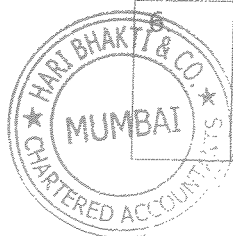


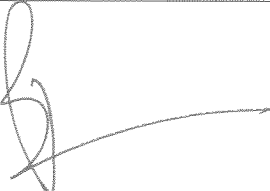
**FORM B**

(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 <sup>st</sup> March, 2013
3.	Type of Audit qualification:	<u>Qualified Audit Report</u> "The Company has recognised Deferred Tax Asset (DTA) amounting to Rs. 13409.17 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. 2305.69 lacs and Reserves and Surplus and DTA would have been reduced by Rs. 13409.17 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 director's report:	<u>Note 43 (page 34)</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>Director's Report (page 7)</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	 P. S. Maharaj Executive Director
	CFO	 Girish Sharma Sr. VP (F&A) & Company Secretary
	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