

26th
Annual Report
2016-2017



SHREE RAMA NEWSPRINT LIMITED

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BOARD OF DIRECTORS

MR. GANPATRAJ L. CHOWDHARY
MR. SIDDHARTH G. CHOWDHARY
MR. KEERTHINARAYANAN A. HEMMIGE
MR. MURLI RANGANATHAN
MR. UTKARSH SHAH
MR. K. L. CHANDAK
MRS. KAVITA PATEL (w.e.f. 10.12.2016)

CHAIRMAN
EXECUTIVE DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR

Bankers

Bank of India
Oriental Bank of Commerce
Central Bank of India
ICICI Bank Ltd
Kotak Mahindra Bank Limited

Registrar & Transfer Agent

LINK INTIME INDIA PVT. LTD.
Unit : Shree Rama Newsprint Ltd.
C – 101, 247 Park,
L.B.S Marg, Vikhroli (West),
Mumbai – 400 083.
Ph. : 022 – 25963838 Fax : 022 – 25946969
Email: rnt.helpdesk@linkintime.co.in

Registered Office & Factory

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

Auditors

Haribhakti & Co. LLP, Mumbai

Corporate Office

10, Abhishree Corporate Park,
Nr. Swagat Bunglows BRTS Busstand,
Ambli – Bopal Road, Ambli,
Ahmedabad – 380 058
E-mail : ramanewsprint@ramanewsprint.com
Website : www.ramanewsprint.com

President (Finance) & Chief Financial Officer & Company Secretary

Mr. P. K. Mundra

This Annual Report has been printed on Paper Manufactured by **SHREE RAMA NEWS PRINT LIMITED**

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHREE RAMA NEWSPRINT LIMITED WILL BE HELD ON SATURDAY, 23RD SEPTEMBER 2017 AT 2.00 P.M. AT COMMUNITY HALL SHREE RAMA NEWSPRINT STAFF COLONY NEAR REGISTERED OFFICE OF THE COMPANY, 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 2017, the Statement of Profit and Loss for the year than ended on that date and the Reports of the Directors and Auditors thereon.
- (2) To appoint a Director in place of Mr. Ganpatraj L. Chowdhary (DIN: 00344816), who retires by rotation and being eligible, offers himself for reappointment.
- (3) To appoint statutory auditor and fix their remuneration and in this regard, pass the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Batliboi & Purohit, Chartered Accountants (Registration No.101048W) be and are hereby appointed as Statutory Auditors of the Company for a term of 5(Five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

- (4) **Appointment of Cost Auditor of the Company**

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 if any and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration payable to M/s. Nanty Shah and Associates, Cost Accountants holding membership No. 31497 appointed by the Board of Directors of the Company as Cost Auditors for conducting the audit of the cost records of the Company, for the financial year ending 31st March, 2018, amount not exceeding ₹30,000/- excluding out of pocket expenses and applicable Goods & Service Tax be and is hereby approved."

- (5) **Appointment of Mrs. Kavita Tapan Patel 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 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 Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Kavita Tapan Patel (DIN:07671628), who was appointed as an Additional Director by the Board of Directors on 10th December, 2016 pursuant to the provisions of Section 149 and 161 of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting, 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 9th December 2021."

- (6) **Appointment of Mr. Siddharth G. Chowdhary as Whole Time Director (Executive Director) of the Company.**

To consider and if thought fit, to pass the following resolution, as a **Special Resolution**:

"RESOLVED THAT in pursuance to the provisions of section 196 and section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 consent of the Company be and is hereby given to appoint Mr. Siddharth G. Chowdhary as a Whole-time Director (Executive Director) of the Company for a period of three years w.e.f. 10th December, 2016 with a remuneration of ₹ 5,00,000/- per month and other terms are as under:

Period: From 10th December, 2016 to 9th December, 2019.

Perquisites: Perquisites payable are as under:

- A. Basic salary ₹5 lacs/p.m.
- B. P.F. @ 12 %
- C. Gratuity: 15 days salary for each completed year.

RESOLVED FURTHER THAT notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Mr. Siddharth G. Chowdhary as Whole-time Director of the Company, the remuneration payable to him shall be in accordance with limit prescribed in section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to do all such acts, deeds and execute such documents as may be required for the purpose of implementation of this resolution."

By Order of the Board
For **SHREE RAMA NEWSPRINT LIMITED**

Place : Ahmedabad
Date : 14.08.2017

P. K. Mundra
President (Finance) & C.S. & C.F.O.

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 10% OF THE TOTAL SHARE CAPITAL OF

THE COMPANY. A MEMBER HOLDING MORE THAN 10% 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 6 as set out above are annexed hereto. Books of the Company shall remain closed from 16th September, 2017 to 23rd September, 2017 (both days inclusive).
4. Members are requested to notify immediately any change in their Registered Address to the Company's Registrar, **LINK INTIME INDIA PRIVATE LIMITED**, Unit: Shree Rama Newsprint Ltd., C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083.
5. Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the Meeting.
6. 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.
7. 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.

8. 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.
9. 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.
10. Details of Directors seeking Appointment/Re-Appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further, the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain additional disclosures with respect to appointment of Director, which are mentioned below:

Particulars	Mr. Ganpatraj L. Chowdhary (Item No. 2)	Mrs. Kavita Tapan Patel (Item No. 5)	Mr. Siddharth G. Chowdhary (Item No. 6)
Age	52 year	35 year	32 year
Date of Appointment on Board	23.06.2015	10.12.2016	21.05.2015
Functional Expertise	Industrialist and businessman	Human Resource Sector	Finance & Marketing
Qualifications	B.Com.	B.Com.	B.Com., MBA in International Accounts & Business Finance
Terms and Conditions of appointment	Non-Executive Director	Non – Executive Independent Director	Appointment as an Executive Director for the period of 3 years.
Remuneration Paid	No remuneration other than sitting fees for attending Board and/or Committee Meetings, if any.	No remuneration other than sitting fees for attending Board and/or Committee Meetings, if any.	₹5 lakh per month plus perquisites as approved by Board.
Directorship in other Companies	Riddhi Siddhi Gluco Biols Limited, Creelotex Engineers Private Limited, The All India Starch Manufactures' Association Private Limited, Safari Biotech Private Limited, Revival Infrastructure and Recreation Private Limited.	Nil	Riddhi Siddhi Gluco Biols Limited, Safari Biotech Private Limited
Chairman/ Member of Committee in other Companies	Member in 2 Committee	Nil	Nil
No. of Equity Shares held in the Company	Nil	Nil	Nil
Relationship with other directors, Manager and other KMP of the Company	Father of Mr. Siddharth G. Chowdhary	Not related.	Son of Chairman of the Company Mr. Ganpatraj L. Chowdhary
No. of Meetings of the Board attended during the year	3	–	3

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*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number printed on the address stickers on the Annual Report. 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#	<p>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.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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 Wednesday 20th September, 2017 at 9 A.M. and ends on Friday 22nd September, 2017 at 5 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, Saturday 16th September, 2017 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.
- d. 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 No. 4

The Board of Directors of the Company at their meeting held on 28th May, 2017 has, on recommendation of the Audit Committee appointed M/s. Nanty Shah & Associates as Cost Auditors of the Company for the Financial Year 2017-18 at a remuneration not exceeding ₹30,000/- excluding out of pocket expenses and applicable service tax.

As per Section 148 of the Companies Act, 2013 and the rules made there under the remuneration payable to the Cost Auditor is to be confirmed by the members of the Company. The Board recommends the resolution at Item No. 3 for the approval of the members as an ordinary resolution.

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. 5

The Board of Directors have appointed Mrs. Kavita Tapan Patel (DIN:07671628) as an Additional & Independent Director of the Company on 10th December, 2016.

Under the relevant provisions of Section 149 and 161 of the Companies Act, 2013 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, she will hold the office up to the date 9th December 2021.

Keeping in view her experience and knowledge, the Board considers that the proposed appointment of Mrs. Kavita Tapan Patel would be of immense benefit to the Company. Accordingly, the Board recommends the resolution in relation to the appointment of Mrs. Kavita Tapan Patel as a Director of the Company. She has given a declaration to the Board that she meets the criteria of Independence as provided under section 149(6) of the Act. In the opinion of the Board, she fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and she is independent of the Management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Independent Director is now being placed before the Members for their approval.

Except Mrs. Kavita Tapan Patel, none of the other Directors or Key Managerial Personnel (KMP) or their relatives are, in any way, concerned or interested in the passing of this resolution.

Item No. 6

The Board has appointed Mr. Siddharth G. Chowdhary, Whole-time Director (Executive Director) of the Company with a Remuneration of ₹5,00,000/- per month plus perquisites as mentioned in resolution for a period of three years in its meeting held on 10th December, 2016 as recommended by Nomination & Remuneration Committee. As per provisions of Section 196 of the Companies Act, 2013 it is required to obtain approval of members in the next general meeting of the Company for appointment of Whole-time Director. Accordingly, approval of members is sought for appointment of Mr. Siddharth G. Chowdhary as Whole – Time - Director of the Company. The Board of Directors recommend the resolution for your approval.

None of the Directors (except Mr. Ganpatraj L. Chowdhary and Mr. Siddharth G. Chowdhary), Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ indirectly interested in the above resolution.

Additional information as required under schedule V of the Companies act 2013 is as under:

I. GENERAL INFORMATION:

(i) **Nature of Industry:**

Manufacturing and dealing in Newsprint and Writing & Printing Paper.

(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 indications – as per audited financial results for the year ended 31.03.2017:**

(₹ in lacs)

Particulars	31.03.2017	31.03.2016	31.03.2015
Sales (Gross)	39,198.52	38,286.10	37,627.02
Profit/Loss before tax	(1481.12)	886.42	(4252.80)
Profit/Loss after tax	-890.39	482.15	(4252.80)
Shareholders Funds	44,183.13	42,144.04	(846.03)

(v) Foreign investments or collaborators: NIL

II. INFORMATION ABOUT THE APPOINTEE:

(i) Shri **Siddharth G. Chowdhary**, aged 33 years is a MBA. He is having more than 9 years of experience in the procurement of Maize and was head of the most versatile unit at Pantnagar of Riddhi Siddhi Gluco Biols Limited (RSGBL) From 2008 he started involving himself at Pantnagar Plant on day to day operation in the development of RSGBL. Stationed at Pantnagar from 2008 to 2012, he ensured process stabilization and productivity improvement of Pantnagar unit. Later, he became the director in de-merged undertaking, Roquette Riddhi Siddhi Private Limited and maize procurement and Export Marketing of all plants besides overseeing the Pantnagar plant. He is also whole Time Director in RSGBL since 01.10.2016.

(ii) **Past remuneration during the financial year ended 31st March, 2017.**

Being appointed as Executive Director w.e.f. 10.12.2016 hence not applicable.

(iii) **Recognition or awards:** Not any

(iv) **Job profile and his suitability**

Shri Siddharth G. Chowdhary 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 Siddharth G. Chowdhary is set out in the resolution.

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

The remuneration of Shri Siddharth G. Chowdhary is not out of tune with the remuneration in similar sized Company in same segment of business.

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

Other than the remuneration stated above, Shri Siddharth G. Chowdhary 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 2017 as explained in the Boards' Report annexed, was adversely affected due to dumping of newsprint in the country. However, there is significant improvement over the previous year due to various actions and decisions taken by the Management.

(ii) **Steps taken or proposed to be taken for improvement, and Expected increase in productivity and profits in measurable terms:**

This will depend upon import prices of newsprint, however, Company is taking actions to improve production, productivity and reducing cost.

By Order of the Board
For **SHREE RAMA NEWSPRINT LIMITED**

Place : Ahmedabad
Date : 14.08.2017

P. K. Mundra
President (Finance) & C.S. & C.F.O.

DIRECTORS' REPORT

To,
The Members of
SHREE RAMA NEWSPRINT LIMITED

Your Directors are pleased to present the 26th Annual Report together with the Audited Accounts for the Financial Year ended 31st March 2017.

FINANCIAL RESULTS Amount-₹ in lacs

Particulars	Year Ended 31-03-2017	Year Ended 31-03-2016
Revenue from operations	39198.52	38286.10
Profit/(Loss) before Interest, Depreciation and Tax	3205.98	4793.25
Finance Cost	2420.88	3143.73
Profit/(Loss) before Depreciation and Tax	785.10	1649.52
Depreciation	2266.22	2223.10
Profit /(Loss) before Tax and exceptional items	(1481.12)	(573.58)
Deferred tax assets/liabilities	(590.73)	404.27
Exceptional Items (gain)	---	1460.00
Other comprehensive income	(3.98)	(4.19)
Net Profit/Loss after other comprehensive income	(894.37)	477.96

PERFORMANCE:

The Company has achieved production of 1,18,071 MT (89% capacity utilization) during the F.Y. 2016-17 as against 1,17,498 MT (89% capacity utilization) achieved in FY 2015-16 i.e. higher by 573 MT (0.4%). The Company has achieved sale of 1,15,707 MT during FY 2016-17 as against 1,19,377 MT in 2015-16. During the year under review, the Company has produced only Newsprint as being the case in the previous year.

The Company has achieved turnover of ₹ 391.99 crores [with excise duty] in FY 2016-17 as against ₹ 382.86 crores [with excise duty] in FY 2015-16.

The working results of the Company were satisfactory as cash profit before depreciation and tax was ₹7.85 crores in FY 2016-17 as against ₹16.50 crores in FY 2015-16 (considering discounted gain on ZCD and deposits of ₹54.78 crores on transition to IND-AS, otherwise it was cash loss of ₹38.28 crores) due to higher production, productivity, unit realization, lower finance charges and reduction in cost. The Net loss was of ₹ 8.94 crores in FY 2016-17 as against Net profit of ₹4.78 crores in FY 2015-16.

EXPORT

Export in Foreign exchange of Newsprint was 2264MT worth ₹7.70 crores (FOB) in F.Y. 2016-17 as against 1580 MT worth ₹5.31 crores (FOB) in F.Y 2015-16, whereas direct and indirect export was of 3119 MT worth ₹10.64 crores in F.Y. 2016-17 as against 2480 MT worth ₹8.22 crores in F.Y 2015-16.

DIVIDEND

Your Directors have not recommended any dividend in view of the losses suffered by the Company.

TRANSFER TO RESERVES:

In view of losses suffered, the Company has not proposed to transfer any amount to General Reserves or any other reserve.

THE CHANGE IN NATURE OF BUSINESS:

There are no material changes and commitments, that would affect financial position of the Company from the end of the financial year of the Company to which the financial statements relate and the date of the directors report.

FINANCES

The Company has issued shares to ICICI Bank Ltd. in 2 tranches, first on 09.01.2017 where by 2,91,72,900 optionally convertible debentures (OCD) of ₹10/- each were converted into 2,91,72,900 shares of ₹10/- each and in second tranche on 30.01.2017 whereby 1,91,100 OCDs of ₹ 10/- each were converted into shares of 1,91,100 shares of ₹10/- each. The equity share capital has therefore gone up from 11,81,58,032 shares of ₹10 each to 14,75,22,032 shares of ₹10 each. The balance OCD of 6,36,000 out of total issued OCD of 3,00,00,000 were paid on 31.01.2017. Thus there is no outstanding OCD.

As per the decision of the Joint Lender Forum (J.L.F.) as confirmed by the Bankers/ lenders in the meeting held on 31-03-2015, I.C.I.CI Bank Ltd., Bank of India and Oriental Bank of Commerce & Central Bank of India had implemented the same and issued sanction letters for re-structured loans in F.Y 2015-16.

Axis Bank Ltd. has also done one time settlement (OTS) with the Company as per their sanction letter dated 04.01.2017 for ₹6.00 crores as against total dues of ₹12.76 crores. The Company has paid the entire amount by 25.06.2017.

The Company has repaid loan of ₹4.28 crores by ICICI Bank Ltd. during the year and also short term loan of ₹30 crores was paid to Kotak Mahindra Bank Ltd. by taking Inter Corporate Deposit from Riddhi Siddhi Gluco Biols Ltd.

ISSUE OF SHARES ON CONVERSION OF OPTIONALLY CONVERTIBLE DEBENTURES (OCD):

During the Year Company has allotted 2,91,72,900 equity shares on 9th January, 2017 and 1,91,100 equity shares on 30th January, 2017 in pursuance to conversion of Optionally Convertible Debentures (OCDs) to ICICI Bank Limited.

FIXED DEPOSIT:

The Company has not accepted or renewed any deposit during the year and there is no outstanding on this account in books of the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any joint venture, subsidiary or associate company within the meaning of Section 2(6) of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure I".

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. However details of investment made by the Company is mentioned in the financial statement of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Company has not entered into any related party transactions as enumerated in Section 188 of the Companies Act, 2013 during the year. Accordingly Company is not required to disclose the said information in Form AOC-2.

NUMBER OF MEETINGS OF THE BOARD

During the year, four Board Meetings were convened and held and details thereof are mentioned in the Report on Corporate Governance forming part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors appointed additional Director Mrs. Kavita Tapan Patel (DIN:07671628), on 10th December 2016 subject to approval of members in the ensuing Annual General Meeting..

Mr. V. D. Bajaj resigned as Executive Director on 16.06.2016 and Mrs. Pallavi Mittal resigned from the Board of the Company on 26.09.2016. The Company expresses sincere gratitude to them for the contribution made during their tenure as Directors of the Company.

The Company has also appointed Mr. Siddharth G. Chowdhary as an Executive Director of the Company for a period of 3 years with effect from 10.12.2016.

Shri **Ganpatraj L. Chowdhary** retires from the office by rotation but being eligible offers himself for re-appointment.

The brief resume of the Director proposed to be reappointed, nature of their expertise in specific functional areas, names of Companies in which they holds Directorships and Memberships of Board Committees, shareholding, are provided in the Notice to Members as per regulation 36 (3) THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, forms a part of this Annual Report

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. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis;
5. the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
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.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in the aforesaid section.

DETAILS OF COMMITTEE OF DIRECTORS:

The Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stake Holders Relationship/ Grievances Committee of Directors, number of meetings held of each Committee during the financial year 2016-17 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report.

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation of the Non-executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter-se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers, etc, which is in compliance with applicable laws, regulations and guidelines.

The Board carried out annual performance evaluation of the Board, Board Committees and Individual Directors and Chairman. The Chairman of the respective Board Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Board Committees.

The reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board.