservation.

5. Impacts of Measures (1 & 2)

Reduction in power consumption and fresh water consumption for manufacturing Newsprint has been achieved during financial year as given below:

Reduction in power consumption (KWH/Day)	1164
Reduction in fresh water consumption (M ³ /Day)	76

B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption, adoption & innovation as per Form B - enclosed

C. FOREIGN EXCHANGE EARNING AND OUTGO

₹ (In Lacs)

	Current year ended 31.3.2014	Previous year ended 31.3.2013
Foreign Exchange Earning	32.08	275.78
Foreign Exchange Used	7632.04	6967.61

FORM - A

Form of Disclosure of particulars with respect to Conservation of Energy

A) Power and Fuel Consumption

Sr. No.		For the Year ended 31.03.2014	For the Year ended 31.03.2013
1.	Electricity		
	a) <u>Purchased</u>		
	Units (Kwh in thousand)	6470	3869
	Total Amounts (₹ Lacs)	739.78	540.64
	Rate/Unit (₹)	11.43	13.97
	b) <u>Own Generation</u>		
	I. Through Diesel Generator		
	Units (Kwh in thousand)	3	1
	Unit per Litre of Diesel/Oil	3.14	1.05
	Rate/Unit (₹)		38.98
	II. Through Steam Turbine/Generator		
	Unit (Kwh in thousand)	129614	126104
	Rate/Unit (₹)	4.31	4.10
2.	Coal		
	Quantity (MT)	169502	166648
	Total Cost (₹ in lacs)	7214.93	6679.71
	Average rate (₹ per MT)	4257	4008
3.	Lignite		
	Quantity (MT)	674.31	3592
	Total Amount (₹ Lacs)	16.38	86.71
	Avg. Rate (₹/MT)	2429	2414
4.	Furnace Oil		
	Quantity (K.Ltr)	Nil	Nil
	Total Amount (₹ in lacs)	Nil	Nil
	Average rate (₹/ K. Ltr)	Nil	Nil

B) Consumption per MT of Production

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Electricity (kwh)	1095	1097
Furnace Oil (ltr)	Nil	Nil
Coal (kgs)	1363	1406
Lignite (kgs)	5	30

FORM- B

Form for disclosure of particulars with respect to technology absorption.

RESEARCH AND DEVELOPMENT (R & D)

- (i) Plant trials of deinking chemicals from different suppliers were taken at Deinking plant.
- (ii) Developed alternate supplier for Krofta Chemical based on lab trial results.
- (iii) Lab trial for optimization of Hydrogen peroxide at DIP – Findings were implemented in plant satisfactorily.
- (iv) Based on Lab trials, Plant trial for reduction of Sodium hydro sulphite was taken but results were not upto the mark. Hence discontinued.

TECHNOLOGY ABSORPTION**1. Efforts in brief made towards technology absorption, adoption and innovation:**

- i) Installation of CD profiler has been done in PM-1 & PM-2.
- ii) Reconditioning of head box in both the machines has been done.
- iii) Metallic fans have been replaced with energy efficient FRP fans.

2. Benefits derived as a result of above efforts:

- i) Installation of CD profiler & reconditioning of head box has improved basis weight & moisture profile.
- ii) FRP fans being light in weight helps in substantial energy saving.

3. Details of Project Development work in field of Energy which are in progress:

- a. Replacement of Electronic ballast with magnetic ballast.
- b. Star connection of motors which have loading less than 40%.
- c. Impeller trimming or VFD installation of the pumps which have throttling.
- d. Replacement of old rewind motors with energy efficient ones.



ANNEXURE - II

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

(The Corporate Governance Report is for the Year under review i.e. from 1st April 2013 to 31st March 2014)

1) Company's Philosophy on Code of Corporate Governance

The Company has ingrained the objectives of good quality Corporate Governance, which will lead to creation of value for all its stakeholders. The Company adopts the best of the Corporate Governance practices in its spirit, whereby the highest level of transparency, accountability and equity is maintained at all levels of its operations. The Company policies are drawn keeping in mind the interest of all its stakeholders and with an ultimate objective of creation of wealth for its stakeholders.

By following good corporate governance practices, the Company ensures transparency in its policies, processes, reporting and decision making processes. The Company emphasizes on effective and efficient accounting system, internal control mechanism and planning process. The practices adopted by the Company emphasize that all the resources are utilized optimally and effectively so that the Company grows from strength to strength and creates wealth for its stakeholders.

The Board of Directors of the Company has appropriate composition of Executive and Non-Executive Directors including Independent Directors. The Board of Directors through their active participation ensures that the

discussions and decisions on the policy matters are taken after due deliberation and discussion and in consonance with good corporate governance practices.

2) Board of Directors – Constitution and Composition

The composition of the Board of Directors meets with the requirements of corporate governance prescribed in the Listing Agreement. As on 31st March, 2014, Board of Directors of the Company consists of seven (7) Directors comprising one (1) Executive Director and six (6) Non-Executive Directors including three (3) Independent Directors. The vacancy caused by resignation of an independent director as on 31st March, 2014, will be filled up in due course.

None of the Directors on the Board are Members in more than ten Committees and they do not act as Chairman of more than five Committees across all Companies in which they are Directors.

a) Number of Board Meetings and Attendance Record of the Directors

The Company has complied with the provisions with regard to holding of Board Meetings during the period under review, i.e. from 1st April 2013 to 31st March 2014. The intervening period between the Board Meetings was within the maximum time gap prescribed under the Companies Act, 1956 and Clause 49 of the Listing Agreement.

During the year ended 31st March 2014 the Company had four Board Meetings. These were on 29th May 2013, 5th August 2013, 14th November 2013 and on 11th February 2014.

The composition of Directors during the year under review and the attendance at the Board Meetings during the year under review and the last Annual General Meeting as also number of other Directorships and Committee Memberships are given below:

Sr. No.	Name of Director	Position	No. of Board Meetings attended	Attendance at last AGM	No. of other Public Co. Directorships**	No. of Committee Membership in other Public Company*	
						Chairman	Member
1.	Shri Shree Kumar Bangur #	Non-Executive Director-Promoter, Chairman	2	No	9	-	-
2.	Shri Virendraa Bangur #	Non-Executive Director-Promoter, Vice-Chairman	2	No	6	-	1
3.	Shri K.L. Chandak	Non-Executive Director	3	No	2	-	2
4.	Shri P. S. Maharaj (upto 15.12.2013)	Executive Director	2	Yes	-	-	-
5.	V. D. Bajaj (w.e.f. 11.09.2013)	Executive Director	2	NA	-	-	-
6.	Shri Sudarshan Somani (upto 05.08.2013)	Non-Executive Independent Director	1	No	-	-	-
7.	Lt. Gen. (Retd.) Ashok Kapur	Non-Executive Independent Director	4	Yes	-	-	-
8.	Janak Mehta (upto 14.11.2013)	Non-Executive Independent Director	1	No	-	-	-

Sr. No.	Name of Director	Position	No. of Board Meetings attended	Attendance at last AGM	No. of other Public Co. Directorships**	No. of Committee Membership in other Public Company*	
						Chairman	Member
9.	Narayan Atal	Non-Executive Independent Director	4	Yes	5	1	2
10.	Mohan M. Phadke (w.e.f. 31.01.2014)	Non-Executive Independent Director	1	NA	-	-	-

* This relates to Committee referred to in clause 49 of the Listing Agreement, viz. Audit Committee and Investor Grievance Committee.

** Excluding Private, Foreign and companies registered under Section 25 of the Companies Act, 1956.

Shri Shree Kumar Bangur is relative of Shri Virendraa Bangur (Father & Son)

3) Directors' Interest in the Company

For the sake of transparency the Company is committed to make full disclosures regarding the interest of and payments to all Directors. During the year under review the Company made payment of sitting fees of ₹ 4000/- per meeting to Non-Executive Directors for attending meetings of Board, Audit Committee and Remuneration Committee. The Company does not pay any other remuneration or commission to the Non-Executive Directors of the Company. Further, it is not a policy of the Company to give loans and advances to its Directors.

The Company did not have any material pecuniary relationship or transactions with the Non-Executive Directors during the year under review.

Sometimes, the Company does enter into contracts with Companies in which some of the Directors of the Company are interested as Director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weightage to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are Directors and particulars of contracts, if any, entered with companies in which Directors are directly or indirectly concerned or interested are recorded in the Register of Contracts.

Code of Conduct:- The Board of Directors has adopted the CODE OF CONDUCT to be observed by all the Directors and Senior Management while executing their official duties and responsibilities. The Code of Conduct is posted on the website of the Company. All Directors and designated senior management personnel of the Company have affirmed compliance of the Code of Conduct. The declaration to this effect signed by the Executive Director is annexed to this report.

CEO/CFO Certification:- As required under clause 49(V) of the Listing Agreement with Stock Exchanges, the Executive Director and Sr. Vice President (Fin & A/cs) have certified to the Board the financial statements for the year ended 31st March 2014.

4) Audit Committee

Terms of reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges that inter-alia, includes overseeing financial reporting process, reviewing periodic financial results, financial statements and adequacy of internal control system with the Management and adequacy of internal audit function, discussions with auditor about the scope of audit including the observation of the auditors and discussion with internal auditors on any significant findings. The Committee also reviews all matters and information required to be reviewed, discussed or investigated as per the provisions of the Corporate Governance clause and best of the corporate governance practices including but not limited to related party transactions, appointment or removal of internal auditors, compliances of legal provisions and accounting standards etc.

Composition of Audit Committee as on 31st March 2014

During the year under review following is the composition of the Audit Committee of the Board:

Name of the Member	Status
Lt. Gen. (Retd.) Ashok Kapur	Non-Executive Independent Director (Chairman)
Shri Narayan Atal (w.e.f. 11.09.2013)	Non-Executive Independent Director
Shri V. D. Bajaj (w.e.f. 11.09.2013)	Executive Director
Shri Mohan M. Phadke (w.e.f. 11.02.2014)	Non-Executive Independent Director
Shri Sudarshan Somani (upto 05.08.2013)	Non-Executive Independent Director
Shri Janak Mehta (upto 14.11.2013)	Non-Executive Independent Director
Shri P. S. Maharaj (upto 15.12.2013)	Executive Director

During the year under review, four meetings of the Audit Committee were held on the following dates:

CORPORATE GOVERNANCE REPORT



- (i) 29th May 2013, (ii) 5th August 2013 (iii) 14th November 2013, (iv) 11th February 2014.

Attendances of Members at Audit Committee Meetings were as under:

Name of the Member	No. of Meetings attended
Lt. Gen. (Retd.) Ashok Kapur	4
Shri Narayan Atal (w.e.f. 11.09.2013)	2
Shri V. D. Bajaj	2
Shri Sudarshan Somani	1
Shri Janak Mehta	1
Shri P. S. Maharaj	2
Shri Mohan M. Phadke (w.e.f. 11.02.2014)	-

The Statutory Auditors, Internal Auditors and the Head of Finance are invitees to the Audit Committee Meetings. The Company Secretary is in attendance at these Meetings. All members are financially literate and majority have accounting & financial expertise. The Chairman of the Audit Committee Lt. Gen. (Retd.) Ashok Kapur alongwith Shri Narayan Atal & Shri P. S. Maharaj, attended the previous Annual General Meeting. Lt. Gen (Retd.) Ashok Kapur & Shri P. S. Maharaj answered the queries raised by the shareholders.

5) Remuneration Committee

The Remuneration Committee was constituted on 16th January 2004 to decide the remuneration of Executive Director. The Remuneration Committee was last reconstituted on 5th August 2013. The composition of the Remuneration Committee during the year under review was as follows:-

Name of Member	Status
Lt. Gen. (Retd.) Ashok Kapur	Non-Executive Independent Director (Chairman)
Shri Narayan Atal (w.e.f. 05.08.2013)	Non-Executive Independent Director
Shri K. L. Chandak	Non-Executive Director
Shri Sudarshan Somani (upto 05.08.2013)	Non-Executive Independent Director
Shri Janak Mehta (upto 14.11.2013)	Non-Executive Independent Director

6) Details of remuneration for the year ended 31st March 2014

(i) To Executive Director

Name	Salary & Allowance (₹)	Commission (₹)	Perquisites (₹)	Retirement Benefits (₹)
Shri P. S. Maharaj (upto 15.12.2013)	23,82,948	NIL	16,53,425	NIL
Shri V. D. Bajaj Executive Director (w.e.f. 11.09.2013)	28,33,667	NIL	6,83,878	NIL

The above figures are exclusive of Company's contribution to provident fund, gratuity and leave encashment.

Apart from above salary, the Executive Directors have received no remuneration or incentive during the year under review.

The appointment of the Executive Director is contractual in nature. The appointment may be terminated by either party by giving 3 months notice of such intention in writing to the other party. In the event the Executive Director delivers the notice, the Company shall have the option of determining the services of the Directors forthwith without any further liabilities whatsoever. In the event such notice is delivered by the Company, the Executive Director shall be entitled to be paid his full salary as per the terms of appointment for a period of three months as well as such other benefits which he would have earned during the same period.

There are no Stock options available / issued to any Directors of the Company and this does not form a part of their contract with the Company.

(ii) To Non-Executive Directors

During the year ended 31st March 2014, the Company paid remuneration to Non-executive directors by way of sitting fees of ₹ 4000/- per meeting for attending meetings of Board, Audit Committee and Remuneration Committee. Apart from payment of Sitting Fees, the company had no other pecuniary relationship or transactions with individual non-executive directors. There are no Stock options available / issued to any Directors of the Company. None of the Non-Executive Directors have shareholding in the Company except the following:-

Director	Shares held as on 31.03.2014
Shri S. K. Bangur	13,27,885
Shri Virendraa Bangur	2,45,352
Shri K. L. Chandak	6,250

7) Share Transfer & Investor Grievance Committee

The composition of the Share Transfer & Investor Grievance Committee during the year under review is as follows:

Name of Member	Status
Shri K. L. Chandak	Non-Executive Director (Chairman)
Shri Narayan Atal (w.e.f. 11.09.2013)	Non-Executive Independent Director
Shri. V. D. Bajaj (w.e.f. 11.09.2013)	Executive Director
Shri Sudarshan Somani (upto 05.08.2013)	Non-Executive Independent Director
Shri P. S. Maharaj (upto 15.12.2013)	Executive Director

The Committee oversees the redressal of complaints of the shareholders and investors in relation to transfer of shares, non-receipt of annual reports, etc. and also approves split/consolidation of shares, issue of duplicate share certificate, etc. Shri Girish Sharma, Company Secretary, is Compliance officer of the Company.

During the year ended 31st March 2014, the Company had eight Share Transfer / Investor Grievance Committee Meetings held on:-

(i) 29th May 2013 (ii) 30th May 2013 (iii) 10th June 2013
(iv) 5th August 2013 (v) 30th October 2013 (vi) 14th November 2013 (vii) 10th February 2014 (viii) 11th February 2014

Attendances of Members at Share Transfer / Investor Grievance Committee Meetings were as under:

Name of Member	No. of Meetings attended
Shri K. L. Chandak	8
Shri Narayan Atal (w.e.f. 11.09.2013)	4
Shri V. D. Bajaj (w.e.f. 11.09.2013)	4
Shri Sudarshan Somani	2
Shri P. S. Maharaj	4

8) General Body Meetings

The Annual General Meetings were held at Village Barbodhan, Taluka Olpad, District Surat, Gujarat – 395 005, as per details given below:

Year	Date	Day	Time
20 th AGM – 2011	September 29, 2011	Thursday	2.30 P.M.
21 st AGM – 2012	September 22, 2012	Saturday	2.30 P.M.
22 nd AGM – 2013	August 31, 2013	Saturday	2.30 P.M.

Special Resolutions passed in the previous 3 Annual General Meetings:-

20th AGM- To approve the terms and conditions of remuneration of Shri P.S. Maharaj, Executive Director w.e.f. 16th December 2010 for a period of 3 years subject to annual increment from 1st April, 2012.

21st AGM - To reclassify the Authorized Share Capital of the Company by issuing upto 30,00,000/- (Thirty lac only) Cumulative Redeemable Non Convertible Preference Shares of ₹ 100/- each aggregating to ₹ 30,00,00,000/- (Rupees Thirty crore only) on a private placement basis to any persons or entities including the persons or entities in the Promoter Group (known as S. K. Bangur group).

EGM - To approve the change of name of the Company from “Rama Newsprint & Papers Limited” to “Shree Rama Newsprint Limited”

22nd AGM - None

No special resolutions were required to be put through postal ballot during the year. At the forthcoming Annual General Meeting also, there is no item on the agenda that needs approval by Postal Ballot.

9) Disclosures

(i) The Company has complied with various requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets

during the last three years and no penalties/strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

(ii) There are no transactions, which may have potential conflict with the interest of the Company. Note 47 of the Annual Accounts contain the details of related party transactions.

(iii) The Company has complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement. Regarding non – mandatory requirements:

- Remuneration Committee has been constituted to approve remuneration of Executive Director.
- The Board members are having adequate experience and expertise to deal with business matters.
- Whistle blower policy of the company has been formulated on 13th May, 2014 in line with the provisions of the Listing Agreement and Companies Act 2013.

(iv) The Auditors' qualification regarding the Company having recognized Deferred Tax Asset in the absence of convincing evidences to support virtual certainty about the future taxable income has been adequately explained in the Board's Report.

10) Means of Communication

(i) Quarterly results are published in English and vernacular newspapers as prescribed under Listing Agreement. The annual report is also posted/e-mailed to every shareholder of the Company.

(ii) The Company's website: www.ramanewsprint.com is regularly updated with financial results and any Official news releases are given directly to the press.

11) General Shareholder Information

(i) Annual General Meeting

Date & Time: Please refer to Notice of the Annual General Meeting being sent alongwith the Annual Report.

Venue: Registered Office at Village Barbodhan, Taluka Olpad, Dist. Surat, Gujarat - 395005.

(ii) The Company has furnished information as required by Clause 49 (iv) of the Listing Agreement of the Stock Exchanges, relating to the appointment and re-appointment of Directors.

(iii) Financial Year: 1st April, 2013 to 31st March, 2014

12) Dates of Book Closure

Please refer to Notice of the Annual General Meeting being sent along with the Annual Report.



13) Listing of Equity Shares on Stock Exchanges, etc.

The Company's shares are listed on Bombay Stock Exchange & National Stock Exchange of India Ltd.

Stock Market price data for the year ended 31st March 2014

Month	BSE		NSE		SENSEX	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High	Low
April, 2013	8.65	7.36	8.60	7.20	19623	18144
May, 2013	7.94	6.85	7.80	6.60	20444	19451
June, 2013	7.10	5.09	7.20	5.05	19860	18467
July, 2013	6.00	4.01	5.95	3.85	20351	19127
August, 2013	5.34	3.97	5.30	4.00	19569	17449
September, 2013	6.93	4.44	7.20	4.30	20740	18166
October, 2013	6.66	5.36	6.55	5.00	21205	19265
November, 2013	6.99	5.37	6.90	5.75	21322	20138
December, 2013	6.99	5.55	6.95	5.45	21484	20569
January, 2014	12.44	6.75	12.65	6.70	21410	20344
February, 2014	9.50	8.00	9.50	8.00	21141	19963
March, 2014	8.80	6.66	8.90	6.40	22467	20921

14) Stock Codes & ISIN No.

Bombay Stock Exchange Ltd.: 500356

National Stock Exchange of India Ltd.: RAMANEWS

ISIN of the Company: INE278B01020

15) Share Transfer Agent

The Company has engaged the services of **M/s. LINK INTIME INDIA PVT. LTD.**, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078, a SEBI registered Registrar, as their Share Transfer Agents, for processing the transfers, sub-division, consolidation, splitting of securities, etc. Since trades in Company's shares are required to be done only in dematerialized form, request for demat and remat should be sent through the Depository Participants (DP) to

M/s. LINK INTIME INDIA PVT. LTD.

Unit: Shree Rama Newsprint Ltd.

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai – 400078.

Phone No. 25963838 Fax: 25946969

Email – rnt.helpdesk@linkintime.co.in

16.1) Share Transfer System

The Company's shares are traded on the Stock Exchanges compulsorily in demat mode. Therefore, Investors / Shareholders are requested to kindly note that physical documents, viz. Demat Request Forms (DRF) and Share Certificates, etc. should be sent by their Depository Participants (DP's) directly to the Share Transfer Agents. Any delay on the part of the DP's to send the DRF and the Share Certificates beyond 15 days from the date of generation of the DRF by the DP will be rejected / cancelled. This is being done to ensure that no demat requests remain pending with the Share Transfer Agent beyond a period of 15 days. Investors / Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and Share Certificates to Share Transfer Agent after generating

the DRF. Shares in physical are processed by Registrar & Transfer Agent who attend to share transfer formalities normally once in 10 days.

16.2) Investor Grievance Redressal System

The Investors' grievances against the Company are handled by the Company's Registrars and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd., in consultation with the Head of the Secretarial Dept. of the Company. The Registrars have adequate infrastructure facilities coupled with skilled staff with professional qualifications for speedy redressal of Investors' grievances.

All investor complaints, which cannot be settled at the level of the Company Secretary or the Share Transfer Registrars, are forwarded to the Share Transfer & Investor Grievance Committee for final settlement. During the year under review the Company received 59 complaints from Shareholders and same were attended and no complaints were outstanding.

17) Distribution of Shareholding as on 31st March 2014

No. of Shares	No. of Shareholders	No. of Shares
Upto 500	92438	6757784
501 – 1000	2467	2028016
1001 – 2000	1380	2083719
2001 – 3000	527	1351510
3001 – 4000	209	762774
4001 – 5000	276	1314349
5001 – 10000	350	2644378
10001 and above	322	41215502
Total	97969	58158032

18) Pattern of Shareholding as on 31st March 2014

Category	No. of shares held	Percentage of shareholding
Promoters	29395801	50.54
Mutual Funds & UTI	58325	0.10
Banks, Financial Institutions	21800	0.04
Foreign Institutional Investors	60725	0.10
Foreign Mutual Funds	12300	0.02
Others		
a) Private Corporate Bodies	3334913	5.73
b) Indian Public	23648329	40.68
c) NRIs / OCBs	1200659	2.06
d) Others	425180	0.73
Grand Total	58158032	100.00

19) Dematerialization of Shares

As on 31st March 2014, 55421687 shares of the Company representing 95.29% of total paid-up share capital were held in dematerialized form and the balance 2736345 shares representing 4.71% of total paid-up share capital were in physical form.

20) Factory Location

The Company's factory is located at Village Barbodhan, Taluka – Olpad, District – Surat, Gujarat–395 005.

21) Address for Correspondence

The Company's Registered Office is situated at Village Barbodhan, Taluka – Olpad, District – Surat, Gujarat – 395 005.

All Shareholders correspondence should be addressed to any of the following:-

SHREE RAMA NEWSPRINT LTD.

Shreeniwas House, 4th Floor,
Hazarimal Somani Marg, Fort,
Mumbai - 400 001.
Ph : 022-22070041/42

OR

LINK INTIME INDIA PVT. LTD.

Unit: Shree Rama Newsprint Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai – 400078.
Phone No: 25963838 Fax: 25946969
Email: rnt.helpdesk@linkintime.co.in

22) Management Responsibility Statement

The Management confirms that the financial statements are in full conformity with requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India. The Management accepts responsibility for the integrity and objectivity of these financial statements as well as for estimates and judgments relating to matters not concluded by the period end. The management believes that the financial statements of operation reflect fairly the form and substance of transactions and reasonably present the Company's financial condition and the results of operations. The Company has a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The Internal Auditors have conducted periodic audits to provide reasonable assurance that the Company's established policy and procedures have been followed.

ANNEXURE - IV

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE BOARD'S REPORT DATED 09th AUGUST, 2014 FOR THE YEAR ENDED 31st MARCH, 2014

Name	Designation	Remuneration (₹)	Qualifications	Age	Experience	Date of Joining	Previous Employment
Shri V.D. Bajaj	Executive Director	₹ 35,17,545	Masters in Commerce – Gold Medalist	64 years	42 years	11 th Sept. 2013	Biltube Industries Limited

CODE OF CONDUCT DECLARATION

I hereby declare that all Board members of the Company and senior management personnel have affirmed compliance with the Code of Conduct of the Company.

For Shree Rama Newsprint Ltd.

Dated: 13th May, 2014

V. D. Bajaj
Executive Director

**AUDITOR'S CERTIFICATE
ON CORPORATE GOVERNANCE**



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

Shree Rama Newsprint Limited

We have examined the compliance of conditions of Corporate Governance by Shree Rama Newsprint Limited, for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

For and on behalf of
Haribhakti & Co.
Chartered Accountants
FRN 103523W

Place : Mumbai
Date : May 13, 2014

Atul Gala
Partner
Membership No.: 048650

ANNEXURE -III

Paper Industry

India is one of the fastest growing paper markets in the world. Indian Paper Industry is one of the high priority sectors. The domestic demand for all variety of paper in India is about 13.1 million tons which is 3% of the global demand. However, the per capita paper consumption in India is just about 9 kgs as against the world average of about 58 kgs. In line with the projected GDP growth and the continued thrust on universal education through Sarva Shiksha Abhiyan and Right to Education, the paper consumption in India is likely to cross 20 million tons by 2020. However, growth in Indian Paper Industry during 2013-14 was moderate and is likely to be same in 2014-15.

Newsprint Industry

The total demand of Newsprint in India is estimated to be about 2.5 million tons per annum with the domestic capacity limited to only about 40% of the demand. As per estimate by CRISIL, with the expected annual growth of about 9%, the total demand is likely to cross 3.5 million tons per annum by 2017-18. With no major capacity expansion in Newsprint Industry in sight, dynamics of the imported Newsprint in terms of the quality and the landed cost will continue to govern the industry in future.

COMPANY'S PERFORMANCE & OUTLOOK

This has been discussed in length in the Board's Report.

SWOT Analysis

Strengths

- 1) Strategic location of the plant, good proximity to both market for its finished product and source of its raw material i.e. wastepaper and chemicals.
- 2) Close proximity to Hazira & Magdala ports for import of waste paper and coal and export of finished goods.
- 3) Customer's appreciation of company's products.
- 4) Countrywide customer base and Dealer / Distributor network.
- 5) Swing facility on the Paper Machine to produce Newsprint / Writing & Printing grades of paper as the market situation may demand.
- 6) Sufficient land and other infrastructure available with the Company for future expansion and growth.
- 7) Support from the group companies:- The company can count on the support from group companies as and when needed.

Weakness

The Company manufactures its products with 100% recycled fibre, which is perceived a shade below high end products manufactured from virgin pulp. However, company's products both Newsprint Paper and Writing Print Paper are well accepted in the market place due to continuous Research & Development and Technological improvement which have helped the company to improve the quality of its products.

Opportunities

The Company, can encash on the increased outlay by Government for growth in the education sector by producing writing and printing paper. The company can also take the advantage of expected growth in newsprint sector. Being an eco-friendly process based on recycling, the Company also can gain from increased awareness of global warming among its customers as can be seen from trends in developed countries.

Threats

- 1) The Company imports about 40% of the raw material, which is prone to the foreign exchange fluctuations.
- 2) The Company is susceptible to cyclicity in International newsprint market and the availability & prices of recycled fibre across the globe.

Internal Control Systems & its Adequacy

The company has adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company has appointed external firm of Chartered Accountants who carry out Internal Audit throughout the year on regular basis and with a pre-planned audit schedule. Their suggestions and recommendations are reviewed by the Management regularly so as to enhance the quality of Internal Control System. The audit reports are reviewed by the Management and the Audit Committee of the Board from time to time. The company has also implemented Total Productive Maintenance (TPM) process to improve productivity, efficiency in administrative functions and elimination of losses.

Human Resources

The management believes that human resources is the key to success of any organization. Therefore, the Company accords due emphasis and thrust on developing and nurturing its human resource by hiring the right manpower and organizing various training programs to improve their productivity. The Company recruits trainees in various departments and provides them with suitable training to equip them to take up the responsibilities in the Company. Proper care is also taken for the safety, health and welfare of its employees.

Cautionary Statement

The Report on Management's Discussion and Analysis contains forward-looking statements which are within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. There are a number of factors such as global and domestic demand-supply conditions, finished goods prices, raw materials cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this annual report and accounts should be construed as a profit forecast.

INDEPENDENT AUDITORS' REPORT



To

The Members of Shree Rama Newsprint Limited Report on the Financial Statements

We have audited the accompanying financial statements of Shree Rama Newsprint Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

The Company has recognised Deferred Tax Asset (DTA) amounting to ₹ 13207.11 lacs in the absence of virtual certainty and convincing evidences about the future taxable income against which such DTA can be realised. This constitutes a departure from para 17 of Accounting Standard (AS) 22 'Accounting for Taxes on Income'. Had the management not recognised such DTA, losses for the year would have been higher by ₹ 556.65 lacs and Reserves and Surplus and DTA would have been reduced by ₹ 13207.11 lacs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the 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:

(a) *in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;*

(b) *in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and*

(c) *in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Emphasis of Matter

1. We draw attention to Note No. 37 to the financial statements wherein balances with excise authorities amounting to ₹ 2640.64 lacs represent Cenvat Credit Receivable as at March 31, 2014, which in the opinion of the management, is realizable, subject to adequate excise duty leviable on finished goods.
2. We draw attention to Note No. 44 to the financial statements wherein, in the opinion of the management, despite running into continuous losses in recent past, the financial statements have been prepared on a going concern basis in view of improved market scenario coupled with the decisions to infuse fresh funds and leveraging all the surplus assets of the Company.
3. We draw attention to Note No. 42 to the financial statements wherein, the Company having received substantial portion of the sale proceeds, has accounted for sale of 170 acres of its unused land as per the Agreement to sell executed by the Company. The requisite formalities/approvals for transfer of land are in progress.

Our opinion is not qualified in respect of the matters stated above.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Haribhakti & Co.
Chartered Accountants
FRN 103523W

Place : Mumbai
Date : May 13, 2014

Atul Gala
Partner
Membership No. 048650

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Shree Rama Newsprint Limited on the financial statements for the year ended March 31, 2014]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(b),(c) and (d) of the order are not applicable.
- (e) The Company had taken loan from eight companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 5,615 lacs and the year-end aggregate balance of loans taken from such parties was ₹ 5,330 lacs.
- (f) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated. However, the Company is not regular in payment of interest, wherever applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of ₹ five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is not generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it, though the delays in deposit have not been serious.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates
Gujarat State Electricity Act	Electricity Duty incl. interest	627.61	2011-12 to 2013-14
Gujarat Pollution control Board (Water Act, 1974)	Water Cess	5.80	2013-14

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

ANNEXURE TO INDEPENDENT AUDITORS' REPORT



Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Excise/ Customs Act	Excise Duty	470.72	Various Years	Excise Authorities
Bombay Stamp Act	Stamp duty and registration fees including penalty	130.75		Judge (Senior Division) Surat Civil Court
Income Tax Act, 1961	Income Tax	5.14	2007-08	Commissioner of Income Tax and Appellate Authority
Sales Tax Act	VAT	8.31	2006-07	Sales Tax authority

- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit but has incurred cash loss in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of its dues to Banks. The particulars of delay which related to installment (including interest) during the year ended March 31, 2014 are as follows:

Particulars	Amount (including interest) (in ₹ lacs)	Period of Delays (in days)
Bank	1279.60	0-60
	1543.24	60-120

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds amounting to ₹ 523.64 lacs raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.
Chartered Accountants
FRN 103523W

Atul Gala
Partner

Place : Mumbai
Date : May 13, 2014

Membership No. 048650

BALANCE SHEET**ANNUAL REPORT
2013 - 2014****BALANCE SHEET AS AT 31ST MARCH ,2014**

PARTICULARS	NOTE	31.03.2014 (₹) in Lacs	31.03.2013 (₹) in Lacs
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	5,815.80	5,815.80
(b) Reserves and Surplus	2	<u>(2,080.99)</u>	<u>(530.07)</u>
		3,734.81	5,285.73
(2) Non - Current Liabilities			
(a) Long - Term Borrowings	3	15,746.79	17,666.59
(b) Other Long Term Liabilities	4	124.73	124.87
(c) Long - Term Provisions	5	288.64	300.04
		<u>16,160.16</u>	<u>18,091.50</u>
(3) Current Liabilities			
(a) Short - Term Borrowings	6	11,447.81	10,776.70
(b) Trade Payables	7	14,274.08	11,632.81
(c) Other Current Liabilities	8	6,897.98	5,262.38
(d) Short - Term Provisions	9	90.93	82.66
		<u>32,710.80</u>	<u>27,754.55</u>
	TOTAL	<u>52,605.77</u>	<u>51,131.78</u>
II ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets (Net)			
(i) Tangible Assets	10	21,823.78	23,829.51
(ii) Capital Work - In - Progress	11	37.56	521.83
(b) Non - Current Investments	12	1.63	1.63
(c) Deferred Tax Asset (Net)	43	13,207.11	13,409.17
(d) Long - Term Loans & Advances	13	204.08	470.66
(e) Other Non - Current Assets	14	-	-
		<u>35,274.16</u>	<u>38,232.80</u>
(2) Current Assets			
(a) Inventories	15	7,283.84	5,509.64
(b) Trade Receivables	16	5,167.78	4,203.29
(c) Cash and Bank Balances	17	221.51	143.14
(d) Short - Term Loans and Advances	18	3,205.50	2,984.43
(e) Other Current Assets	19	1,452.98	58.48
		<u>17,331.61</u>	<u>12,898.98</u>
	TOTAL	<u>52,605.77</u>	<u>51,131.78</u>

Significant Accounting Policies and Notes 1 to 50 to Financial Statements

As per our attached report of even date
For HARIBHAKTI & CO.
Chartered Accountants
FRN103523W

Atul Gala
Partner
Membership No.048650

Place: Mumbai
Date : 13th May, 2014

Girish Sharma
Sr. VP (F & A) & Company Secretary

K. L. Chandak
Ashok Kapur
Narayan Atal
Mohan M. Phadke
V. D. Bajaj

} Directors

STATEMENT OF PROFIT AND LOSS



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	NOTE	YEAR ENDED 31.03.2014 (₹) in Lacs	YEAR ENDED 31.03.2013 (₹) in Lacs
I INCOME			
Revenue from Operations (Gross)	20	41,015.95	38,466.21
Less: Excise Duty		(171.19)	(182.76)
Revenue from Operations (Net)		<u>40,844.76</u>	<u>38,283.45</u>
Other Income	21	8.23	91.12
		<u>40,852.99</u>	<u>38,374.57</u>
II EXPENSES			
Cost of Materials Consumed	22	27,122.88	23,922.84
Changes in Inventories of Finished Goods and Work-in-Progress	23	(3,315.68)	272.58
Employees Benefits Expenses	24	1,628.57	1,633.30
Finance Costs	25	4,868.19	4,865.45
Exchange Fluctuation (Net)	-	369.69	60.03
Depreciation	10	3,477.03	3,472.66
Other Expenses	26	13,296.73	12,122.38
		<u>47,447.41</u>	<u>46,349.24</u>
Profit/(Loss) before exceptional, extraordinary items and tax		(6,594.42)	(7,974.67)
Exceptional Items	27	5,245.56	-
Profit/(Loss) before extraordinary items and tax		(1,348.86)	(7,974.67)
Extraordinary Items		-	-
Profit/(Loss) before Tax		(1,348.86)	(7,974.67)
Tax Expense:			
- Current Tax		-	-
- Deferred Tax (Refer Note No.43)		202.06	(2,305.69)
Profit/(Loss) for the period		<u>(1,550.92)</u>	<u>(5,668.98)</u>
Earnings Per Equity Share (Nominal value ₹10 each)			
- Basic and Diluted Before Extraordinary Items		(2.67)	(9.75)
- Basic and Diluted After Extraordinary Items		(2.67)	(9.75)

Significant Accounting Policies and Notes 1 to 50 to Financial Statements

As per our attached report of even date
For HARIBHAKTI & CO.
Chartered Accountants
FRN 103523W

Atul Gala
Partner
Membership No.048650

Place: Mumbai
Date : 13th May, 2014

Girish Sharma
Sr. VP (F & A) & Company Secretary

K. L. Chandak

Ashok Kapur

Narayan Atal

Mohan M. Phadke

V. D. Bajaj

} Directors

NOTE 1

	31st March, 2014 (₹ in lacs)	31st March, 2013 (₹ in lacs)
SHARE CAPITAL:		
<u>Authorised:</u>		
20,30,00,000 Equity Shares of ₹ 10/- each (Previous year 20,30,00,000 of ₹10/-each)	20,300.00	20,300.00
30,00,000 Preference Shares of ₹100/-each (Previous year 30,00,000 of ₹100/-each)	3,000.00	3,000.00
	<u>23,300.00</u>	<u>23,300.00</u>
<u>Issued, Subscribed & Paidup:</u>		
5,81,58,032 Equity Shares (previous year 5,81,58,032) of ₹10/- each fully paid-up	5,815.80	5,815.80
	<u>5,815.80</u>	<u>5,815.80</u>

a) Reconciliation of Shares Outstanding during the year:

No Shares have been issued or bought back during the current year.

b) Terms/Rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of Equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by shareholders.

c) Shareholder holding more than 5% of shares

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
The West Coast Paper Mills Ltd	2,11,24,791	36.32	2,11,24,791	36.32

d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During the period of preceding five years the company has not:

- allotted any shares without payment being received in cash,
- allotted any shares by way of bonus shares and
- bought back any shares.

NOTE 2

RESERVES & SURPLUS:

Capital Reserve	10,953.85	10,953.85
Surplus/(Deficit) in Profit and Loss		
Opening Balance	(11,483.92)	(5,814.94)
Add: Profit/(Loss) for the Current Year	(1,550.92)	(5,668.98)
Closing Balance	(13,034.84)	(11,483.92)
	<u>(2,080.99)</u>	<u>(530.07)</u>

NOTES



	31st March, 2014	31st March, 2013
	<u>(₹ in lacs)</u>	<u>(₹ in lacs)</u>
NOTE 3		
<u>LONG TERM BORROWINGS:</u>		
<u>Secured</u>		
Term Loans from:		
Bank		
- ICICI Bank - Facility - A	7,374.27	8,268.12
- ICICI Bank - Facility - B	4,028.07	2,897.07
	<u>11,402.34</u>	<u>11,165.19</u>
Working Capital Term Loan from :		
Bank		
- ICICI Bank - Facility - C	3,937.50	5,687.50
	<u>3,937.50</u>	<u>5,687.50</u>
<u>Unsecured</u>		
Interest Free Sales Tax Loan from Government of Gujarat (Refer Note No. 35)	406.95	813.90
	<u>15,746.79</u>	<u>17,666.59</u>
1) The Term Loans and Working Capital Term Loan are secured by first charge ranking pari passu on all immovable properties of the company, both present and future and hypothecation of the company's moveable machinery,spares,tools and accessories,present and future, subject to prior charges created on Company's stock of raw materials, stock in process, finished goods, consumable stores etc. in favour of the Company's bankers for securing borrowings for working capital requirements and Corporate guarantee by The West Coast Paper Mills Ltd.		
2) Repayment Shedule:		
ICICI Bank - Facility - A : 32 quarterly instalments	Commencing from 15.08.2013	
ICICI Bank - Facility - B : 32 quarterly instalments	28.12.2014	
ICICI Bank - Facility - C : 16 quarterly instalments	15.08.2013	
NOTE 4		
<u>OTHER LONG TERM LIABILITIES:</u>		
Trade Deposits	<u>124.73</u>	<u>124.87</u>
NOTE 5		
<u>LONG TERM PROVISIONS:</u>		
Provision for Employee Benefits (Refer Note No. 29)	<u>288.64</u>	<u>300.04</u>
NOTE 6		
<u>SHORT TERM BORROWINGS:</u>		
<u>Secured</u>		
Cash Credit from Banks	6,092.81	7,411.70
<u>Unsecured</u>		
Inter Corporate Deposits		
- From Related Parties	5,105.00	3,365.00
- From Others	250.00	-
	<u>11,447.81</u>	<u>10,776.70</u>
Cash Credit is secured by hypothecation of the Company's stocks of finished goods, stock in process,raw materials, stores and spares,book debts,etc.and by a second charge created on all immovable properties of the company,present and future.		

NOTES

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31st March, 2014 31st March, 2013
(₹ in lacs) (₹ in lacs)

NOTE 7

TRADE PAYABLES:

Acceptances	6,065.21	5,845.77
Sundry Creditors:		
- Due to MSME	-	-
- Others	8,208.87	5,787.04
	14,274.08	11,632.81

NOTE 8

OTHER CURRENT LIABILITIES:

Current Maturities:

- Interest Free Sales Tax Loan-Govt. of Gujarat	406.95	406.95
- Term Loan from ICICI Bank Facility - A	798.31	670.39
- Term Loan from ICICI Bank Facility - B	250.00	-
- Term Loan from ICICI Bank Facility - C	1,750.00	1,312.50
Interest accrued but not due on borrowings	10.18	10.86
Interest accrued and due on borrowings	537.45	13.34
Other Liabilities	3,145.09	2,848.34
	6,897.98	5,262.38

NOTE 9

SHORT TERM PROVISIONS:

Provision for Employee Benefits (Refer Note No. 29)	90.93	82.66
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NOTE 10

TANGIBLE FIXED ASSETS:

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2013	Addition during the year	Deduction / adjustment during the year	As at 31.03.2014	As at 1.4.2013	Depreciaton for the year	Deduction during the year	Total As At 31.03.2014	As at 31.03.2014	As at 31.03.2013
Freehold Land	201.86	-	24.44	177.42	0.00	0.00	-	0.00	177.42	201.86
Buildings	9933.86	-	-	9933.86	3928.56	261.19	-	4189.75	5744.11	6005.30
Plant & Machinery	60295.95	1493.36	-	61789.31	42793.37	3192.40	-	45985.77	15803.54	17502.58
Furniture & Fittings	297.69	0.50	-	298.19	263.59	7.05	-	270.64	27.55	34.10
Office Equipment	274.74	8.86	-	283.60	216.79	13.19	-	229.98	53.62	57.96
Vehicles	65.90	-	16.70	49.20	38.18	3.20	9.72	31.66	17.54	27.71
Total	71070.00	1502.72	41.14	72531.58	47240.49	3477.03	9.72	50707.80	21823.78	23829.51
Previous Year	71105.50	27.06	62.57	71070.00	43829.05	3472.65	61.21	47240.49	23829.51	27276.46

NOTE 11

CAPITAL WORK - IN - PROGRESS:

Description	As at 1.4.2013	Addition during the year	Deduction/ adjustment during the year	As at 31.03.2014					As at 31.03.2014	As at 31.03.2013
Plant & Machinery	521.83	1009.09	1493.36	37.56					37.56	521.83

NOTES



31st March, 2014 31st March, 2013
(₹ in lacs) (₹ in lacs)

NOTE 12

NON - CURRENT INVESTMENTS:

Investments in Equity Instruments:

Trade Investments

A) QUOTED: EQUITY SHARES

50 Equity Shares of ₹10/-each of the International Paper APPM Ltd.	0.08	0.08
03 Equity Shares of ₹10/-each of the Bengal & Assam Co. Ltd.	0.03	0.03
1000 Equity Shares of ₹1/- each of Orient Paper & Ind. Ltd.	0.12	0.12
1000 Equity Shares of ₹1/- each of Orient Cement Ltd.	0.12	0.12
250 Equity Shares of ₹2/- each of West Coast Paper Mills Ltd.	0.02	0.02
165 Equity Shares of ₹10/- each of Shree Vindhya Paper Mills Ltd.	0.13	0.13
50 Equity Shares of ₹10/- each of Nath Pulp & Paper Mills Ltd.	0.04	0.04
500 Equity Shares of ₹10/- each of Pudumjee Pulp & Paper Mills Ltd.	0.15	0.15
300 Equity Shares of ₹2/- each of Ballarpur Industries Ltd.	0.28	0.28
100 Equity Shares of ₹10/- each of Sirpur Paper Mills Ltd.	0.07	0.07
50 Equity Shares of ₹10/- each of Citadel Realty & Developers Ltd	0.06	0.06
180 Equity Shares of ₹10/-each of J.K.Lakshmi cement Ltd.	0.31	0.31
100 Equity Shares of ₹10/-each of Mysore paper mills Ltd.	0.01	0.01
600 Equity Shares of ₹10/-each of Tamilnadu Newsprint and Papers Ltd.	0.18	0.18

B) UNQUOTED: EQUITY SHARES

100 Equity Shares of ₹10/-each of Titaghur Paper Mills Ltd.	0.02	0.02
	1.63	1.63

Note:

Market Value of Quoted Investments as on 31st March, 2014 is ₹ 1.51 lacs
(As on 31st March, 2013 - ₹1.21 lacs)

NOTE 13

LONG TERM LOANS & ADVANCES:

(Unsecured, considered good, unless otherwise stated)

Capital Advance	-	266.45
Security Deposits	204.08	204.21
	204.08	470.66

NOTE 14

OTHER NON - CURRENT ASSETS:

	-	-
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	31st March, 2014 (₹ in lacs)	31st March, 2013 (₹ in lacs)
NOTE 15		
<u>INVENTORIES:</u>		
(As taken, valued and certified by Management)		
Raw Materials (including goods in transit ₹ 104.86 lacs previous year ₹ 348.67 lacs)	1,193.96	2,186.25
Coal	166.22	561.88
Chemicals	336.99	357.08
Stores & Spares	1,786.20	1,919.64
Work-In-Progress	148.79	153.95
Finished Goods	3,651.68	330.84
	<u>7,283.84</u>	<u>5,509.64</u>
NOTE 16		
<u>TRADE RECEIVABLES:</u>		
(Unsecured, considered good, unless stated otherwise)		
Outstanding for a period exceeding six months from the date they are due for payments.	41.63	181.82
Others	5,126.15	4,021.47
	<u>5,167.78</u>	<u>4,203.29</u>
NOTE 17		
<u>CASH AND BANK BALANCES:</u>		
Cash & Cash Equivalents:		
- Cash on hand	1.75	0.59
- Balances with Bank in Current Accounts	1.40	24.33
Other Bank Balances:		
- Margin/Deposit accounts (against LC/Bank Guarantee)	218.36	118.22
	<u>221.51</u>	<u>143.14</u>
NOTE 18		
<u>SHORT TERM LOANS & ADVANCES:</u>		
(Unsecured, considered good, unless otherwise stated)		
Advances recoverable in cash or in kind		
or for value to be received	55.96	20.75
Balances with Excise and Sales Tax Authorities	3,094.43	2,912.56
Income Tax Deducted at Source	55.11	51.12
	<u>3,205.50</u>	<u>2,984.43</u>
NOTE 19		
<u>OTHER CURRENT ASSETS:</u>		
Interest Receivable	13.88	12.87
Export Incentive & Duty Draw Back Recievable	29.10	45.61
Receivable against sale of Land	1,410.00	-
	<u>1,452.98</u>	<u>58.48</u>

NOTES



	<u>Year ended</u> <u>31 st March, 2014</u> <u>₹ in Lacs</u>	<u>Year ended</u> <u>31 st March, 2013</u> <u>₹ in Lacs</u>
NOTE 20		
<u>REVENUE FROM OPERATIONS (GROSS):</u>		
Sale of Products		
- Finished Goods	40,611.18	38,027.15
Other Operating Revenue		
- Export Incentives	0.74	7.07
- Scrap	303.65	366.65
- Interest	59.77	8.49
- Other	40.61	56.85
	<u>41,015.95</u>	<u>38,466.21</u>
NOTE 21		
<u>OTHER INCOME:</u>		
Dividends	0.07	0.03
Profit on Sale of Assets (Net)	-	0.64
Interest on FD with Banks	7.59	13.28
Unclaimed Balances/ Excess Provision w/back	0.57	77.17
	<u>8.23</u>	<u>91.12</u>
NOTE 22		
<u>COST OF MATERIAL CONSUMED:</u>		
Consumption of Raw Materials		
Opening Stock	2,186.25	1,664.87
Add: Purchases	22,050.20	20,702.69
	<u>24,236.45</u>	<u>22,367.55</u>
Less: Closing Stock	1,193.96	2,186.25
Consumption of Chemicals	3,534.62	3,222.68
Consumption of Packing Material	545.78	518.86
	<u>27,122.88</u>	<u>23,922.84</u>
NOTE 23		
<u>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS:</u>		
Opening Stock:		
Finished Goods	330.84	602.85
Work-in-Progress	153.95	154.52
	<u>484.79</u>	<u>757.37</u>
Closing Stock:		
Finished Goods	3,651.68	330.84
Work-in-Progress	148.79	153.95
	<u>3,800.47</u>	<u>484.79</u>
	<u>(3,315.68)</u>	<u>272.58</u>
NOTE 24		
<u>EMPLOYEES BENEFITS EXPENSES:</u>		
Salaries, Wages and Allowances	1,401.24	1,372.85
Contribution to Provident and Other Funds	118.08	107.54
Gratuity and Leave Encashment	64.34	116.07
Staff Welfare Expenses	44.91	36.84
	<u>1,628.57</u>	<u>1,633.30</u>

NOTES

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NOTE 25

FINANCE COST :

	Year ended 31 st March, 2014 ₹ in Lacs	Year ended 31 st March, 2013 ₹ in Lacs
Interest Expense		
Term Loans	2,508.38	2,311.55
Others	<u>2,147.69</u>	<u>1,876.62</u>
Bank Charges	212.12	259.49
Exchange Fluctuation on F.C. Loans	-	24.26
Lease Rent	-	393.53
	<u><u>4,868.19</u></u>	<u><u>4,865.45</u></u>

NOTE 26

OTHER EXPENSES:

Power and Fuel	8,558.32	7,765.22
Consumption of Stores & Spares	1,276.32	1,056.86
Water Charges	548.20	493.57
Repairs and Maintenance:		
- Building	0.15	0.37
- Plant and Machinery	245.55	204.72
- Others	<u>83.00</u>	<u>37.07</u>
Insurance	97.34	51.21
Raw Material Handling and Operation Charges	829.49	666.86
Rent	168.72	186.70
Rates and Taxes	35.35	46.21
Excise Duty and Cess	15.70	4.49
Director's Sitting Fees	1.44	1.28
Legal and Professional Fees	108.15	102.76
Payment to Auditors:		
- Audit Fees	5.55	4.21
- Taxation Matters	-	2.06
- Reimbursement of Expenses	0.29	0.22
- Other Capacity	<u>1.68</u>	<u>2.25</u>
Selling Expenses	177.80	324.32
Commission on Sales	691.91	801.23
Sundry Expenses	448.49	370.77
Loss on Sale of Fixed Assets	3.28	
	<u><u>13,296.73</u></u>	<u><u>12,122.38</u></u>

NOTE 27

EXCEPTIONAL ITEMS:

Profit on Sale of Land (Refer Note No.42)	<u><u>5,245.56</u></u>	<u><u>-</u></u>
---	------------------------	-----------------

28. Significant Accounting Policy

a) Method of Accounting:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 on the basis of accrual basis of accounting, except unascertained insurance claims and comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India / accounting standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 (to the extent applicable).

b) Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting Year. Differences between actual results and estimates are recognized in the Year in which the results are known / materialize.

c) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Sale of Product:

Revenue is recognized when the significant risks & rewards of ownership of the goods have passed to the buyer.

ii) Interest and Dividend Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the shareholders' right to receive dividend is established.

iii) Export Incentive

Incentive on Export Income is recognized when certainty of receipts is established.

iv) Insurance Claim

Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts.

v) Rent

Rent Income is recognized on the accrual basis based on agreement entered by the Company with the tenants.

d) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation thereon. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

e) Borrowing cost:

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

f) Depreciation:

Depreciation has been provided on straight-line basis pursuant to Schedule XIV of the Companies Act, 1956

g) Foreign Currency Transactions:

i) Fixed Assets acquired out of foreign currency loans are recorded at the actual transaction rate. As per revised Accounting Standard – 11 "The Effects of changes in Foreign Exchange Rates", the gain or loss due to exchange rate fluctuations on repayment of such loans during the year is recorded at the actual transaction rates and consequent adjustments are made to the Statement of Profit & Loss Account. The gain or loss on translation of such loan liabilities at the year-end is adjusted in the Statement of Profit & Loss Account.

ii) Foreign Currency Current Assets and Current Liabilities are recorded at the actual transaction rate. The gain or loss arising out of settlement/ translation of the assets and liabilities at the closing rates due to exchange fluctuations is recognized as income/ expenditure in the Statement of Profit and loss account.

iii) Premium or discount arising at the inception of forward exchange contract is amortized as expense or income over the life of the contract. Any gain or loss arising due to exchange difference at the end of the year on such contract are recognized in Statement of Profit & loss account.

h) Taxation:

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable

income for the Year)

i) Current Tax:

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

ii) Deferred taxation:

In compliance with Accounting Standard – 22 issued by the Institute of Chartered Accountants of India, The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets, subject to the consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that the sufficient future taxable income will be available against which such deferred tax can be realized. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realizations of the assets.

i) Inventories:

Inventories are valued at Lower of cost and NRV whichever is lower. The costs for the purpose of valuation are determined as under:

--Finished goods and Stock-in-process :	- Manufacturing cost
--Raw materials & others :	- Weighted Average cost
--Coal & Chemicals :	- FIFO

j) Investments:

Investments are classified into Non-Current investments and current investments. Non-Current investments are valued at cost. Provision for diminution in value of Non-Current investments is made if in the opinion of management such a decline is other than temporary and Current investments are valued at cost or market/fair value, whichever is lower.

k) Research & Development Expenditure:

Revenue expenditure on research & development is charged to Statement of Profit & Loss account and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

l) Preliminary and Issue Expenses:

Preliminary and share/debenture issue expenses are amortized over a Year of ten years.

m) Bad debts/ advances are written off in the year in which they become irrecoverable.

n) Contingent Liabilities are shown by way of notes(o).

o) Employee Benefits :

Contributions to defined contribution schemes such as Provident Fund etc. are charged to the Statement of Profit and Loss account as incurred. The Company also provides for retirement/post-retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Statement of Profit and Loss account based on valuations, as at the balance sheet date, conducted by independent actuaries.

29. The Company has classified various employee benefits as under:

A. Defined Contribution Plans

a. Provident fund

b. State defined contribution plans

Employers' Contribution to Employees' State Insurance

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes, to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognized the following amounts in the Statement of Profit and Loss Account.

Sr. no.	Particulars	Year ended 31.03.2014 (₹ in lacs)	Year ended 31.03.2013 (₹ in lacs)
(i)	Contribution to Provident Fund	116.78	106.03
(ii)	Contribution to Employee's State Insurance Scheme	1.32	1.51
	Total	118.10	107.54

NOTES



B. Defined Benefit Plans

- a. Gratuity
- b. Leave Encashment

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the company's policy.

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
	Gratuity	
Changes in present value of Obligation		
(a) Present value of Obligation as at 1st April	279.20	219.13
(b) Interest Cost	23.23	19.94
(c) Past Service Cost	-	-
(d) Current Service Cost	20.98	17.91
(e) Benefits Paid	(37.12)	(18.29)
(f) Actuarial (Gains)/Loss	(10.67)	40.51
(g) Present value of obligation as at 31 st March	275.62	279.20
Amount recognized in the Balance Sheet		
(a) Present value of obligation as at 31 st March	275.62	279.20
(b) Fair value of plan assets as at 31 st March	-	-
(c) (Asset)/Liability recognized in the balance sheet		
- Non-Current Liability	219.34	225.95
- Current Liability	56.28	53.25
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
	Gratuity	
Expenses recognized in the Statement of Profit and Loss Account		
(a) Current service cost	20.98	17.91
(b) Past Service Cost	-	-
(c) Interest Cost	23.23	19.94
(d) Curtailment Cost/(Credit)	-	-
(e) Settlement Cost/(Credit)	-	-
(f) Net Actuarial (Gain)/Loss	(10.67)	40.51
(g) Employer's Contribution		
(h) Total Expenses recognized in the P & L A/c	33.55	78.36
Details of Assumption		
(a) Discounted Rate	9.35%	8.25%
(b) Salary Escalation	4.50%	4.50%
(c) Attrition Rate	2.00%	2.00%
	Leave Encashment	
Changes in present value of Obligation		
(a) Present value of Obligation as at 1st April	103.50	83.94
(b) Interest Cost	8.54	7.34
(c) Past Service Cost	-	-
(d) Current Service Cost	13.97	12.46
(e) Benefits Paid	(30.35)	(18.14)
(f) Actuarial (Gains)/Loss	8.28	17.91
(g) Present value of obligation as at 31 st March	103.95	103.50

NOTES

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Amount recognized in the Balance Sheet

(a) Present value of obligation as at 31 st March	103.95	103.50
(b) Fair value of plan assets as at 31 st March	-	-
(c) (Asset)/Liability recognized in the balance sheet		
- Non-Current Liability	69.29	74.09
- Current Liability	34.66	29.41

Expenses recognized in the Statement of Profit and Loss Account

(a) Current service cost	13.97	12.46
(b) Past Service Cost	-	-
(c) Interest Cost	8.54	7.34
(d) Curtailment Cost/(Credit)	-	-
(e) Settlement Cost/(Credit)	-	-
(f) Net Actuarial (Gain)/Loss	8.28	17.91
(g) Employer's Contribution		
(h) Total Expenses recognized in the P & L A/c	30.79	37.71

Details of Assumption

(a) Discounted Rate	9.35%	8.25%
(b) Salary Escalation	4.50%	4.50%
(c) Attrition Rate	2.00%	2.00%

30. Other Claims against the Company not acknowledged as debts ₹ 4,616.85 Lacs (as on 31.03.2013 ₹ 2,281.76 Lacs).
31. Unexpired Letter of Credits established in respect of Plant & Machinery, Raw Materials and Stores & Spares ₹ 1,238.41 Lacs (as on 31.03.2013 ₹ 2,072.24 Lacs)
32. Bank guarantees issued by banks ₹ 333.33 Lacs (as on 31.03.2013 ₹ 256.85 Lacs).
33. Arrears of dividend on Cumulative Preference Shares from 15th April 1998 to 15th Dec. 2001 aggregate ₹ 2,069.95Lacs.
34. Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance) ₹ 136.11 lacs (as on 31.03.2013 ₹ 419.80 Lacs).
35. Interest free Loan under Sales Tax deferral scheme from Government of Gujarat is repayable in two equal annual installments of ₹ 406.95 Lacs on 31st May 2014 and 2015.
36. In respect of Sundry Creditors which are Micro, Small & Medium Enterprises, the company has not availed credit facility beyond 45 days. There is no outstanding payable to Micro, Small & Medium Enterprises as on the date of Balance Sheet.
No interest is outstanding to any Small Scale or Ancillary Unit as on 31st March, 2014, under the provisions of Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1993.
37. Balance with Excise Dept. being Cenvat Credit receivable ₹.2,640.64 lacs (as on 31.03.2013 ₹. 2,623.97 Lacs) is realizable subject to adequate excise duty leviable on finished goods.
38. Break-up of consumption of imported and indigenous raw materials, chemicals, packing material and stores and spares.

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
	Value (₹ In lacs)	%	Value (₹ In lacs)	%
Indigeneous	20,000.85	70.92	17,039.84	68.21
Imported	8,398.35	29.08	7,939.86	31.79
	28,399.20	100.00	24,979.70	100.00

39. Value of Imports calculated on C.I.F. basis:

Particulars		Year ended 31.03.2014 (₹ In Lacs)	Year ended 31.03.2013 (₹ In Lacs)
a)	Capital Goods	-	-
b)	Raw Materials & Chemicals	7,099.90	6,607.31
c)	Spare Parts and Components	532.14	302.56
	Total	7,632.04	6,909.87

NOTES



40. Expenditure in Foreign Currency:

Particulars		Year ended 31.03.2014 (₹ In Lacs)	Year ended 31.03.2013 (₹ In Lacs)
a)	Traveling Expenses	-	-
b)	Interest on FCNR Loans	-	56.73
c)	Others	-	1.01
		-	57.74

41. Earnings in Foreign Exchange:

Particulars	Year ended 31.03.2014 (₹ In Lacs)	Year ended 31.03.2013 (₹ In Lacs)
Export of goods calculated on F.O.B basis	32.08	275.78

42. The company has accounted for sale of 170 acres of its unused land as per the Agreement to Sell executed by the company. The Company has received substantial portion of the sale proceeds and also No Objection from the term lenders for aforesaid sale. The requisite formalities / approval for transfer of land are in progress.

43. The Company has recognized Deferred Tax Asset as per AS 22, since the management believes that under the improved market scenario coupled with the decisions to infuse fresh funds and leveraging of all surplus assets, there is a virtual certainty about the availability of future taxable income and such deferred tax asset would be realized.

Particulars	As at 31.3.2013	For the year ended 31.03.2014	As at 31.03.2014
a) Deferred Tax Liability on account of:			
Depreciation	5700.84	(828.90))	4871.94
Sub total (a)	5700.84	(828.90)	4871.94
b) Deferred Tax Assets on account of:			
Unabsorbed Depreciation	13200.19	(1586.21)	11613.98
Unabsorbed Business Loss	5785.70	556.65	6342.35
Provision for Retirement Benefits	124.12	(1.40)	122.72
Sub total (b)	19110.01	(1030.96)	18079.05
Net Deferred Tax Asset (a-b)	13409.17	(202.06)	13207.11

44. The accounts have been prepared on the basis of 'Going Concern Concept' despite continuing losses in the recent past, since as a result of the improved market scenario and the other factors as mentioned in Note No. 42 & 43, the Management is confident about positive results in the near future.

45. Earnings per share:

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
a) Net Profit/(Loss) before extraordinary items (₹. in Lacs)	(1550.92)	(5668.98)
b) Net Profit/(Loss) after extraordinary items (₹. in Lacs)	(1550.92)	(5668.98)
c) Weighted average number of equity shares of ₹10 each outstanding during the year (No. of shares)	58158032	58158032
d) Basic/Diluted Earnings per Share before extraordinary items (₹)		
e) Basic/Diluted Earnings per Share after extraordinary items (₹)	(2.67)	(9.75)
	(2.67)	(9.75)

46. The Company's products namely newsprint and writing & printing paper are classified under one segment.

47. Related Party Disclosures:

i) Related Party Relationships

a)	Associate	The West Coast Paper Mills Ltd.
b)	Key Management Personnel	Mr. P.S. Maharaj – Executive Director (upto 15 th December,13) Mr. V D Bajaj – Executive Director (from 11 th September,2013)
c)	Enterprises owned or significantly influenced by Relatives of Key Management Personnel	—

Note: In respect of above parties, there is no provision for doubtful debts as on 31st March, 2014 and no amount has been written off or written back during the year in respect of debts due from/to them.

NOTES

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ii) Transactions with Related Parties:

(₹ In Lacs)

Type of Related Party	Nature of the transaction	Year Ended 31.03.2014	Outstanding as on 31.03.2014		Year Ended 31.03.2013	Outstanding as on 31.03.2013	
			Receivable	Payable		Receivable	Payable
Associate (The West Coast Paper Mills Ltd.) *	Rent Paid	1.10	-	-	-	-	-
	ICD taken	1,775.00	-	5,105.00	2,829.14	-	3,365.00
	ICD repaid	35.00	-	-	614.14	-	-
	Interest on ICD	537.81	-	-	358.12	-	-
	Security Deposit	-	-	-	2.00	-	-
	Purchase	-	-	-	14.25	-	-
	Sale	236.80	-	-	98.08	-	-
Key Management Personnel (Mr.P.S.Maharaj & V D Bajaj)	Managerial Remuneration Paid	75.54	-	-	25.09	-	-

* Further disclosure in conformity with clause 32 of listing agreement the maximum amount outstanding of said loan was ₹ 5,140.00 Lacs during the year.

48. Particulars of Derivative Instruments:

(a) Derivative Instruments acquired for hedging purpose.

Particular	As on 31.03.2014	As on 31.03.2013
USD(In Lacs)	Nil	Nil
Equivalent to Rupees (₹ In Lacs)	Nil	Nil

(b) No Derivative Instruments are acquired for speculation purpose.

(c) Foreign currency exposures that are not hedged by the derivative instruments or otherwise are:

Particular	As on 31.03.2014	As on 31.03.2013
USD(In Lacs)	20.57	54.04
Equivalent to Rupees (₹ In Lacs)	1,236.27	2,939.40

49. Operating Lease

a) Operating Lease payment recognized in statement of Profit & Loss amounting to ₹. 168.72 Lacs (Previous Year ₹. 186.70 Lacs).

b) General description of leasing arrangement :

- i) Leased Assets : Employees Flats, Office Space, etc.
- ii) Future lease rentals are determined on the basis of agreed terms.
- iii) At the expiry of the lease term, the company has an option either to return the asset or extend the term by giving notice in writing.

50. Previous year figures have been re-grouped / re-arranged wherever necessary.

K. L. Chandak

Ashok Kapur

Narayan Atal

Mohan M. Phadke

V. D. Bajaj

} Directors

Place: Mumbai
Date : 13th May, 2014

Girish Sharma
Sr. VP (F & A) & Company Secretary

CASH FLOW STATEMENT



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Pursuant to clause 32 of the listing agreements with Stock exchanges)

PARTICULARS	Year ended 31 st March, 2014 ₹ in Lacs	Year ended 31 st March, 2013 ₹ in Lacs
A Cash Flow from Operating Activities		
Net Profit before Taxation	(1,348.86)	(7,974.67)
Adjustments for:		
Depreciation	3,477.03	3,472.66
Interest	4,868.19	4,865.45
Other Income (Dividend)	(0.07)	(0.03)
Profit on Sale of Fixed Assets (Net)	(5,242.28)	0.64
Operating Profit /(Loss) before Working Capital Changes	<u>1,754.01</u>	<u>364.05</u>
(Increase)/Decrease in Inventory	(1,774.20)	(548.45)
(Increase)/Decrease in Debtors	(964.48)	331.47
(Increase)/Decrease in Loans and Advances	45.51	(27.56)
(Increase)/Decrease in Other Current Assets	(1,394.50)	573.48
Increase/(Decrease) in Trade payable	2,641.27	952.98
Increase/(Decrease) in Liabilities	1,635.45	2,063.30
Increase/(Decrease) in Provision	(3.13)	43.32
Cash Generated from Operations	<u>1,939.93</u>	<u>3,752.59</u>
Extraordinary Item		
Net Cash from Operating Activities	<u>1,939.93</u>	<u>3,752.59</u>
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,502.72)	(27.06)
(Increase)/Decrease in Capital Work-in-Progress	484.27	(100.77)
Sale of Fixed Assets	5,273.70	0.72
Interest Received	-	-
Dividend Received	0.07	0.03
Net Cash from/(used in) Investing Activities	<u>4,255.32</u>	<u>(127.08)</u>
C Cash Flow from Financing Activities		
Proceeds from Short Borrowings	671.11	755.27
Proceeds from Long Borrowings	(1,919.80)	507.23
Repayment of Borrowings	-	-
Payment of Interest	(4,868.19)	(4,865.45)
Net Cash Used in Financing Activities	<u>(6,116.88)</u>	<u>(3,602.95)</u>
D Net Change in Cash & Cash Equivalents (A+B+C)	<u>78.37</u>	<u>22.56</u>
E Cash & Cash Equivalents (Opening Balance)	<u>143.14</u>	<u>120.58</u>
F Cash & Cash Equivalents (Closing Balance)	<u>221.51</u>	<u>143.14</u>

Note : Previous year figures have been re-grouped/ re-arranged wherever necessary.

As per our attached report of even date
For HARIBHAKTI & CO.
Chartered Accountants
FRN 103523W

Atul Gala
Partner
Membership No.048650

Place: Mumbai
Date : 13th May, 2014

Girish Sharma
Sr. VP (F & A) & Company Secretary

K. L. Chandak
Ashok Kapur
Narayan Atal
Mohan M. Phadke
V. D. Bajaj

} Directors

SHREE RAMA NEWSPRINT LIMITED

CIN: L21010GJ1991PLC019432

Regd. Office: Village Barbodhan, Taluka Olpad, District Surat, Gujarat – 395 005.

ATTENDANCE SLIP

(To be signed and handed over at the entrance of the meeting hall)

23rd ANNUAL GENERAL MEETING ON SATURDAY, 27th SEPTEMBER 2014 AT 2:00 PM

AT VILLAGE BARBODHAN, TALUKA OLPAD, DISTRICT SURAT, GUJARAT – 395005

Name of the Member _____

Name of the Joint holder _____

(To be filled in if first named joint holder does not attend the meeting)

Name of the Proxy holder _____

(To be filled in if proxy form has been duly deposited with the Company)

Folio No. _____ DPID _____ Client ID _____ No. of Shares held _____

Member's / Proxy's Signature

(To be signed at the time of handing over this slip)

----- (TEAR HERE) -----

SHREE RAMA NEWSPRINT LIMITED

CIN: L21010GJ1991PLC019432

Regd. Office: Village Barbodhan, Taluka Olpad, District Surat, Gujarat – 395 005.

PROXY FORM

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

Name of the Member(s) :

E-mail Id :

Registered address:

Folio No./ *Client ID/ *DP ID:

I/We, being the member(s) of _____ Shares of Shree Rama Newsprint Ltd., hereby appoint

1. Name: _____ E-mail Id: _____

Address: _____

Signature: _____, or failing him

2. Name: _____ E-mail Id: _____

Address: _____

Signature: _____, or failing him

3. Name: _____ E-mail Id: _____

Address: _____

Signature: _____,

----- (TEAR HERE) -----

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd ANNUAL GENERAL MEETING of the Company, to be held on Saturday, 27th September 2014 at 2:00 p.m. at the Registered Office of the Company, and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above proxy to vote in the manner as indicated in the box below.

Sr.	Resolutions	For	Against
1	Adoption of Statement of Profit & Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014		
2	Reappointment of Shri S. K. Bangur as a Director of the Company		
3	Appointment of Statutory Auditor		
4	Ratification of Remuneration to Cost Auditor of the Company		
5	Appointment of Shri V. D. Bajaj as Director of the Company		
6	Appointment of Shri V. D. Bajaj as Executive Director of the Company		
7	Appointment of Shri Mohan M. Phadke as Independent Director of the Company		
8	Appointment of Smt. Namrata Sharma as an Independent Director		
9	Appointment of Lt. Gen. (Retd.) Ashok Kapur as an Independent Director		
10	Appointment of Shri Narayan Atal as an Independent Director		
11	Empowering the Board to borrow money upto a limit of ₹750 crores		
12	Empowering the Board to create mortgage/ security upto a limit of ₹750 crores		

*Applicable for investors holding shares in electronic form.

Affix
Revenue
Stamp

Signed this _____ day of _____ 2014

Signature of Shareholder _____ Signature of Proxy holder(s) _____

Note: (1) 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.

(2) **This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner he/she thinks appropriate.

BY COURIER

If undelivered, please return to:

SHREE RAMA NEWSPRINT LIMITED


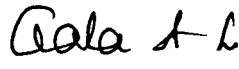

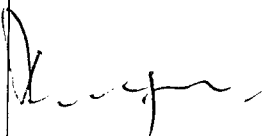
Village Barbodhan, Taluka Olpad,
District Surat, Gujarat - 395005.

FORM B

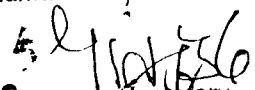
(Clause 31(a) of Listing Agreement)

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company:	Shree Rama Newsprint Limited
2.	Annual Financial Statements for the year ended:	31 st March, 2014
3.	Type of Audit qualification:	<u>Qualified Audit Report</u> "The Company has recognised Deferred Tax Asset (DTA) amounting to Rs. 13207.11 lacs in the absence of virtual certainty and convincing evidences about the future taxable income against which such DTA can be realised. This constitutes a departure from para 17 of Accounting Standard (AS) 22 'Accounting for Taxes on Income'. Had the management not recognised such DTA, losses for the year would have been higher by Rs. 556.65 lacs and Reserves and Surplus and DTA would have been reduced by Rs. 13207.11 lacs"
4.	Frequency of qualification:	Appeared second time
5.	Draw attention to relevant notes in the Annual Financial Statements and management response to the qualification in the Board's Report:	<u>Note 43 (page 41)</u> The company has recognized Deferred Tax Asset (DTA) as per AS 22, since the management believes that under the improved market scenario coupled with the decisions to infusion of fresh funds and leveraging of all surplus assets, there is a virtual certainty about the availability of future taxable income and such deferred tax asset would be realized. <u>Board's Report (page 14)</u> The Board has taken note of the qualification made by the Auditors in their report regarding the Company having recognized Deferred Tax Asset (DTA) in the absence of convincing evidences to support virtual certainty about the future taxable income. However, as explained in the Notes to Accounts, the Board is of a strong opinion that in view of the improved market scenario and the infusion of fresh funds, the Company will have sufficient future taxable profits.
	Additional comments from the Board/Audit Committee chair:	There is a difference of perception between the Management and the Auditors. The company's track record also proves that it has realized DTA in earlier years.

7.	To be signed by:	
	CEO/ Managing Director & CFO	 V. D. Bajaj Executive Director
	Auditors of the Company	For Haribhakti & Co. Chartered Accountants Firm Reg. No. 103423W   Atul Gala Partner Membership No. 048650
	Audit Committee Chairman	 Lt. Gen (Retd.) Ashok Kapur Chairman, Audit Committee

For Shree Rama Newsprint Ltd.


Company Secretary