

The logo for 'ajit' is written in a bold, lowercase, sans-serif font. The letters are black and slanted slightly to the right. A thin horizontal line extends from the right side of the 't' across the page.

**ajit**

SHREE AJIT PULP AND PAPER LIMITED

16th Annual Report

2010 - 2011

## **BOARD OF DIRECTORS**

<i>Shri Gautam D. Shah</i>	<i>Managing Director</i>
<i>Shri Dhansukhlal G. Shah</i>	<i>Director</i>
<i>Shri Gyanprakash H. Gupta</i>	<i>Director - Technical</i>
<i>Shri Piyush R. Shah</i>	<i>Director - Marketing</i>
<i>Shri Nilesh N. Shah</i>	<i>Director - (up to 20/07/2010)</i>
<i>Shri Dhansukh H. Shah</i>	<i>Director</i>
<i>Shri Mitesh M. Mehta</i>	<i>Director</i>

## **REGISTERED OFFICE**

*Survey No. 239, Near Morai Rly. Crossing, Village Salvav, Via - Vapi-396 191. Gujarat.*

### **BANKERS**

*Indian Overseas Bank  
State Bank of India  
HDFC Bank Ltd.  
Bank of Baroda*

### **SHARE TRANSFER AGENT**

*LINK INTIME INDIA PVT. LTD.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai - 400 078.*

### **AUDITORS**

*H. P. SHAH ASSOCIATES, Vapi.*

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# SHREE AJIT PULP AND PAPER LIMITED

16th  
Annual  
Report  
2010-2011

## NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Shree Ajit Pulp And Paper Limited will be held at the Registered office of the Company at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via- Vapi – 396 191 on Thursday 29<sup>th</sup> September 2011 at 11:00 A.M., to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March 2011, the Auditors' Report thereon and the Directors' Report.
2. To declare a dividend for the year 2010-2011.
3. To appoint a Director in place of Shri Dhansukh H. Shah who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Mitesh M. Mehta who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of the 16th Annual General Meeting till the conclusion of the 17th Annual General Meeting and to fix their remuneration.

M/s. H.P. Shah Associates, Chartered Accountants, Vapi, the retiring Auditors being eligible, have offered themselves for re-appointment.

Registered Office:  
Survey No. 239, Near Morai Railway Crossing,  
Village Salvav, Via-Vapi- 396 191.

Date: 28<sup>th</sup> May 2011

For and on behalf of the Board of Directors

Sd/-  
Gautam D. Shah  
Managing Director

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND, ON POLL, TO VOTE IN HIS STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Printed copy of the Balance Sheet, the Directors' Report and the Auditors' Report is sent herewith.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 19/09/2011 to 29/09/2011 (both days inclusive), for the purpose of payment of dividend to those members whose names stand on the Register of Members as on 29-09-2011. The dividend in respect of ordinary shares held in electronic form will be payable to the beneficial owners of the shares as at the end of business hours on 17-09-2011 as per the details furnished by the Depositories for this purpose.
4. The dividend, if any, declared at the Annual General Meeting will be payable on or after 17-10-2011.
5. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, change of address etc to their Depository Participants only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participants will be automatically reflected in the Company's records, which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the members.
6. The shares of the Company are included in the list for trading in compulsory demat segment w.e.f. 27<sup>th</sup> February 2001. The Company has entered into agreements with National Securities Depository Limited (NSDL) and with Central Depository Services (India) Limited (CDSL) so as to provide facility to the shareholders for transactions under demat segment.
7. Members, who are holding shares in identical order of names in more than one folio, are requested to write to the Company/Share transfer agent enclosing their certificates to enable the Company to consolidate their holdings in one folio.
8. It will be appreciated if queries if any on Accounts of the Company are sent to the Company ten days in advance of the meeting so that the answers may be made available at the meeting.
9. Members are requested to bring their copies of Annual Report at the meeting.
10. Members are requested to produce the enclosed Admission Slip duly signed, in accordance with specimen signatures registered with the Company for admission to the meeting.

## DIRECTORS' REPORT

### TO THE MEMBERS:

Your Directors have pleasure in presenting their Sixteenth Annual Report and the Audited Statement of Accounts, for the year ended on 31<sup>st</sup> March 2011, together with the Auditors' Report thereon.

### Financial Results

	Rs. In Lacs	
	Current Year Ended 31-03-2011	Previous Year Ended 31-03-2010
Gross Sales/ Income from operations (Including Excise Duty and Sales Tax)	14189.30	9594.31
Other Income	14.21	16.92
Total Expenditure	(12208.20)	(7929.56)
Interest	(398.70)	(323.67)
Gross Profit after interest but before depreciation and taxation	1596.61	1358.00
Depreciation	(300.26)	(223.66)
Provision for Taxation	(224.98)	(146.20)
Deferred Tax Provision	(194.21)	(214.44)
Prior year adjustment	0	(1.30)
Net Profit	877.16	772.40
Balance brought forward from previous year	2175.59	1419.17
Amount Available for Appropriation	3052.75	2191.57
Appropriations:		
Proposed Dividend (Including Tax)	15.93	15.98
Balance carried to Balance Sheet	3036.81	2175.59

### Dividend:

Your Directors have pleasure in recommending a modest dividend of 2.5%, i.e. Re. 0.25 per Equity Share on 5465767 Equity Shares of Rs. 10/- each for the year 2010-2011.

### Management Discussion and Analysis:

Attached report on Management Discussion and Analysis, which is forming part of this report, adequately deals with the operations as also current and future outlook of the Company.

### Corporate Governance:

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a separate report titled Corporate Governance is attached to this Annual Report.

A certificate from the Auditors of the Company Concerning Company's compliance of Corporate Governance is annexed to this report. The certificate state "we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement **except the condition relating to appointment of independent Directors to the extent of 50% of the board**". The Board consists of six Directors. There are two independent Director, three executive Directors and one Director from the promoter group. One independent director resign on 20-07-2010. The Board is in the process of appointing an independent director to fill the vacancy and hope to complete the appointment shortly.

### Finance:

The Company has tied up a term loan of Rs. 3.75 Cr with a nationalized bank to part finance plant and machinery and misc. civil works in the existing plant of the Company. The work on the same is in progress and the disbursement of the loan has started. The repayment of due loan installments has been regularly done.

### Deposits:

The Company has not accepted deposits under Section 58A of the Companies Act, 1956 during the year under report.

### Statutory Information:

i **Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988: -**

Conservation of energy, technology absorption and foreign exchange earning and outgo:

The relevant data in respect of energy consumption etc. are given in the prescribed format as an annexure to this report.

# SHREE AJIT PULP AND PAPER LIMITED



ii **Statement pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 for the year ended 31st March, 2011.**

Name, Age and Qualification	Designation	Gross Remuneration	Experience	Date of Joining	Previous Employment	Period
Gautam D. Shah, 47 years, BE Civil	Managing Director	413462	22	1-7-2005	-	1-4-10 to 30-6-10
		5134864				1-7-10 to 31-03-11
	Total	5548326				

• Remuneration includes Salary, Commission, Leave encashment and gratuity.

iii **Information under section 217 (2AA) of the Companies Act, 1956 – Directors’ Responsibility Statement**

The Directors confirm that:

- In the preparation of the Annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures,
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and of the profit of the Company for the year ended on that date,
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- The Directors have prepared the Annual Accounts on a Going Concern basis.

**Subsidiary Company and Consolidated Financial Statements:-**

During the year the Company has set up a Subsidiary, viz. M/s Shree Samrudhi Industrial Papers Pvt. Ltd. Vapi, This Company’s financial year ended on 31<sup>st</sup> March 2011. This Company has not yet commenced business. As required by section 212 (1) of the Companies Act, 1956 a copy of the balance sheet as at 31<sup>st</sup> March 2011 together with statement pursuant to section 212 of the Companies Act, 1956 are attached.

**Directors:**

Shri Nilesh N. Shah resigned as a Director of the Company with effect from 20-07-2010. The Board places on record its appreciation of the valuable services rendered by him during his tenure as Independent Director of the Company.

Shri Dhansukh H Shah and Shri Mitesh M. Mehta retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

**Auditors:**

The notes referred to in the Auditors Report are self-explanatory and do not require further explanation.

M/s. H. P. Shah Associates, Chartered Accountants, Vapi, the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible; have offered themselves for reappointment for the year 2011-2012. You are requested to appoint them as Auditors of the Company for the year 2011-2012 and to fix their remuneration.

The Company has received Certificate required under the Proviso to Sub-Section (1) of Section 224 of the Companies Act, 1956 from M/s. H.P. Shah Associates certifying that their re-appointment, if made, will be within the limit prescribed under Sub-Section (1-B) of the said Section.

**Cost Auditors:**

The Central Government had directed an audit of the Cost Accounts maintained by the Company. M/s Kirit Mehta & Associates, Cost Accountants have been appointed for conducting the Cost Audit of the Company for the financial year ended 31<sup>st</sup> March 2011. The Necessary application has been filed with the Central Government for approval of the same.

**Acknowledgement:**

The Board wishes to express its appreciation to the Bankers, Shareholders, Customers, Suppliers and Employees of the Company for their support during the year.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Vapi, 28<sup>th</sup> May 2011

Sd/-  
Gautam D. Shah  
Managing Director

Sd/-  
Gyanprakash H. Gupta  
Director

# SHREE AJIT PULP AND PAPER LIMITED

16th  
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## ANNEXURE TO DIRECTORS' REPORT

### Form A

#### A. Conservation of Energy

##### a. POWER AND FUEL CONSUMPTION

Form for disclosure of particulars with respect to Conversation of energy  
Particulars

	Current Year 2010-11	Previous Year 2009-10
1 (a) Electricity Purchases		
Unit (KWH) *	9531240	13131840
Total Amount (Rs. In Lacs)	586.00	804.34
Rate per unit (Rs.)	6.15	6.13
*Includes 2557455 units (Previous year 42538) Generated by Wind Power Project of the Company		
(b) Own Generation through Gas Engine		
Unit (KWH)	7758195	Nil
Total Amount (Rs. In Lacs)	589.05	Nil
Rate per unit (Rs.)	7.59	Nil
(c) Total Unit (KWH) (a+b)	17289435	13131840
Total Amount (Rs. In Lacs)	1175.05	804.34
Rate per unit (Rs.)	6.80	6.13
2 Coal & Lignite (Used in Bolier)		
Quantity (Kgs)	18488380	14292373
Total Amount (Rs. In Lacs)	738.49	464.52
Rate per Kg (Rs.)	3.99	3.25
3 Gas (Used in gas engine)		
Quantity (SCM)	2295832	0
Total Amount (Rs. In Lacs)	435.50	0
Rate per SCM (Rs.)	18.97	0
4 Other/Internal Generation/Wind Power (KWH in Unit)	2749954	45740
b. CONSUMPTION PER UNIT OF PRODUCTION		
Products Multilayer Testliner & Testliner Paper / Unit of Production - MT		
1. Electricity KWH	328	298
2. Steam Coal - Kg	351	324

### Form B

#### B. Technology Absorption

Form of disclosure of particulars with respect to absorption.

##### I. Research and Development (R & D)

- Specific areas in which R & D carried out by the Company > None at present.
- Benefits derived as a result of the above R & D > Does not arise.
- Future plan of action. > None under consideration at present.
- Expenditure on R & D. > NIL.

##### II. Technology absorption, adaptation and innovation:

- Efforts in brief made towards technology absorption, adaptation and innovation > None.
- Benefits derived as a result of the above efforts. eg. Product improvement, cost reduction, product development, import substitution etc. > Does not arise.
- In the case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) following information may be furnished:
  - Technology Imported
  - Year of import
  - Has technology been fully absorbed
  - If not fully absorbed, areas where this has not taken place, reasons thereof and further plans of action > Not applicable as technology has not been imported.

#### C. Foreign Exchange earning and outgo:

- During the year the Company has not done any export business. As and when opportunity for export arises, the Company shall seize the same.
- Foreign Exchange earned:- (Rs. In Lacs) > Rs. 11.93
- Foreign Exchange used:
  - C.I.F. Value of import of Raw material and components, Capital Goods and Advance against capital goods (Rs. In Lacs) > Rs. 1594.87
  - Others - For expenses (Rs. In Lacs) > Rs. 5.14

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Vapi, 28<sup>th</sup> May 2011

Sd/-  
Gautam D. Shah  
Managing Director

Sd/-  
Gyanprakash H. Gupta  
Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company manufactures Multilayer Testliner & Testliner Paper from 140 to 220 GSM and 16 to 28 BF. This product is mainly used for making Corrugated Boxes, Duplex Cartons, Corrugated small e-fluets etc. as packaging material.

### 2. AN OVERVIEW:

The overall performance of the Company during the year under report has been quite satisfactory in line with general economic conditions in the country. The total income of the Company has increased by 47.89 % to Rs. 14189.30 Lacs during the year from Rs. 9594.31 Lacs in the previous year. The Profit before Tax has increased to Rs.1296.35 Lacs from Rs, 1134.34 Lacs and the Profit after Tax at Rs. 877.16 Lacs as compared to Rs. 772.40 Lacs of the previous year. The profit before tax has increased by 14.28% and profit after tax has increased by 13.56%.

### 3. OVERALL PRODUCTION AND SALES PERFORMANCE:

NAME OF PRODUCT	PRODUCTION (MT)			SALES (MT)		
	2010-11	2009-10	INCREASE %	2010-11	2009-10	INCREASE %
Multilayer Testliner & Testliner Paper	52736	44072	19.66	52124	43936	18.64

### 4. CURRENT AND FUTURE OUTLOOK:

The company has been constantly upgrading manufacturing facilities for improving production, quality of products and yields.

The Directors expect that there will be reasonable improvement in production, sales turnover and profitability of the Company in the current year.

### 5. PLANS FOR EXPANSION AND DIVERSIFICATION:

As mentioned in last year report, the Company has incorporated fully owned subsidiary namely Shree Samrudhi Industrial Papers Pvt Ltd on 2<sup>nd</sup> April, 2010. This Company has not yet commenced business.

The Company has formed a 50:50 JV by incorporating a private Company namely Shree Samrat Pulp and Paper Pvt Ltd. This Company is in the process of acquiring a running industrial unit manufacturing kraft paper.

### 6. OPPORTUNITIES AND THREATS / RISKS AND CONCERNS:

The future of the Paper industry in general and Kraft Paper in particular is linked with the future of world economy. When the economy in general is on the down turn, the demand for Company's products is also likely to fall. On the other hand, when the economy in general is on the up-turn, the demand for the Company's products is likely to increase. The Company is having advantage over most of the other manufacturers as it is professionally managed and its operations are efficient, cost effective and highly competitive.

### 7. FINANCIAL ANALYSIS:

#### a) REVENUE:

During the year under review, the revenue has increased by 47.89 % to Rs. 14189.30 Lacs from Rs. 9594.31 lacs in the previous year. The sales in terms of volume increased by 18.64% compared to previous year. The profit has increased on account of increase in volume of turnover.

#### b) DEBT:

As at 31<sup>st</sup> March, 2011, the Company's total debt including Term Loans and Working Capital Facilities was Rs. 3617.45 lacs as compared to Rs. 4021.80 lacs in the previous year. The interest cost has increased to Rs.398.70 lacs during the year under report from Rs. 323.67 lacs during the previous year. The repayment of Term Loan is being done regularly.

#### c) NET PROFIT:

The Net Profit for the year under review was Rs. 877.16 Lacs as compared to Rs. 772.40 Lacs in the previous year. The EPS has increased to Rs. 16.05 against Rs. 14.14 in the previous year.

#### d) INTERNAL CONTROL SYSTEMS:

The Company has adequate Internal Control System in place. The Internal Audit is conducted by a reputed Firm of Chartered Accountants specializing in Internal Audits, whose report is placed before the Audit Committee periodically. The Audit Committee closely reviews the progress made on the observations which helps strengthen overall financial control. The details of the Audit Committee Meetings are given under the Corporate Governance Section of this report.

### 8. INCREASE IN SHAREHOLDER VALUE:

Your Company makes all efforts to adopt the best systems and methods of doing the business, reduce overheads, improve productivity and establish better customer relations with improved quality and effective distribution network. The Company periodically, evaluates the overall business and tries to shift towards value added products. The Company is making sincere efforts to devise better strategy for growth and improving profitability, thereby enhancing shareholder value in the changing market situation.

### 9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NO. OF PEOPLE EMPLOYED:

The Company has a team of 24 competent and highly motivated technical and management staff. It has 53 clerical, computer operating and other staff and 125 workmen handling factory operations. There is continuous communication between all levels of employees. The Employer-Employee relations are harmonious and cordial.

# SHREE AJIT PULP AND PAPER LIMITED

## CORPORATE GOVERNANCE

### 1. BRIEF STATEMENT OF COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company believes in adoption of best Corporate Governance practices. It constantly reviews Corporate Governance practices followed to ensure that they reflect new developments from time to time. It takes feedback into account in its periodic reviews to ensure relevance, effectiveness and responsiveness to the needs of investors and other stakeholders.

### 2. COMPOSITION AND CATEGORY OF DIRECTORS, E.G.; EXECUTIVE, NON-EXECUTIVE, INDEPENDENT, AND NOMINEE DIRECTOR ETC.:

The Board of Directors consists of Six Directors. The composition and category of Directors is as follows:

SR. NO.	NAME OF THE DIRECTORS	CATEGORY
1	SHRI GAUTAM D. SHAH	MANAGING DIRECTOR / PROMOTER
2	SHRI PIYUSH R. SHAH	MARKETING DIRECTOR / PROMOTER
3	SHRI GYANPRAKASH H.GUPTA	TECHNICAL DIRECTOR / PROFESSIONAL
4	SHRI DHANSUKHLAL G. SHAH	NON-EXECUTIVE / PROMOTER
5	SHRI DHANSUKH H. SHAH	NON-EXECUTIVE / INDEPENDENT
6	SHRI MITESH M. MEHTA	NON-EXECUTIVE / INDEPENDENT

Shri Dhansukhlal G. Shah Non Executive Promoter Director and Shri Gautam D. Shah, Managing Director are related as Father and Son. No other Director is related inter se.

### Details of Directors seeking reappointment at the Annual General Meeting:

Particulars	Shri Dhansukh H Shah	Shri Mitesh M. Mehta
Date of Birth	07-07-1941	06-03-1966
Date of Appointment	01-03-2003	01-03-2003
Qualifications	Advocate	Chartered Accountant
Expertise in specific functional area	Specializing in Excise and Custom Matters	Expertise in the field of finance, accounts and auditing
Directorship held in other Public Companies	Nil	Nil
Membership / Chairmanships of committees of other public Companies (Includes only Audit and Shareholders / Investors Grievance Committee)	Nil	Nil
Number of Shares held in the Company	Nil	Nil

### ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS HELD DURING THE YEAR AND THE LAST AGM:

S N.	NAME OF DIRECTOR	ATTENDANCE PARTICULARS	
		NO. OF BOARD MEETING	LAST A.G.M
1	SHRI GAUTAM D. SHAH	8	YES
2	SHRI DHANSUKHLAL G. SHAH	5	YES
3	SHRI PIYUSH R. SHAH	5	NO
4	SHRI GYANPRAKASH H. GUPTA	8	YES
5	SHRI DHANSUKH H. SHAH	8	YES
6	SHRI MITESH M.MEHTA	6	NO
7	SHRI NILESH N.SHAH (upto 20-7-2010)	0	NO

### NO. OF OTHER BOARD OF DIRECTORS / OTHER COMMITTEES HE IS A MEMBER OR CHAIR PERSON

S N	NAME OF DIRECTOR	NAME OF COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	NAME OF COMPANIES IN WHICH DIRECTOR IS A COMMITTEE MEMBER
1	SHRI GAUTAM D. SHAH	Ajeet Buildsteel Pvt. Ltd. Shree Samrudhi Industrial Papers Pvt Ltd, Shree Samrat Pulp and Paper Pvt Ltd, Shree Samarpan Pulp and Paper Pvt Ltd	— N. A. —
2	SHRI DHANSUKHLAL G. SHAH	Ajeet Buildsteel Pvt. Ltd.	— N. A. —
3	SHRI PIYUSH R. SHAH	— N. A. —	— N. A. —
4	SHRI GYANPRAKASH H. GUPTA	Shree Samrudhi Industrial Papers Pvt Ltd,	— N. A. —
5	SHRI NILESH N. SHAH (upto 20-07-2010)	— N. A. —	— N. A. —
6	SHRI DHANSUKH H. SHAH	— N. A. —	— N. A. —
7	SHRI MITESH M. MEHTA	Nincro Inv. & Fin. (P) Ltd. Pristine Financial Consultants (P). Ltd.	— N. A. —



## **NO. OF BOARD OF DIRECTORS MEETINGS HELD, DATES ON WHICH HELD**

Eight Board Meetings were held during the year as against the minimum requirement of 4 meetings. The dates on which the meetings were held are as follows:

- |                                |                                     |                                   |                                   |
|--------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| (1) 8 <sup>th</sup> April 2010 | (2) 28 <sup>th</sup> May 2010       | (3) 20 <sup>th</sup> July 2010    | (4) 24 <sup>th</sup> July 2010    |
| (5) 31 <sup>st</sup> July 2010 | (6) 13 <sup>th</sup> September 2010 | (7) 30 <sup>th</sup> October 2010 | (8) 25 <sup>th</sup> January 2011 |

The maximum time gap between any two meetings was not more than 4 calendar months. None of the Directors of the Company was a member of more than 10 committees nor was the Chairman of more than 5 committees across all companies in which he was a Director.

## **INFORMATION PLACED BEFORE THE BOARD:**

All the relevant and necessary information and details are placed before the Board at its meetings, such as productions, sales, capital expenditure, budgets, actual performance statistics, review of business, any legal proceedings by or against the Company, quarterly financial results, minutes of meetings of audit committee and shareholders grievance committee, staff matters, significant labour and human relation matters and such other information.

The Board also reviews from time to time the legal compliance report presented by the Managing Director.

## **CODE OF CONDUCT:**

The Board has laid down a code of conduct for all Board members and senior management of the Company. All Board members and senior management personnel have affirmed compliance with the code as on 31<sup>st</sup> March 2011. This report contains a declaration to this effect signed by the Managing Director.

## **3. BOARD COMMITTEES:**

The Company has the following Standing Committees of the Board:

### **1. AUDIT COMMITTEE:**

The Audit Committee of the company comprises of Three Directors, of which Two are independent directors, namely, Shri Dhansukh H. Shah – Chairman, and Shri Mitesh M. Mehta, member. Shri.Gautam D. Shah, Managing Director is the third member of the committee.

The Audit Committee also meets with the requirements of section 292A of the Companies Act, 1956.

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained in clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956, briefly as follows:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b) Recommending the appointment of External Auditors and Internal Auditors, fixation of their Fees and approval for payment for any other services.
- c) Reviewing with management the Quarterly, Half Yearly and Annual Financial Statements before submission to the Board, focusing primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgment by management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with stock exchanges and legal requirements concerning financial statements and (viii) any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, or relatives etc. that may have potential conflict with the interest of the Company.
- d) Reviewing with the management and external and internal auditors, the adequacy and compliance of internal control systems.
- e) Reviewing the adequacy of internal audit functions.
- f) Discussion with internal auditors on any significant findings and follow-up there of.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

During the year the Audit Committee has met 4 times as against the minimum requirement of 4 meetings. The Statutory Auditors and Internal Auditors were also invited to attend the Audit Committee meetings.

Attendance of each member of Audit Committee meetings held during the year:

Sr. No.	NAME OF MEMBER OF AUDIT COMMITTEE	ATTENDENCE PARTICULARS
1	Shri Dhansukh H. Shah	4
2	Shri Mitesh M. Mehta	4
3	Shri Gautam D. Shah	4

## 2. SHARE HOLDERS' GRIEVANCE COMMITTEE:

The Shareholders' Grievance Committee comprises of Shri Gautam D. Shah - Chairman, Shri Dhansukhlal G. Shah, Non Executive Director and Shri Dhansukh H. Shah, Independent Director.

The Committee looks into redressal of Shareholders' complaints like transfer of shares, non-receipt of annual report etc. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for over all improvement in the quality of services.

The Board has designated Mr. Mahesh M Mandowara, Finance Manager as the Compliance officer of the Company.

NO. OF COMPLAINTS RECEIVED DURING THE YEAR	NO. OF COMPLAINTS RESOLVED DURING THE YEAR	NO. OF COMPLAINTS OUTSTANDING AT THE END OF THE YEAR
3	3	NIL
NO. OF TRANSFERS RECEIVED DURING THE YEAR (IN PHYSICAL FORM)	NO. OF TRANSFERS ATTENDED DURING THE YEAR	NO. OF TRANSFERS OUTSTANDING AT THE END OF THE YEAR
12	12	NIL
NO. OF DEMAT / REMAT REQUESTS RECEIVED DURING THE YEAR	NO. OF DEMAT / REMAT REQUESTS ATTENDED DURING THE YEAR	NO. OF DEMAT / REMAT REQUESTS OUTSTANDING AT THE END OF THE YEAR
94	94	NIL

## 3. REMUNERATION COMMITTEE:

The Board has constituted the Remuneration Committee, comprising of three Directors, (1) Chairman Shri Mitesh M. Mehta, Independent Director, (2) Shri Dhansukh H. Shah, member, Independent Director, and (3) Shri Dhansukhlal G. Shah, member, Non Executive Director. The committee recommends remuneration payable to Executive Directors and Managing Director, in terms of requirements of schedule XIII of the Companies Act.

No remuneration is paid to Non Executive Directors. A statement of remuneration paid to the Executive Directors is given below:

SR.NO.	NAME OF DIRECTOR	Salary , Perquisites & Commissions (Rs. in Lacs)
1	SHRI GAUTAM D. SHAH -Managing Director	55.48 #
2	SHRI PIYUSH R. SHAH- Director Marketing	0.96
3	SHRI G. P. GUPTA – Director Technical	14.29 ##

# includes provision for gratuity, Leave encashment and commission.

## includes provision for gratuity & Leave encashment.

## 4. ANNUAL GENERAL MEETING:

Location and time for last three Annual General Meetings were as follows:

YEAR	LOCATION	DATE	TIME
2007-2008	At Regd. Office at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi- 396191	29-09-2008	11 A.M.
2008-2009	-do-	29-09-2009	11 A.M.
2009-2010	-do-	17-08-2010	11 A.M.

During the year ended 31<sup>st</sup> March 2011, no resolutions have been passed by the Company's Shareholders through Postal Ballot.

## 5. DISCLOSURE:

- DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS, I.E.; TRANSACTIONS OF THE COMPANY OF MATERIAL NATURE, WITH ITS PROMOTERS, THE DIRECTORS OR THE MANAGEMENT, THEIR SUBSIDIARIES OR RELATIVES ETC. THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTEREST OF THE COMPANY AT LARGE: - None of the transactions with any of the Related Parties were in conflict with the interest of the company.
- DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS DURING THE LAST THREE YEARS: - None.

## 6. CEO/CFO CERTIFICATION:

The Managing Director who has been designated by the Board as CEO and CFO has certified to the Board Compliance in respect of all matters specified in sub clause V of Clause 49 of the Listing Agreement.

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## 7. MEANS OF COMMUNICATION:

The unaudited quarterly and half yearly results for the periods ended 30<sup>th</sup> June 2010, 30<sup>th</sup> September 2010 and 31<sup>st</sup> December 2010 and audited results for the year ended 31<sup>st</sup> March 2011 were published in Indian Express (English) Baroda Edition, Financial Express (Gujarati) Ahmedabad Edition and Free Press Journal (English) Mumbai Edition.

## 8. GENERAL SHARE HOLDERS' INFORMATION:

### a) Annual General Meeting:

Date and Time - Thursday, 29<sup>th</sup> September, 2011 at 11.00 A. M.  
Venue - At Regd. Office of the Company at: Survey No. 239, Near Morai  
Railway Crossing, Village Salvav, Via-Vapi-396 191, Dist. Valsad, (Gujarat).

### b) Financial Calendar (tentative)

Results for the quarter ending June 30, 2011 - Last week of July 2011  
Results for the quarter / half year ending Sept. 30, 2011 - Second week of November 2011  
Results for the quarter ending December 31, 2011 - Second week of February 2012  
Results for the year ending March 31, 2012 - Last week of May 2012  
Annual General Meeting - Last week of September 2012.

### c) Book Closure Date:

Monday, 19<sup>th</sup> September 2011 to Thursday, 29<sup>th</sup> September 2011 (Both days inclusive) for Annual General Meeting and payment of dividend.

### d) Dividend Payment Date – 17-10-2011

### e) Listing of Equity Shares on Stock Exchanges:

(i) Regional Stock Exchange - Vadodara Stock Exchange Ltd - Vadodara.  
(ii) Ahmedabad Stock Exchange Ltd. - Ahmedabad.  
(iii) Bombay Stock Exchange Ltd. (BSE Indonext Segment) - Mumbai  
Annual Listing Fees for the year 2011-12 have been paid to the concerned Stock Exchanges.

### f) (a) Stock Code

- Vadodara Stock Exchange Ltd. - 600252  
- Ahmedabad Stock Exchange Ltd. - 52657/SHREEAJITP  
- Bombay Stock Exchange Ltd. (Indonext Segment) - 590058

### (b) Demat ISIN Nos.

- In NSDL and CDSL - INE185C01017

### g) Market Price Data: (in Rupees per share):

High and Low prices of the Company's Shares on BSE Indonext Segment with corresponding BSE Sensex.

Months	High		Low	
	Shree Ajit Pulp and Paper Ltd. Price (Rs.)	BSE Sensex	Shree Ajit Pulp and Paper Ltd. Price (Rs.)	BSE Sensex
April 2010	57.95	18047.86	35.00	17276.80
May 2010	53.40	17536.86	39.00	15960.15
June 2010	51.65	17919.62	39.00	16318.39
July 2010	109.40	18237.56	42.00	17395.58
August 2010	106.95	18475.27	80.05	17819.99
Sept. 2010	95.05	20267.98	75.00	18027.12
October 2010	103.95	20854.55	74.10	19768.96
Nov. 2010	94.10	21108.64	69.20	18954.82
Dec. 2010	80.30	20552.03	55.15	19074.57
January 2011	79.00	20664.80	56.00	18038.48
February 2011	75.90	18690.97	62.20	17295.62
March 2011	71.00	19575.16	42.70	17792.17

### h) Registrar and Transfer Agents:

Link Intime India Pvt. Ltd., C-13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W) Mumbai – 400 078

### i) Share Transfer System:

Presently share transfers which are received in physical form are processed and the Share Certificates returned within a period of 21 days from the date of receipt, subject to the documents being valid and complete in all respects.

# SHREE AJIT PULP AND PAPER LIMITED

j) *Distribution of Share Holding as on 31.03.2011:*

NO. OF EQUITY SHARES	NO. OF SHARES HELD	% TO TOTAL SHARES	NO. OF SHAREHOLDERS	% TO TOTAL SHAREHOLDERS
1 TO 500	510289	8.8721	1261	75.8268
501 TO 1000	202723	3.5246	241	14.4919
1001 TO 5000	261924	4.5540	113	6.7949
5001 TO 10000	72122	1.2539	11	0.6615
10001 AND ABOVE	4704542	81.7954	37	2.2249
TOTAL	5751600	100.00	1663	100.00

SR. NO.	CATEGORY	NO. OF SHARE HOLDERS	NO. OF SHARES HELD	% TO TOTAL SHARES
1	PROMOTERS	14	3178300	55.2594
2	PUBLIC FINANCIAL INSTITUTIONS	0	0	0.0000
3	BODIES CORPORATE	37	105671	1.8372
4	CLEARING MEMBER /MARKET MAKER	22	17168	0.2985
5	NRI	3	4750	0.0826
6	RESIDENT INDIVIDUALS/HUF	1587	2445711	42.5223
	TOTAL	1663	5751600	100.00

k) *Dematerialization of Shares:*

As on 31<sup>st</sup> March, 2011, 564 Shareholders were holding 4359640 Equity Shares in Demat form, which constitutes 75.80% of the total share capital of the Company.

*Liquidity:* The Company's shares are regularly traded on the Indonex Segment of the Bombay Stock Exchange Ltd.

l) *Plant Location: Survey No. 239, Village Salvav, Survey No. 105/P,106/107 & 108/P Morai,Near Morai Rly. Crossing, Via-Vapi - 396191*

*Wind Mill : Village Bagasara, Taluka Maliya Miyana, Dist Rajkot, Gujarat*

m) *Address for correspondence:*

*For transfer / dematerialization of shares:*

*For shares held in physical form:*

*Link Intime India Pvt. Ltd. C-13 Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai –400 078.*

*For shares held in demat form*

*To the Depository Participants*

*For any query on Annual Report/ Payment of Dividend etc.*

*To the Secretarial Dept.*

*Shree Ajit Pulp And Paper Limited, Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via- Vapi –396191.*

n) *Buy-back of shares: The Company has not proposed buy-back of shares during the year.*

## DECLARATION ON CODE OF CONDUCT

As required by clause 49 (1) (D) of the Listing Agreement, it is hereby affirmed that all the Board Members and Senior Management Personnel have complied with Code of Conduct as on 31<sup>st</sup> March 2011.

Vapi, 28<sup>th</sup> MAY, 2011

Sd/-  
Gautam D. Shah  
Managing Director

## Auditors' Certificate on Corporate Governance

To,  
The Members,  
Shree Ajit Pulp And Paper Limited.

We have examined the compliance of conditions of Corporate Governance by Shree Ajit Pulp And Paper Limited, for the year ended on 31<sup>st</sup> March 2011, 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 has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement **except the condition relating to appointment of independent Directors to the extent of 50% of the board.**

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

Place: Vapi  
Date: 28<sup>th</sup> May, 2011

For H.P.SHAH ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 109588 W

Sd/-  
H.P.SHAH  
PROPRIETOR  
Membership No. 39093

# SHREE AJIT PULP AND PAPER LIMITED

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## AUDITOR'S REPORT

To,  
**The Members of  
Shree Ajit Pulp And Paper Limited.**

We have audited the attached Balance Sheet of **Shree Ajit Pulp And Paper Limited** as at **31<sup>st</sup> March 2011** and the Profit and Loss Account for the year ended on that date annexed thereto and also the cash flow statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, 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 accounts as required by law, have been kept by the company, so far as it appears from examination of such books.
- c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of accounts.
- d) In our opinion the Balance sheet and Profit & Loss Account, and cash flow statement dealt with by this report comply with the mandatory Accounting Standards as referred to in sub section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
- e) On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) in our opinion, and to the best of our information and according to the explanation given to us, the said Balance Sheet and the Profit & Loss Account read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i. In so far as it relates to the Balance sheet, of the state of affairs of the Company as at 31st March, 2011,
  - ii. In so far as it relates to the Profit and Loss Account, the Profit of the Company for the year ended on that date, and
  - iii. In the case of Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For **H.P.SHAH ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 109588 W**

Sd/-  
**H.P.SHAH**  
**PROPRIETOR**  
**Membership No. 39093**

Place: Vapi  
Date: 28<sup>th</sup> May, 2011

## ANNEXURE

(i) **FIXED ASSETS:**

- (a) *The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.*
- (b) *As explained to us, the fixed assets have been physically verified by the management during the year in a phased manner, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.*
- (c) *During the year, the Company has not disposed of any substantial/major part of fixed assets, and going concern status of the company is not affected.*

(ii) **INVENTORIES:**

- (a) *As explained to us inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.*
- (b) *In our opinion and according to the information and explanations given to us, 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 has maintained proper records of inventory. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records and the same have been properly dealt with in the books of account.*

(iii) **LOANS:**

- (a) *The Company has not granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.*
- (b) *As the company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 the Clause (iii)(b), (iii)(c) and (iii)(d) are not applicable.*

(iv) **INTERNAL CONTROL PROCEDURES:**

*In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.*

(v) **TRANSACTION WITH RELATED PARTY:**

- (a) *Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions 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 transaction made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.*

(vi) **PUBLIC DEPOSITS:**

*The company has not accepted any deposits from the public.*

(vii) **INTERNAL AUDIT SYSTEM:**

*In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of the business. Internal audit is being conducted by a firm of Chartered Accountants.*

(viii) **COST RECORDS:**

*The Central Government had prescribed maintenance of the cost records under Section 209(1)(d) of the Companies Act, 1956 in respect to the company's product. We have broadly reviewed the books of account and records maintained by the company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.*

(ix) **STATUTORY DUES:**

- (a) *According to the information and explanations given to us and the records examined by us, the Company is 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, customs duty, excise-duty, cess and other material statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31<sup>st</sup> March 2011 for a period of more than six months from the date they became payable.*
- (b) *According to the records of the Company, no dues of sales tax, income- tax, customs, wealth-tax, excise duty, cess Service tax which have not been deposited on account of disputes.*

(x) **ACCUMULATED LOSSES:**

*The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.*

(xi) **REPAYMENT OF DUES OF FINANCIAL INSTITUTIONS:**

Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to the financial institution or bank.

(xii) **LOANS & ADVANCES AGAINST SHARES, DEBENTURES AND OTHER SECURITIES:**

Based on our examination of the records and according to the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) **CHIT FUND COMPANY OR NIDHI/MUTUAL BENEFIT FUND/SOCIETY:**

In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society; therefore clause (xiii) of the Order is not applicable to the Company.

(xiv) **MAINTENANCE OF RECORDS FOR DEALING/TRADING IN SHARES, SECURITIES, DEBENTURES & OTHER INVESTMENTS:**

The Company is not dealing or trading in shares, securities, debenture or other investments hence the Clause (xiv) of the Order is not applicable to the Company.

(xv) **GUARANTEE:**

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

(xvi) **UTILIZATION OF TERM LOAN FUND:**

The company has raised new term loan during the year which has been utilized for the purpose for which it is raised, the term loan outstanding at the beginning of the year were applied / utilized for the purpose for which they were raised.

(xvii) **MISMATCH BETWEEN SHORT TERM/LONG TERM FUNDS:**

According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) **PREFERENTIAL ALLOTMENT OF SHARES:**

The Company has not made any preferential allotment of shares during the year.

(xix) **CREATION OF SECURITIES FOR ISSUE OF DEBENTURE:**

During the year covered by our audit report, the company has not issued any debentures.

(xx) **END USE OF MONEY RAISED BY PUBLIC ISSUE:**

The Company has not raised any money by way of public issues during the year.

(xxi) **FRAUD ON OR BY THE COMPANY:**

In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during this year, that causes the financial statement to be materially misstated.

For **H.P.SHAH ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 109588 W**

Sd/-  
**H.P.SHAH**  
**PROPRIETOR**  
**Membership No. 39093**

**Place: Vapi**  
**Date: 28<sup>th</sup> May, 2011**



# SHREE AJIT PULP AND PAPER LIMITED



## BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	As At		As At
		31st March, 2011	Rs.	31st March, 2010
		Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>				
<b>I Share Holders' Funds</b>				
Share Capital	1	54,657,665		54,624,868
Reserves and Surplus	2	303,681,207		217,558,960
			<b>358,338,872</b>	<b>272,183,828</b>
<b>II Loan Funds</b>				
Secured Loans	3	361,745,088		402,180,768
			<b>361,745,088</b>	<b>59,791,407</b>
<b>III Deferred Tax Liability ( See Note No. 7 )</b>			<b>79,212,504</b>	
<b>T O T A L</b>			<b>799,296,463</b>	<b>734,156,003</b>
<b>APPLICATION OF FUNDS</b>				
<b>IV Fixed Assets</b>				
Gross Block	4	657,439,504		593,692,421
Less : Depreciation		120,106,491		90,743,271
Net Block		537,333,013		502,949,150
Add: Capital Work in Progress		22,341,977		12,940,659
			<b>559,674,989</b>	<b>515,889,810</b>
<b>V Investments</b>	5		<b>6,219,886</b>	<b>116,886</b>
<b>VI Current Assets Loans and Advances</b>				
Inventories	6	102,398,629		129,833,507
Sundry Debtors	7	150,903,407		110,637,429
Cash and Bank Balances	8	32,970,711		12,412,009
Loans and Advances	9	67,049,794		104,160,801
		<b>353,322,541</b>		<b>357,043,745</b>
<b>Less : Current Liabilities and Provisions</b>	10	<b>119,920,955</b>		<b>138,894,437</b>
<b>Net Current Assets</b>			<b>233,401,586</b>	<b>218,149,308</b>
<b>T O T A L</b>			<b>799,296,463</b>	<b>734,156,003</b>
<b>VII Significant Accounting Policies</b>	17			
<b>VIII Notes on Accounts</b>	18			

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

**For H.P.SHAH ASSOCIATES**  
Chartered Accountants  
FRN 109588 W

**H. P. SHAH**  
Proprietor  
Membership No. 39093  
Vapi, 28th May 2011

**GAUTAM D. SHAH**      **G. P. GUPTA**  
Managing Director      Director  
Vapi, 28th May 2011

# SHREE AJIT PULP AND PAPER LIMITED



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	2010-2011 Rs.	2009-2010 Rs.
<b>I Income</b>			
Income from Operation	11	1,342,183,515	905,994,166
Other Income	12	1,420,530	1,692,397
<b>TOTAL</b>		<b>1,343,604,045</b>	<b>907,686,563</b>
<b>II Expenditure</b>			
Raw Materials Consumed & Inventory Adjustment	13	796,671,576	505,193,564
Expenditure on Employees	14	37,591,814	26,685,098
Manufacturing and Other Expenses	15	309,810,047	207,640,346
Interest	16	39,869,546	32,367,582
Depreciation		30,026,208	22,366,150
<b>TOTAL</b>		<b>1,213,969,191</b>	<b>794,252,739</b>
<b>III Profit For The Year Before Tax</b>		<b>129,634,855</b>	<b>113,433,824</b>
Less : Provision for Taxation - Current Year		25,835,918	14,620,082
Mat Credit Entitlement		-3,337,796	0
Taxation provision prior Year		0	129,958
Deferred Tax		19,421,097	21,443,828
<b>IV Profit For The Year After Tax</b>		<b>87,715,635.55</b>	<b>77,239,956</b>
Balance Brought Forward		217,558,962	141,916,715
<b>V Amount Available For Appropriation</b>		<b>305,274,598</b>	<b>219,156,671</b>
<b>VI Appropriations:</b>			
Proposed Dividend		1,366,442	1,365,622
Tax on Proposed Dividend		226,949	232,087
Balance Carried to Balance Sheet		303,681,207	217,558,962
		<b>305,274,598</b>	<b>219,156,671</b>
<b>Earning Per Share (Basic/Diluted) (Face value per share of Rs. 10/-)</b>		<b>16.05</b>	<b>14.14</b>
<b>VII Significant Accounting Policies</b>	17		
<b>VIII Notes on Accounts</b>	18		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For H.P.SHAH ASSOCIATES  
Chartered Accountants  
FRN 109588 W

H. P. SHAH  
Proprietor  
Membership No. 39093  
Vapi, 28th May 2011

GAUTAM D. SHAH      G. P. GUPTA  
Managing Director      Director

Vapi, 28th May 2011

# SHREE AJIT PULP AND PAPER LIMITED



## SCHEDULES FORMING PART OF BALANCE SHEET

P A R T I C U L A R S	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
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### SHARE CAPITAL

### SCHEDULE - 1

<b>AUTHORISED</b> 1,50,00,000 (65,00,000) Equity Shares of Rs. 10/-each.	<b>150000000</b>	65000000
	<b>150000000</b>	65000000
<b>ISSUED SUBSCRIBED &amp; PAID UP</b> 57,51,600 (57,51,600) Equity Shares of Rs. 10/- each fully Paid up <b>Less : Calls - In - Arrears</b>	<b>57516000</b> <b>2858335</b>	57516000 2891132
<b>T O T A L</b>	<b>54657665</b>	54624868

### RESERVES AND SURPLUS

### SCHEDULE - 2

Profit and Loss Account	<b>303681207</b>	217558960
<b>T O T A L</b>	<b>303681207</b>	217558960

### SECURED LOANS

### SCHEDULE - 3

<b>TERM LOANS</b>  From Nationalised Banks  Secured by Hypothecation of stocks, book debts , furniture, fixture & fitting, office equipment and Plant and Machinery and equitable mortgage of immovable properties by way of first charge and personal guarantee of Shri G. D. Shah, Director of the Company.Instalments repayable before 31-03-12 Rs. 77396000/-, previous year Rs.47365000/-  Vehicle loan - Against Hypothecation of Motor Car. Instalments repayable before 31-03-12 Rs.211244/-, previous year Rs.Nil.	<b>266769087</b>	294523667
	<b>671631</b>	0
<b>WORKING CAPITAL FACILITY</b> From Nationalised Banks  Secured by Hypothecation of stocks, book debts,furniture, fixture & fitting, office equipment and Plant and Machinery and equitable mortgage of immovable properties by way of first charge and personal guarantee of Shri G. D. Shah, Director of the Company.	<b>94304369</b>	107657101
<b>T O T A L</b>	<b>361745088</b>	402180768

## SCHEDULES FORMING PART OF BALANCE SHEET

FIXED ASSETS		GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		As At 01-04-10	Addition	Deduction	As At 31-03-11	As On 01-04-10	For the Year	Dedu- ction	Impairment for the year	up to 31-03-11	As At 31-03-11	As At 31-03-10
<b>Tangible Assets</b>												
Land -												
Free hold	8501634	0	0	8501634	0	0	0	0	0	0	8501634	8501634
Building	77004409	6140070	0	83144479	10315092	2200629	0	0	0	12515721	70628758	66689317
Plant &												
Machinery	373651790	50654003	0	424305793	69478956	20334241	0	0	0	89813197	334492596	304172834
Wind Mill	88538673	0	0	88538673	38423	4674842	0	0	0	4713265	83825408	88500250
Furniture &												
Fixtures	1335754	1269456	0	2605210	762255	221494	0	0	0	983749	1621461	573499
Vehicles	6003318	1895882	1536324	6362876	2272303	585332	867366	0	0	1990269	4372607	3731015
Electrical												
Installations	32646828	4373834	0	37020662	5000467	1596925	0	0	0	6597392	30423270	27646361
Office												
Equipment	4810015	950162	0	5760177	2815775	352746	0	204378	0	3372899	2387278	1994240
Intangible												
Assets												
Exp. on												
Leasehold												
Land	1200000	0	0	1200000	60000	60000	0	0	0	120000	1080000	1140000
<b>T O T A L</b>	<b>593692421</b>	<b>65283407</b>	<b>1536324</b>	<b>657439504</b>	<b>90743271</b>	<b>30026208</b>	<b>867366</b>	<b>204378</b>	<b>204378</b>	<b>120106491</b>	<b>537333013</b>	<b>502949150</b>
PREVIOUS YEAR	446237263	147479173	24015	593692421	68399167	22366150	22046	0	0	90743271	502949150	377838096
Add: Capital Work in Progress											22341977	12940659

# SHREE AJIT PULP AND PAPER LIMITED



## SCHEDULES FORMING PART OF BALANCE SHEET

P A R T I C U L A R S	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
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### INVESTMENTS (LONG TERM) - OTHER THAN TRADE

#### SCHEDULE - 5

<b>Quoted - Fully Paid-up</b>		
2300 Equity Shares of Gujarat State Financial Corporation of Rs. 10/- each at a premium of Rs.10/- per share, fully paid up. ( Market Value - Rs. 7268/- )	52386	52386
400 Equity Shares of Punjab National Bank of Rs. 10 each, at a premium of Rs. 21 per share, fully paid up (Market Value Rs. 488060/-)	12400	12400
<b>Unquoted - Fully Paid-up</b>		
501 Shares of Sardar Bhiladwala Pardi Peoples; Co.Op.Bank Ltd. of Rs. 100/- each fully paid up.	50100	50100
1 (One) Share of Shri Damanganga Sahakari Khand Udyog Mandali Limited of Rs. 2000/-, each fully paid up	2000	2000
5,00,000 Shares of Shree Samrudhi Industrial Papers Pvt. Ltd. of Rs. 10/- each.	5000000	0
1,00,000 Shares of Shree Samrat Pulp and Paper Pvt.Ltd. of Rs. 10/-, each fully paid up.	1000000	0
10,000 Shares of Shree Samarpan Pulp and Paper Pvt. Ltd. of Rs. 10/-,each fully paid up.	100000	0
300 Shares of Wel-Treat Enviro Management Organisation of Rs. 10/-, each fully paid up.	3000	0
<b>T O T A L</b>	<b>6219886</b>	<b>116886</b>

### INVENTORIES

#### SCHEDULE - 6

(As Certified and valued by Management)		
Raw Material	60459011	105434406
Finished Goods	24978108	8171661
Work in Progress	0	249341
Fuel	261956	1190995
Consumable Stores	16624999	14714527
Packing Material Stock	74555	72577
<b>T O T A L</b>	<b>102398629</b>	<b>129833507</b>

### SUNDRY DEBTORS

#### SCHEDULE - 7

#### (UNSECURED, CONSIDERED GOOD)

Debts Outstanding for a period exceeding six months	1158897	1533521
Other Debts	149744510	109103908
<b>T O T A L</b>	<b>150903407</b>	<b>110637429</b>

### CASH AND BANK BALANCES

#### SCHEDULE - 8

a) Cash on Hand	55597	444694
b) Bank Balances In Current Account with Schedule Banks	32915114	11967315
<b>T O T A L</b>	<b>32970711</b>	<b>12412009</b>

# SHREE AJIT PULP AND PAPER LIMITED



## SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
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### LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

#### SCHEDULE - 9

a) Advances recoverable in Cash or in Kind or for the value to be received	12389408	12141718
b) Deposits	29630920	55390388
c) Balance with Central Excise	25029466	36628695
<b>TOTAL</b>	<b>67049794</b>	<b>104160801</b>

### CURRENT LIABILITIES & PROVISIONS

#### SCHEDULE - 10

CURRENT LIABILITIES		
Sundry Creditors		
a) Due to Micro and Small industrial undertaking	2259472	4206938
b) Due to other than Micro and Small industrial undertaking	96284301	112246237
Other Liabilities	26482124	15727651
<b>TOTAL (a)</b>	<b>125025897</b>	<b>132180825</b>
<b>PROVISIONS</b>		
Provision for Gratuity	2583194	2515324
Provision for Leave-Encashment	2675505	2013968
Provision for Bonus A/c	520465	398149
Provision for Taxation/Wealth - Net of Advance payment and TDS	(9030020)	298143
Mat Credit Entitlement-Tax	(3337796)	0
Proposed Dividend	1366442	1365622
Provision for tax on Proposed Dividend	226949	232087
Provision for FBT - Net of Advance payment	(109681)	(109681)
<b>TOTAL (b)</b>	<b>(5104942)</b>	<b>6713612</b>
<b>TOTAL (a + b)</b>	<b>119920955</b>	<b>138894437</b>

# SHREE AJIT PULP AND PAPER LIMITED



## SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

P A R T I C U L A R S	2010-2011 Rs.	2009-2010 Rs.
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### INCOME FROM OPERATION

### SCHEDULE - 11

Gross Sales	1404469120	959195420
Less : Excise Duty	58741206	39858497
Discount	18005659	13578833
Net Sales	1327722255	905758090
Income from Wind Mill	14461260	236076
<b>T O T A L</b>	<b>1342183515</b>	<b>905994166</b>

### OTHER INCOME AND RECEIPTS

### SCHEDULE - 12

Interest from Bank & Others	1408215	1525361
Miscellaneous Income	12315	167036
<b>T O T A L</b>	<b>1420530</b>	<b>1692397</b>

### RAW MATERIALS CONSUMED AND INVENTORY ADJUSTMENT

### SCHEDULE - 13

<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	105434406	71050974
Add : Purchases	767333910	543654504
Less : Closing Stock	60459011	105434406
<b>TOTAL</b>	<b>812309305</b>	<b>509271072</b>
<b>INCREASE/(DECREASE) IN STOCK</b>		
Stock In Trade -Opening		
Finished Goods	8171661	4067568
Work In Progress	249341	108660
<b>TOTAL</b>	<b>8421002</b>	<b>4176228</b>
Less : Stock In Trade -Closing		
Finished Goods	(24978108)	(8171661)
Work In Progress	0	(249341)
<b>TOTAL</b>	<b>(16557106)</b>	<b>(4244774)</b>
<b>RAW MATERIALS CONSUMED</b>	<b>795752199</b>	<b>505026298</b>
<b>EXCISE DUTY ON FINISHED STOCK</b>		
Opening Stock	333043	165777
Closing Stock	1252420	333043
<b>TOTAL</b>	<b>919377</b>	<b>167266</b>
<b>T O T A L</b>	<b>796671576</b>	<b>505193564</b>

### EXPENDITURE ON EMPLOYEES

### SCHEDULE - 14

Salaries & Wages	32346329	22534634
Staff Welfare	844040	660259
Provident Fund and E.S.I.C.	1637798	1082763
Gratuity Expenses	467106	304116
Leave Encashment Expenses	1744541	1554926
House Rent Expenses	552000	548400
<b>T O T A L</b>	<b>37591814</b>	<b>26685098</b>

# SHREE AJIT PULP AND PAPER LIMITED



## SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

P A R T I C U L A R S	2010-2011 Rs.	2009-2010 Rs.
<b>MANUFACTURING AND OTHER EXPENSES</b>		
<b>SCHEDULE - 15</b>		
<b>MANUFACTURING EXPENSES</b>		
Fuel Consumed	191574878	127121977
Packing Material Consumed	7490275	5643597
Other Manufacturing Expenses	6072162	5841426
Unloading Charges	6996049	6383845
Insurance Charges	2538948	2057186
Consumables Stores & Spare Parts Consumed		
Indigenous	13083725	10136965
Imported	4350260	2552399
Repairs and Maintenance		
Plant & Machinery	1603277	1826771
Building	500009	197948
<b>TOTAL (A)</b>	<b>234209583</b>	<b>161762113</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Advertisement Expenses	335795	288182
Bank Charges	711499	328379
Conveyance Expenses	3443	2834
Consultancy Fees	894459	1092340
Directors' Remuneration	7073352	2872724
Rates and Taxes	275335	325865
Miscellaneous Expenses	7781312	2214663
Printing & Stationery	392437	392015
Internal Audit Fees	225000	225000
Audit Fees	82500	82500
Legal Expenses	49700	61986
Professional Charges	347500	354509
Repairs and Maintenance (Others)	1930896	2022763
Security Charges	2051964	1607874
Vehicle Expenses	950675	829200
Telephone Charges	698895	463756
Travelling Expenses	759089	677903
Windmill Expenses	2087144	0
<b>TOTAL (B)</b>	<b>26650994</b>	<b>13842493</b>
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Selling Expenses	4661047	3108226
Sales Tax	37931105	24575802
Commission on Sale	6357317	4351711
<b>TOTAL (C)</b>	<b>48949469</b>	<b>32035739</b>
<b>TOTAL (A+B+C)</b>	<b>309810047</b>	<b>207640346</b>

## FINANCIAL EXPENSES

## SCHEDULE - 16

Interest on Others	7461902	6137924
Interest on Fixed Loans	32407644	26229658
<b>TOTAL</b>	<b>39869546</b>	<b>32367582</b>



## SCHEDULE - 17 : SIGNIFICANT ACCOUNTING POLICIES

### SIGNIFICANT ACCOUNTING POLICIES :

**(a) Basis of Accounting**

The Financial Statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

**(b) Fixed Assets**

Fixed Assets are stated at cost, net off CENVAT, less accumulated depreciation. All costs, including financing costs till commencement of commercial production are capitalized.

**(c) Provision, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if

- a) The company has a present obligation as a result of past event.
- b) The probable outflow of resources is expected to settle the obligation, and
- c) The amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of ;

- a) A present obligation arising from a past event, when it is not probable that an outflow of resource will be required to settle the obligation.
- b) A possible obligation, unless the probability of outflow of resource is remote.

Contingent Assets are neither recognized nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

**(d) Impairment of Assets**

Impairment is recognized to the extent that the recoverable amount of an asset is less than its carrying amount and is charged to the Profit and Loss account as prescribed by The Institute of Chartered Accountants of India in Accounting Standard 28 "Impairment of Assets".

**(e) Depreciation**

Depreciation on Fixed Assets is provided on the Straight Line Method at the rates and in manner prescribed in Schedule XIV to the Companies Act, 1956 except on cellular handsets. Company has calculated depreciation on cellular handsets @ 25 % on SLM basis from current year. Depreciation on additions to assets during the year is provided on pro-rata basis.

**(f) Investments**

Investments are stated at cost. Provision is made to recognize diminution, other than temporary, in carrying amount of long term investments.

**(g) Inventories**

Finished and Semi-Finished stock is valued at the lower of cost or net realisable value. The cost of finished goods is determined on consistent basis, accepting the average direct and indirect expenses related to the production during the year. Raw materials, goods in transit and stores & spares are valued at landed cost or net realizable value which ever is less. The cost is determined on FIFO basis.

**(h) Sales**

Revenue from sales of goods are recognize upon passage of title to the customer which generally co inside with the delivery. Sales represent the amount receivables for goods sold including the value of Excise Duty, Sales Tax, Gujarat value added tax, and Transit Insurance Charges wherever applicable.

**Income from Wind Mill**

Income from electricity units generated by windmill is accounted as income from Wind Mill and has been shown as such in the Profit and Loss account.

**(i) Foreign Currency Transactions**

Transactions in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction. At the year-end, monetary items denominated in foreign currency are reported using the rate of exchange prevailing on the last day of year. Exchange difference arising on realization / payment of foreign exchange is accounted to the Profit & Loss Account in the year of realization/ payment.

**(j) Amortization of Miscellaneous Expenditure**

Preliminary and Share Issue Expenses are being written off in the year in which it is incurred as per the Accounting Standard 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India.

Expenditure on leasehold land having period of 20 years has been written off over a period of 20 years.

**(k) Provision for Gratuity and Leave Encashment**

- a) Company has created provision for Gratuity on the basis of actuary report which taking into account inter alia the provisions of Payment of Gratuity Act, the number of completed years of service as on Balance Sheet date.
- b) Liability for leave encashment has been determined and accountanted for based on the number of days of en-cashable leave to the credit of each employee as on the balance sheet date, treating it as short term employees' benefit.

**(l) Taxation**

Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax for timing difference between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is convincing evidence that these assets can be realised in future.

## (m) Segment Reporting

The Company identify business segment as the primary segment as per AS-17. Under the primary segment there are two reportable segments viz., Paper and Power generation by Windmill. These were identified considering the nature of the products, the different risks and return.

The Company caters mainly to the needs of the domestic market and thus there are no reportable geographical segments.

## (n) Use of Estimates

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

## SCHEDULE - 18 : NOTES ON ACCOUNTS

1. Previous year's figures are re-grouped / re-arranged wherever considered necessary.

### 2. Contingent Liabilities

	2010-2011 (Rs. In '000)	2009-2010 (Rs. In '000)
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances given	1640.00	Nil
(2) Counter claims by supplier against the company not acknowledged as debt	2836.62	2836.62
(3) Bank Guarantee	8031.41	6410.00

Note: The Company does not expect any reimbursement in respect of the above contingent liabilities. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at 1 to 3 above

### 3. a) Movement in Provisions

						Amount in Rs.	
Sr. No.	Particulars of Disclosures	Opening Balance 01/04/10	Additional Provision	Provision Used	Provision Reversed	Closing Balance 31/03/11	
1	Gratuity	2515324	428447	360577	0	2583194	
2	Leave Encashment	2013968	844229	182692	0	2675505	
3	Bonus	398149	520465	398149	0	520465	
4	Income Tax (Net of advance)	296536	9326556	0	0	-9030020	
5	FBT(Net of advance)	-109681	0	0	0	-109681	
6	Wealth Tax	1607	0	1607	0	0	

### b) Nature of Provisions

- The Company has made provision for Gratuity as per provision of Payment of Gratuity Act, 1972.
- The Company has made provision for Leave encashment as per the rules and regulation of the Company relating to accumulation of leave and its encashment.
- The Company has made provision for Bonus as per provision of Payment of Bonus Act, 1965.
- The Company has made provision for Income Tax as per provision of Income Tax Act, 1961.
- The Company has made provision for Wealth Tax as per provision of Wealth Tax Act, 1957

### 4. Impairment of Assets

The company has carried out an exercise to ascertain the impairment, if any, in the carrying value of its Fixed Assets. An impairment loss is charged to the Profit and loss account when an asset is identified as impaired. During the year the company has recognized impairment loss on cellular handsets to the extent of Rs. 204378 and charged to Profit & Loss account.

### 5. Disclosure relating to Micro, Small and Medium Enterprises

	2010-2011 Rs. In Lacs	2009-2010 Rs. In Lacs
a) Principal Amount Due	20.45	41.71
Interest amount Due	2.14	0.36
b) Interest paid U/s 16	Nil	Nil
c) The Amount of interest due & payable for the period Of delay in making the payment during the year beyond Appointed day except U/S 16	Nil	Nil
d) The amount of interest accrued & unpaid at the end Of accounting year	2.14	0.36
e) The amount of further interest remaining due & payable At the end of accounting year Parties have been identified on the basis of information's available with the Company.	Nil	Nil

# SHREE AJIT PULP AND PAPER LIMITED



6. The Market value of GSFC Shares is quoting below the cost price. As this Investment is held on long-term basis, the Directors are of the opinion that the current market price does not reflect true value of Investment and hence the diminution in the value has not been accounted.

## 7. Deferred Tax

The break-up of major component of net deferred tax liability is as under.

	2010-2011 Rs. In Lacs	2009-2010 Rs. In Lacs
Difference between book and tax depreciation	813.43	613.11
Difference between book and tax allowable exp	<u>(21.30)</u>	<u>(15.20)</u>
Deferred tax liability	<u>792.13</u>	<u>597.91</u>

## 8. Managerial Remuneration

	2010-2011 Rs. In Lacs	2009-2010 Rs. in Lacs
i] Remuneration	33.48	26.48
ii] Commission *	32.97	0.00
iii] Gratuity/Leave encashment	4.28	2.25
Total	<u>70.73</u>	<u>28.73</u>

\* Calculation of Managerial Commission

### COMPUTATION OF PROFIT U/s 349 AND 350 FOR MANAGERIAL REMUNERATION

S No	Particulars		Amount (Rs.)
1	Profit for the year		132932216
	Add: Managerial remuneration	3775991	
	Loss on sale of assets	65875	
	Loss on Impairment of Assets	204378	
	Depreciation	30026208	
	Sub-Total		34072452
	Total		167004668
	Less: Profit on sale of fixed assets	70917	
	Depreciation as in terms of Section 350	30004120	
	Sub-Total		30075037
	Total		136929631
	Proportionate Profit for the purpose of Managerial Remuneration and Directors Commission under Section 349 of the Companies Act 1956. For 9 months from 01.07.2010 to 31.03.2011		102697223
	Eligible remuneration to the Managerial Personnel in terms of Section 309 @ 10%		10269722
S No	Total amount of managerial remuneration proposed to be paid		Total Rem.
1	Remuneration to Managing Director Gautam D Shah from 01.04.2010 to 30.06.2010		413462
	Remuneration to Managing Director Gautam D Shah from 01.07.2010 to 31.03.2011	1837500	
	Commission	3297361	
	Total Restricted to 5 % of Rs.102697223/-		5134861
2	Whole-Time Director		
	Remuneration to other Whole-Time Directors	1525029	1525029
	Total Managerial Remuneration		7073352

## 9. Auditors' Remuneration

i] As Auditors	0.61	0.61
ii] Tax Audit	0.22	0.22
Total	<u>0.83</u>	<u>0.83</u>

# SHREE AJIT PULP AND PAPER LIMITED



## 10. Capital Work in Progress (includes )

i.] Purchase of Machineries & Components	<b>179.87</b>	62.24
ii.] Advance against capital expenditure	<b>43.55</b>	67.17

Total	<u><b>223.42</b></u>	<u>129.41</u>
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## 11. Disclosure relating to Employee Benefit –As per Revised AS-15

	2010-2011 Rs. In Lacs		2009-2010 Rs. In Lacs	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>A Expenses recognized in the statement of profit &amp; Loss Account for the period ended</b>	<b>Non Funded</b>		<b>Non Funded</b>	
1. Current Service Cost	<b>2.97</b>	<b>4.57</b>	2.54	3.67
2. Interest Cost	<b>1.29</b>	<b>1.03</b>	1.19	0.96
3. Expected Return on Planned Assets	<b>0</b>	<b>0</b>	0	0
4. Net Actuarial (Gain) /Loss recognized during the year	<b>(1.54)</b>	<b>9.51</b>	(1.49)	5.75
5. Settlement costs/others	<b>1.95</b>	<b>2.34</b>	0.80	5.17
Total Expenses	<u><b>4.67</b></u>	<u><b>17.45</b></u>	<u>3.04</u>	<u>15.55</u>
<b>B Net Assets / (Liability) recognized in the Balance Sheet</b>				
1. Present value of the obligation	<b>15.10</b>	<b>16.30</b>	13.91	12.94
2. Fair value of Planned Assets	<b>0</b>	<b>0</b>	0	0
3. Funded status (surplus/deficit)	<b>0</b>	<b>0</b>	0	0
Net Assets / (Liability) recognized in the Balance Sheet	<b>15.10</b>	<b>16.30</b>	13.91	12.94
4. add.: Provision for separated employees /others	<b>10.73</b>	<b>10.46</b>	11.24	7.20
Total provision (refer schedule "10")	<u><b>25.83</b></u>	<u><b>26.76</b></u>	<u>25.15</u>	<u>20.14</u>
<b>C Change in present value of obligation</b>				
1. Present value of obligation as on 01-04-2010	<b>13.91</b>	<b>12.94</b>	14.07	14.77
2. Current service cost	<b>2.97</b>	<b>4.57</b>	2.54	3.67
3. Interest Cost	<b>1.29</b>	<b>1.03</b>	1.19	0.96
4. Benefit paid	<b>(1.53)</b>	<b>(11.75)</b>	(2.40)	(12.21)
5. Net Actuarial (Gain) /Loss recognized during the year	<b>(1.54)</b>	<b>9.51</b>	(1.49)	5.75
Present value of obligation as per actuarial Valuation as at 31-03-2011	<b>15.10</b>	<b>16.30</b>	13.91	12.94
6. add.: Provision for separated employees /others	<b>10.73</b>	<b>10.46</b>	11.24	7.20
Total provision (refer schedule "10")	<u><b>25.83</b></u>	<u><b>26.76</b></u>	<u>25.15</u>	<u>20.14</u>
<b>D Actuarial assumptions:</b>				
i) Discount Rate	8.00%		7.75%	
ii) Salary Escalation over a long term	5.00%		5.00%	
iii) Mortality rate	LIC (1994-96) Ultimate		LIC (1994-96) Ultimate	

# SHREE AJIT PULP AND PAPER LIMITED

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## 12. Segment Information

### Segment Revenues, Results and other Information

(Rs. In Lacs)

Sr. No	Particulars	Paper		Wind Mill		Other/Unallocable		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1	<b>REVENUE</b>								
	Net Sales	13277.22	9057.58	144.61	2.36	14.21	16.92	13436.04	9076.86
	Less: Inter Segment Revenue	0	0	0	0	0	0	0	0
	Net Sales/Income from Operation	13277.22	9057.58	144.61	2.36	14.21	16.92	13436.04	9076.86
2	<b>RESULTS</b>								
	Profit before Tax, Dep & Interest	2017.99	1753.60	123.74	2.21	-146.42	-74.14	1995.31	1681.67
	Less: Depreciation	241.31	213.72	47.35	0.98	11.60	8.96	300.26	223.66
	Profit after Depreciation	1776.68	1539.88	76.39	1.23	-158.02	-83.10	1695.05	1458.01
	Less: Interest							398.70	323.67
	Profit before Extra Ordinary Item							1296.35	1134.34
	Less: Extra Ordinary Item							0.00	0.00
	Less: Provision for Taxation							419.19	361.94
	Net Profit							877.16	772.40
3	<b>OTHER INFORMATION</b>								
4	Segment Assets	7418.24	6936.24	839.48	896.40	616.03	613.84	8873.76	8446.48
5	Segment Liabilities	1123.47	1193.02	2.44	0.12	4387.89	4660.91	5513.79	5854.05
6	Capital Expenditure (Incl. Capital WIP)	219.71	121.00	0	0	3.71	8.40	223.42	129.41
7	Depreciation	241.31	213.72	47.35	0.98	11.60	8.96	300.26	223.66
8	Non Cash Exp. other than Dep.	0	0	0	0	0	0	0.00	0

\*Note: Item of Expenses and Income, Assets and Liabilities (Including Provision for Taxation, Deferred Tax Liability which are not directly attributable/identifiable/allocated to business segment are shown as Other/Unallocable)

## 13. Related Party Disclosure (As Identified by Management)

### (i) Related Party Relationships

#### (a) Enterprises Owned by Directors or Major Shareholders

- |  |   |
|--|---|
| (1) Ajit Steel Centre                  | (2) Ajeet Buildsteel Pvt. Ltd.            |
| (3) Shah Trading Co.                   | (4) Twinkle Investment                    |
| (5) Paras Industries                   | (6) Piyush Export                         |
| (7) Ratilal Ujamlal                    | (8) Kashida                               |
| (9) Shree Samrat Pulp & Paper Pvt. Ltd | (10) Shree Samarpan Pulp & Paper Pvt. Ltd |

#### (b) Key Management Personnel

Shri Gautam D. Shah, Shri Piyush R. Shah & Shri Gyanprakash H. Gupta

#### (c) Relatives of Key Management Personnel

Security Product (Brother of the Director is proprietor) Narmada Sales Corporation (Brother of the Director is Partner)

**Note:** In respect of above parties, there is no provision for doubtful debts as on 31<sup>st</sup> March, 2011 and no amount has been written off or written back during the year in respect of debts due from/to them.

### (ii) Transactions with related Parties

(Rs./Lacs)

Type of Related Party	Description of the nature of the transactions	Volume of transactions	Amount outstanding as on 31.03.2011	
		during 2010-11	Receivable	Payable
Where control exists	Purchase of Materials, etc.	2.24	Nil	0.45
	Amount Invested in Equity Shares	11.00	Nil	Nil
Key Management Personnel	Managerial Remuneration	70.73	Nil	23.70
Relative of Key Management Personnel	Payment for rent	Nil	Nil	1.62

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## 14. Earning per Share

		2010-2011	2009-2010
a)	Net Profit/Loss after tax available for equity share holder Rs.	87715636	77239956
b)	Weighted average number of equity share of Rs. 10/- each outstanding during the year [No. of Shares]	5465767	5460865
c)	Basic/Diluted earning per share (Rs.) [a/b]	16.05	14.14

## 15. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part- II of Schedule – VI to the Companies Act, 1956 (as Certified by management)

### I. CONSUMPTION OF RAW MATERIALS

	2010-11		2009-10	
	Qty. M.T.	Amount Rs. In Lacs	Qty. M.T.	Amount Rs. In Lacs
(a) Waste Paper (Indian)	11318.449	1253.24	8011.473	673.58
(b) Waste Paper (Imported)	45113.144	6134.15	38959.350	4015.17
(c) Other Raw Materials		735.71		403.96
<b>TOTAL</b>	<b>56431.593</b>	<b>8123.10</b>	<b>46970.873</b>	<b>5092.71</b>

### II. PERCENTAGE OF CONSUMPTION OF INDIGENOUS AND IMPORTED MATERIAL

	2010-11		2009-10	
	%	Amount Rs. In Lacs.	%	Amount Rs. in Lacs.
a) Raw Material				
i Imported	75.51	6134.15	78.84	4015.17
ii Indigenous	24.49	1988.95	21.16	1077.54
<b>TOTAL</b>	<b>100.00</b>	<b>8123.10</b>	<b>100.00</b>	<b>5092.71</b>
b) Components and Spare Parts				
i Imported	24.95	43.50	20.11	25.52
ii Indigenous	75.05	130.84	79.89	101.37
<b>TOTAL</b>	<b>100.00</b>	<b>174.34</b>	<b>100.00</b>	<b>126.89</b>

### III Installed Capacity etc.\*

	Qty. M.T.	Amount Rs. In Lacs	Qty. M.T.	Amount Rs. In Lacs
Multilayer Testliner & Testliner Paper				
(a) Installed capacity, Annual	60000	—	60000	—
(b) Actual Production	52736	—	44072	—
(c) Stock of Goods Produced:				
Opening Stock	406	81.72	270	40.67
Closing Stock	1036	249.78	406	81.72
(d) Turnover :	52106	14044.69	43936	9591.95

\* Licensed capacity per annum is not indicated due to the abolition of Industrial Licensing vide Notification number 447(E) dated July 25, 1991 issued under the Industries (Development And Regulation) Act, 1951.

\* As certified by the management and accepted by the auditor.

### IV. Wind Power

	2010-11	2009-10
Installed Capacity (Unit)	1.50 MW	1.50 MW
Unit Generated	2749954	45740

### V. C.I.F. Value of Imports

	2010-11 (Rs. In Lacs)	2009-10 (Rs. In Lacs)
Waste Paper	1303.94	2193.25
Components and spare parts	37.72	57.57
Capital Goods	253.21	206.77

### VI Expenditure in Foreign Currency

Traveling Expenses	5.14	6.24
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### VII Earnings in Foreign Exchange

Claim Received	11.93	0.00
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# SHREE AJIT PULP AND PAPER LIMITED



## 16 Balance Sheet Abstract and Company's general Business profile.

### I Registration Details :

Registration No.	2 5 1 3 5	State Code	0 4
Balance Sheet Date	31 - 03 - 2011		

### II Capital Raised During The Year : (Rupees in Thousand )

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

### III Position of Mobilisation and Deployment of Funds (Rupees in Thousand)

Total Liabilities	9 1 9 2 1 7	Total Assets	9 1 9 2 1 7
-------------------	-------------	--------------	-------------

#### Sources of Funds

Paid up Capital	5 4 6 5 8	Reserve & Surplus	3 0 3 6 8 1
Secured Loans	3 6 1 7 4 5	Deferred Tax Liability	7 9 2 1 3

#### Application of Funds

Net Fixed Assets	5 5 9 6 7 5	Investments	6 2 2 0
Net Current Assets	2 3 3 4 0 2	Misc. Expenditure	N I L
Accumulated Losses	N I L		

### IV Performance of Company (Rupees in Thousand )

Turnover (Net Of Excise duty & Discount) & Other Income	1 3 4 3 6 0 4	Total expenditure	1 2 1 3 9 6 9
Profit/Loss Before Tax	1 2 9 6 3 5	Profit After Tax	8 7 7 1 6
Earning Per Share (Rs.)	1 6 . 0 5	Dividend Rate %	2 . 5

### V Generic Names of Principal Product of Company (As Per Monetary Terms)

Item code	48059100	48059200	48052400	48052500
Product Description	MULTILAYER TESTLINER AND TESTLINER PAPER			

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

**For H.P.SHAH ASSOCIATES**  
Chartered Accountants  
FRN. 109588 W

**H. P. SHAH**  
Proprietor  
Membership No. 39093

**GAUTAM D. SHAH**  
Managing Director

**G. P. GUPTA**  
Director

Vapi, 28th May 2011

Vapi, 28th May 2011

# SHREE AJIT PULP AND PAPER LIMITED

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Pursuant to clause 32 of listing agreement with Stock Exchanges)

	31-Mar-2011 (Rs.)	31-Mar-2010 (Rs.)
<b>I Cash Flow from Operating activities</b>		
Net profit before tax and extra-ordinary items	129634855	113433824
Add : Depreciation/Impairment loss	30230586	22366150
Interest	47348246	32367582
Prior Period Adjustment	0	129958
Less : Interest received	(1408215)	(1525361)
Profit on Sale of Fixed Assets	(5042)	(531)
Dividend received	(12315)	(12000)
Cash Generation from Operation	205788114	166759622
Less : Prior Period Adjustment	0	(129958)
<b>Operating profit before working capital changes</b>	205788114	166629664
Add/(Less) : (Increase)/Decrease in current Assets		
Inventories	27434878	(47669628)
Debtors	(40265978)	(93582138)
Loans and Advances	37111007	(38215640)
Add/(Less):Increase/(Decrease) in current Liabilities	(6303205)	54123925
Cash from operation	223764816	41286183
Direct Taxes Paid (Net of Refund)	(35164081)	(10422071)
Net Cash from Operating Activities (A)	188600735	30864112
<b>II Cash flow from investing activities</b>		
Purchase of Fixed Assets	(74684725)	(143720011)
Sale of Fixed Assets	674000	2500
Investment made in Co's	(6103000)	0
Interest received	1408215	1525361
Dividend received	12315	12000
Net Cash used in Investing Activities (B)	(78693195)	(142180150)
<b>III Cash flow from financing activities</b>		
Proceeds from calls in arears of Equity share capital	32797	31997
Long term loans	(27082949)	85208127
Cash Credit (Net)	(13352731)	69952793
Dividend paid (including dividend tax thereon)	(1597709)	(1596773)
Interest paid	(47348246)	(32367582)
Net cash from financing activities (C)	(89348838)	121228562
Net increase in cash and equivalent (A+B+C)	20558703	9912524
Cash and cash equivalent		
as at 01/04/2010 & 01/04/2009 (opening balance)	12412009	2499485
as at 31/03/2011 & 31/03/2010 (closing balance)	32970711	12412009

Note 1 : Cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 "Cash Flow Statement" as specified in the Companies (AS) Rules, 2006.

Note 2 : Purchase of fixed assets includes movement of capital work in progress during the year.

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For **H.P.SHAH ASSOCIATES**  
Chartered Accountants  
FRN. 109588 W

**H. P. SHAH**  
Proprietor  
Membership No. 39093  
Vapi, 28th May 2011

**GAUTAM D. SHAH**  
Managing Director

**G. P. GUPTA**  
Director

Vapi, 28th May 2011



## AUDITOR'S REPORT

To,  
The Board of Director  
Shree Ajit Pulp And Paper Limited.

**Auditor's Report on Consolidated Financial Statements 2010-2011**

We have examined the attached Consolidated Balance Sheet of Shree Ajit Pulp and Paper Limited and its subsidiary (Shree Ajit group) as at March 31, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

In respect of the financial statements of subsidiary, we did not carry out the audit. These financial statements have been audited by other auditor whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor. The details of assets and revenues in respect of this subsidiary and the net carrying cost of investment for current year/period to the extent to which they are reflected in the consolidated financial statements are given below:

**Audited by other auditor:**

	Rs. in Lacs	
	Total assets	Total revenue
Indian subsidiary	50.00	-2.14

We report that, the consolidated financial statements have been prepared by the Company in accordance with the Requirements of the Accounting Standard (AS) 21, 'Consolidated Financial Statements', notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statement of the Shree Ajit Group included in the consolidated financial statements.

We report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the Shree Ajit Group, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies in schedule 18 and notes appearing thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Shree Ajit Group as at March 31, 2011;
- in the case of the Consolidated Profit and Loss Account of the consolidated results of operations of the Shree Ajit Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Shree Ajit Group for the year ended on that date.

For **H.P.SHAH ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 109588 W**

Sd/-  
**H.P.SHAH**  
**PROPRIETOR**  
**Membership No. 39093**

Place: Vapi  
Date: 28<sup>th</sup> May, 2011

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011**

	SCHEDULE	As At	
		31st March, 2011 Rs.	Rs.
<b>SOURCES OF FUNDS</b>			
<b>I Share Holders' Funds</b>			
Share Capital	1	54,657,665	
Reserves and Surplus	2	303,467,011	
			358,124,676
<b>II Loan Funds</b>			
Secured Loans	3	361,745,088	
			361,745,088
<b>III Deferred Tax Liability ( See Note No. 7 )</b>			79,212,504
<b>T O T A L</b>			799,082,267
<b>APPLICATION OF FUNDS</b>			
<b>IV Fixed Assets</b>			
Gross Block	4	657,439,504	
Less : Depreciation		120,106,491	
Net Block		537,333,013	
Add: Capital Work in Progress		22,341,977	
			559,674,989
<b>V Investments</b>	5		1,219,886
<b>VI Current Assets Loans and Advances</b>			
Inventories	6	102,398,629	
Sundry Debtors	7	150,903,407	
Cash and Bank Balances	8	32,990,505	
Loans and Advances	9	67,109,794	
		353,402,335	
Less : Current Liabilities and Provisions	10	115,214,945	
<b>Net Current Assets</b>			238,187,390
<b>VII Miscellaneous Expenditure (To the extent not written off or adjusted)</b>	11		0
<b>T O T A L</b>			799,082,267
<b>VIII Significant Accounting Policies</b>	18		
<b>IX Notes on Accounts</b>	19		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For H.P.SHAH ASSOCIATES  
Chartered Accountants  
FRN 109588 W

H. P. SHAH  
Proprietor  
Membership No. 39093  
Vapi, 28th May 2011

GAUTAM D. SHAH      G. P. GUPTA  
Managing Director      Director

Vapi, 28th May 2011

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

	SCHEDULE	2010-2011 Rs.
<b>I Income</b>		
Income from Operation	12	1,342,183,515
Other Income	13	1,420,530
<b>TOTAL</b>		<b>1,343,604,045</b>
<b>II Expenditure</b>		
Raw Materials Consumed & Inventory Adjustment	14	796,671,576
Expenditure on Employees	15	37,591,814
Manufacturing and Other Expenses	16	310,024,243
Interest	17	39,869,546
Depreciation		30,026,208
<b>TOTAL</b>		<b>1,214,183,387</b>
<b>III Profit For The Year Before Tax</b>		<b>129,420,659</b>
Less : Provision for Taxation - Current Year		25,835,918
Mat Credit Entitlement		-3,337,796
Deferred Tax		19,421,097
<b>IV Profit For The Year After Tax</b>		<b>87,501,440</b>
Balance Brought Forward		217,558,962
<b>V Amount Available For Appropriation</b>		<b>305,060,402</b>
<b>VI Appropriations:</b>		
Proposed Dividend		1,366,442
Tax on Proposed Dividend		226,949
Balance Carried to Balance Sheet		303,467,011
		<b>305,060,402</b>
<b>Earning Per Share (Basic/Diluted) (Face value per share of Rs. 10/-)</b>		<b>16.01</b>
<b>VII Significant Accounting Policies</b>	<b>18</b>	
<b>VIII Notes on Accounts</b>	<b>19</b>	

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For H.P.SHAH ASSOCIATES  
Chartered Accountants  
FRN 109588 W

H. P. SHAH  
Proprietor  
Membership No. 39093  
Vapi, 28th May 2011

GAUTAM D. SHAH    G. P. GUPTA  
Managing Director    Director

Vapi, 28th May 2011

## SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

P A R T I C U L A R S	As At 31-03-2011 Rs.
<b>SHARE CAPITAL</b>	
<b>SCHEDULE - 1</b>	
<b>AUTHORISED</b> 1,50,00,000 (65,00,000) Equity Shares of Rs. 10/-each.	150000000
	150000000
<b>ISSUED SUBSCRIBED &amp; PAID UP</b> 57,51,600 (57,51,600) Equity Shares of Rs. 10/- each fully Paid up <b>Less : Calls - In - Arrears</b>	57516000 2858335
<b>T O T A L</b>	<b>54657665</b>
<b>RESERVES AND SURPLUS</b>	
<b>SCHEDULE - 2</b>	
Profit and Loss Account	303467011
<b>T O T A L</b>	<b>303467011</b>
<b>SECURED LOANS</b>	
<b>SCHEDULE - 3</b>	
<b>TERM LOANS</b>	
From Nationalised Banks	266769087
Secured by Hypothecation of stocks, book debts , furniture, fixture & fitting, office equipment and Plant and Machinery and equitable mortgage of immovable properties by way of first charge and personal guarantee of Shri G. D. Shah, Director of the Company. Instalments repayable before 31-03-12 Rs. 77396000/-, previous year Rs.47365000/-	
Vehicle loan - Against Hypothecation of Motor Car. Instalments repayable before 31-03-12 Rs.211244/-, previous year Rs.Nil.	671631
<b>WORKING CAPITAL FACILITY</b>	
From Nationalised Banks	94304369
Secured by Hypothecation of stocks, book debts, furniture, fixture & fitting, office equipment and Plant and Machinery and equitable mortgage of immovable properties by way of first charge and personal guarantee of Shri G. D. Shah, Director of the Company.	
<b>T O T A L</b>	<b>361745088</b>

**SCHEDULES FORMING PART OF BALANCE SHEET****FIXED ASSETS****SCHEDULE - 4**

Description	GROSS BLOCK			DEPRECIATION / AMORTISATION						NET BLOCK
	As At 01-04-10	Addition	Deduction	As At 31-03-11	As on 01-04-10	For the Year	Deduction	Impairment for the year	Up to 31-03-11	As At 31-03-11
<b>Tangible Assets</b>										
Land - Free hold	8501634	0	0	8501634	0	0	0	0	0	8501634
Building	77004409	6140070	0	83144479	10315092	2200629	0	0	12515721	70628758
Plant & Machinery	373651790	50654003	0	424305793	69478956	20334241	0	0	89813197	334492596
Wind Mill	88538673	0	0	88538673	38423	4674842	0	0	4713265	83825408
Furniture & Fixtures	1335754	1269456	0	2605210	762255	221494	0	0	983749	1621461
Vehicles	6003318	1895882	1536324	6362876	2272303	585332	867366	0	1990269	4372607
Electrical Installations	32646828	4373834	0	37020662	5000467	1596925	0	0	6597392	30423270
Office Equipment	4810015	950162	0	5760177	2815775	352746	0	204378	3372899	2387278
<b>Intangible Assets</b>										
Exp. on Leasehold Land	1200000	0	0	1200000	60000	60000	0	0	120000	1080000
<b>TOTAL</b>	<b>593692421</b>	<b>65283407</b>	<b>1536324</b>	<b>657439504</b>	<b>90743271</b>	<b>30026208</b>	<b>867366</b>	<b>204378</b>	<b>120106491</b>	<b>537333013</b>
PREVIOUS YEAR	446237263	147479173	24015	593692421	68399167	22366150	22046	0	90743271	502949150
Add: Capital Work in Progress										22341977

<b>PARTICULARS</b>	<b>As At 31-03-2011 Rs.</b>
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**INVESTMENTS (LONG TERM) - OTHER THAN TRADE****SCHEDULE - 5**

<b>Quoted - Fully Paid-up</b>	
2300 Equity Shares of Gujarat State Financial Corporation of Rs. 10/- each at a premium of Rs.10/- per share, fully paid up. ( Market Value - Rs. 7268/- )	<b>52386</b>
400 Equity Shares of Punjab National Bank of Rs. 10 each, at a premium of Rs. 21 per share, fully paid up (Market Value Rs. 488060/-)	<b>12400</b>
<b>Unquoted - Fully Paid-up</b>	
501 Shares of Sardar Bhiladwala Pardi Peoples; Co.Op.Bank Ltd. of Rs. 100/- each fully paid up .	<b>50100</b>
1 (One) Share of Shri Damanganga Sahakari Khand Udyog Mandali Limited of Rs. 2000/-, each fully paid up	<b>2000</b>
1,00,000 Shares of Shree Samrat Pulp and Paper Pvt.Ltd. of Rs. 10/-, each fully paid up.	<b>1000000</b>
10,000 Shares of Shree Samarpan Pulp and Paper Pvt. Ltd. of Rs. 10/-,each fully paid up.	<b>100000</b>
300 Shares of Wel-Treat Enviro Management Organisation of Rs. 10/-, each fully paid up.	<b>3000</b>
<b>TOTAL</b>	<b>1219886</b>

## SCHEDULES FORMING PART OF BALANCE SHEET

P A R T I C U L A R S	As At 31-03-2011 Rs.
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**INVENTORIES****SCHEDULE - 6**

(As Certified and valued by Management)	
Raw Material	60459011
Finished Goods	24978108
Fuel	261956
Consumable Stores	16624999
Packing Material Stock	74555
<b>T O T A L</b>	<b>102398629</b>

**SUNDRY DEBTORS****SCHEDULE - 7****(UNSECURED, CONSIDERED GOOD)**

Debts Outstanding for a period exceeding six months	1158897
Other Debts	149744510
<b>T O T A L</b>	<b>150903407</b>

**CASH AND BANK BALANCES****SCHEDULE - 8**

a) Cash on Hand	55597
b) Bank Balances In Current Account with Schedule Banks	32934908
<b>T O T A L</b>	<b>32990505</b>

**LOANS AND ADVANCES****SCHEDULE - 9****(UNSECURED, CONSIDERED GOOD)**

a) Advances recoverable in Cash or in Kind or for the value to be received	12389408
b) Deposits	29690920
c) Balance with Central Excise	25029466
<b>T O T A L</b>	<b>67109794</b>

**SCHEDULES FORMING PART OF BALANCE SHEET**

P A R T I C U L A R S	As At 31-03-2011 Rs.
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	
<b>SCHEDULE - 10</b>	
<b>CURRENT LIABILITIES</b>	
Sundry Creditors	
a) Due to Micro and Small industrial undertaking	2259472
b) Due to other than Micro and Small industrial undertaking	96309301
Other Liabilities	21751114
<b>T O T A L ( a )</b>	<b>120319887</b>
<b>PROVISIONS</b>	
Provision for Gratuity	2583194
Provision for Leave-Encashment	2675505
Provision for Bonus A/c	520465
Provision for Taxation/Wealth - Net of Advance payment and TDS	(9030020)
Mat Credit Entitlement-Tax	(3337796)
Proposed Dividend	1366442
Provision for tax on Proposed Dividend	226949
Provision for FBT - Net of Advance payment	(109681)
<b>T O T A L ( b )</b>	<b>(5104942)</b>
<b>T O T A L ( a + b )</b>	<b>115214945</b>

**MISCELLANEOUS EXPENDITURE****SCHEDULE - 11**

<b>(To the extent not written off or adjusted)</b>	
Opening Balance	
Add : Incurred during the year	141960
Less: Written off during the year	141960
<b>T O T A L</b>	<b>0</b>

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT**

P A R T I C U L A R S	2010-2011 Rs.
<b>INCOME FROM OPERATION</b>	
<b>SCHEDULE - 12</b>	
Gross Sales	1404469120
Less : Excise Duty	58741206
Discount	18005659
Net Sales	1327722255
Income from Wind Mill	14461260
<b>T O T A L</b>	<b>1342183515</b>

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT**

<b>PARTICULARS</b>	<b>2010-2011 Rs.</b>
<b>OTHER INCOME AND RECEIPTS</b> <span style="float: right;"><b>SCHEDULE - 13</b></span>	
Interest from Bank & Others	1408215
Miscellaneous Income	12315
<b>TOTAL</b>	<b>1420530</b>
<b>RAW MATERIALS CONSUMED AND INVENTORY ADJUSTMENT</b> <span style="float: right;"><b>SCHEDULE - 14</b></span>	
<b>RAW MATERIALS CONSUMED</b>	
Opening Stock	105434406
Add : Purchases	767333910
Less : Closing Stock	60459011
<b>TOTAL</b>	<b>812309305</b>
<b>INCREASE/(DECREASE) IN STOCK</b>	
Stock In Trade -Opening	
Finished Goods	8171661
Work In Progress	249341
<b>TOTAL</b>	<b>8421002</b>
Less : Stock In Trade -Closing	
Finished Goods	(24978108)
Work In Progress	0
<b>TOTAL</b>	<b>(16557106)</b>
<b>RAW MATERIALS CONSUMED</b>	<b>795752199</b>
<b>EXCISE DUTY ON FINISHED STOCK</b>	
Opening Stock	333043
Closing Stock	1252420
<b>TOTAL</b>	<b>919377</b>
<b>TOTAL</b>	<b>796671576</b>
<b>EXPENDITURE ON EMPLOYEES</b> <span style="float: right;"><b>SCHEDULE - 15</b></span>	
Salaries & Wages	32346329
Staff Welfare	844040
Provident Fund and E.S.I.C.	1637798
Gratuity Expenses	467106
Leave Encashment Expenses	1744541
House Rent Expenses	552000
<b>TOTAL</b>	<b>37591814</b>
<b>MANUFACTURING AND OTHER EXPENSES</b> <span style="float: right;"><b>SCHEDULE - 16</b></span>	
<b>MANUFACTURING EXPENSES</b>	
Fuel Consumed	191574878
Packing Material Consumed	7490275
Other Manufacturing Expenses	6072162
Unloading Charges	6996049
Insurance Charges	2538948
Consumables Stores & Spare Parts Consumed	
Indigenous	13083725
Imported	4350260
Repairs and Maintenance	
Plant & Machinery	1603277
Building	500009
<b>TOTAL (A)</b>	<b>234209583</b>



## SCHEDULES FORMING PART OF CONSOLIDATED PROFIT &amp; LOSS ACCOUNT

P A R T I C U L A R S	2010-2011 Rs.
<b>ADMINISTRATIVE EXPENSES</b>	
Advertisement Expenses	335795
Bank Charges	711705
Conveyance Expenses	3443
Consultancy Fees	894459
Directors' Remuneration	7073352
Rates and Taxes	275335
Office Rent	36000
Preliminary Expenses W/off	141960
Miscellaneous Expenses	7781312
Printing & Stationery	392437
Internal Audit Fees	225000
Audit Fees	93530
Legal Expenses	49700
Professional Charges	372500
Repairs and Maintenance (Others)	1930896
Security Charges	2051964
Vehicle Expenses	950675
Telephone Charges	698895
Travelling Expenses	759089
Windmill Expenses	2087144
<b>TOTAL (B)</b>	<b>26865190</b>
<b>SELLING AND DISTRIBUTION EXPENSES</b>	
Selling Expenses	4661047
Sales Tax	37931105
Commission on Sale	6357317
<b>TOTAL (C)</b>	<b>48949469</b>
<b>T O T A L (A+B+C)</b>	<b>310024243</b>

## FINANCIAL EXPENSES

## SCHEDULE - 17

Interest on Others	7461902
Interest on Fixed Loans	32407644
<b>T O T A L</b>	<b>39869546</b>

**SCHEDULE - 18 : SIGNIFICANT ACCOUNTING POLICIES****SIGNIFICANT ACCOUNTING POLICIES :****(a) Principles of consolidation**

The consolidated financial statements relate to SHREE AJIT PULP AND PAPER LIMITED

(“the Company”) and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 - “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- ii. The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii. The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated statement of Profit and Loss account as the profit or loss on disposal of investment in subsidiary.
- iv. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.
- v. Comparative figure of previous year has not been provided as this is the first year of Consolidated Accounts.

**(b) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investments”.**

**(c) Basis of Accounting**

The Financial Statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

**(d) Fixed Assets**

Fixed Assets are stated at cost, net off CENVAT, less accumulated depreciation. All costs, including financing costs till commencement of commercial production are capitalized.

**(e) Provision, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if

- a) The company has a present obligation as a result of past event.
- b) The probable outflow of resources is expected to settle the obligation, and
- c) The amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of ;

- a) A present obligation arising from a past event, when it is not probable that an outflow of resource will be required to settle the obligation.
- b) A possible obligation, unless the probability of outflow of resource is remote.

Contingent Assets are neither recognized nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

**(f) Impairment of Assets**

Impairment is recognized to the extent that the recoverable amount of an asset is less than its carrying amount and is charged to the Profit and Loss account as prescribed by The Institute of Chartered Accountants of India in Accounting Standard 28 “Impairment of Assets”.

**(g) Depreciation**

Depreciation on Fixed Assets is provided on the Straight Line Method at the rates and in manner prescribed in Schedule XIV to the Companies Act, 1956 except on cellular handsets. Company has calculated depreciation on cellular handsets @ 25 % on SLM basis from current year. Depreciation on additions to assets during the year is provided on pro-rata basis.

**(h) Investments**

Investments are stated at cost. Provision is made to recognize diminution, other than temporary, in carrying amount of long term investments.

**(i) Inventories**

Finished and Semi-Finished stock is valued at the lower of cost or net realisable value. The cost of finished goods is determined on consistent basis, accepting the average direct and indirect expenses related to the production during the year. Raw materials, goods in transit and stores & spares are valued at landed cost or net realizable value whichever ever is less. The cost is determined on FIFO basis.

**(j) Sales**

Revenue from sales of goods are recognize upon passage of title to the customer which generally co inside with the delivery. Sales represent the amount receivables for goods sold including the value of Excise Duty, Sales Tax, Gujarat value added tax, and Transit Insurance Charges wherever applicable.

**Income from Wind Mill**

Income from electricity units generated by windmill is accounted as income from Wind Mill and has been shown as such in the Profit and Loss account.

**(k) Foreign Currency Transactions**

Transactions in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction. At the year-end, monetary items denominated in foreign currency are reported using the rate of exchange prevailing on the last day of year. Exchange difference arising on realization / payment of foreign exchange is accounted to the Profit & Loss Account in the year of realization/ payment.

**(l) Amortization of Miscellaneous Expenditure**

Preliminary and Share Issue Expenses are being written off in the year in which it is incurred as per the Accounting Standard 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India.

Expenditure on leasehold land having period of 20 years has been written off over a period of 20 years.

**(m) Provision for Gratuity and Leave Encashment**

a) Company has created provision for Gratuity on the basis of actuary report which taking into account inter alia the provisions of Payment of Gratuity Act, the number of completed years of service as on Balance Sheet date.

b) Liability for leave encashment has been determined and accounted for based on the number of days of en-cashable leave to the credit of each employee as on the balance sheet date, treating it as short term employees' benefit.

**(n) Taxation**

Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax for timing difference between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is convincing evidence that these assets can be realised in future.

**(o) Segment Reporting**

The Company identify business segment as the primary segment as per AS-17. Under the primary segment there are two reportable segments viz., Paper and Power generation by Windmill. These were identified considering the nature of the products, the different risks and return.

The Company caters mainly to the needs of the domestic market and thus there are no reportable geographical segments.

**(p) Use of Estimates**

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenses during the reporting period.

Difference between the actual results and estimates are recognized in the period in which the result are known / materialized.

**SCHEDULE - 19 : NOTES ON ACCOUNTS****NOTES ON ACCOUNTS TO CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:**

1 Previous year's figures are not given as this is the first year of consolidated balance sheet.

**2. Contingent Liabilities**

2010-2011  
(Rs. In '000)

(1) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances given	1640.00
(2) Counter claims by supplier against the company not acknowledged as debt	2836.62
(3) Bank Guarantee	8031.41

Note: The Company does not expect any reimbursements in respect of the above contingent liabilities.

It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (1) to (3) above "

**3. a) Movement in Provisions**

Amount in Rs.

SNo	Particulars of Disclosures	Opening Balance 01/04/10	Additional Provision	Provision Used	Provision Reversed	Closing Balance 31/03/11
1	Gratuity	2515324	428447	360577	0	2583194
2	Leave Encashment	2013968	844229	182692	0	2675505
3	Bonus	398149	520465	398149	0	520465
4	Income Tax (Net of advance)	296536	9326556	0	0	-9030020
5	FBT(Net of advance)	-109681	0	0	0	-109681
6	Wealth Tax	1607	0	1607	0	0

b) **Nature of Provisions**

1. The Company has made provision for Gratuity as per provision of Payment of Gratuity Act, 1972.
2. The Company has made provision for Leave encashment as per the rules and regulation of the Company relating to accumulation of leave and its encashment.
3. The Company has made provision for Bonus as per provision of Payment of Bonus Act, 1965.
4. The Company has made provision for Income Tax as per provision of Income Tax Act, 1961.
5. The Company has made provision for Wealth Tax as per provision of Wealth Tax Act, 1957

4. **Impairment of Assets**

The company has carried out an exercise to ascertain the impairment, if any, in the carrying value of its Fixed Assets. An impairment loss is charged to the Profit and loss account when an asset is identified as impaired. During the year the company has recognized impairment loss on cellular handsets to the extent of Rs. 204378 and charged to Profit & Loss account.

5. **Disclosure relating to Micro, Small and Medium Enterprises**

	<b>2010-2011</b>
	<b>Rs. In Lacs</b>
a) Principal Amount Due	<b>20.45</b>
Interest amount Due	<b>2.14</b>
b) Interest paid U/s 16	<b>Nil</b>
c) The Amount of interest due & payable for the period of delay in making the payment during the year beyond Appointed day except U/S 16	<b>Nil</b>
d) The amount of interest accrued & unpaid at the end of accounting year	<b>2.14</b>
e) The amount of further interest remaining due & payable At the end of accounting year	<b>Nil</b>

Parties have been identified on the basis of information's available with the Company.

6. The Market value of GSFC Shares is quoting below the cost price. As this Investment is held on long-term basis, the Directors are of the opinion that the current market price does not reflect true value of Investment and hence the diminution in the value has not been accounted.

7. **Deferred Tax**

The break-up of major component of net deferred tax liability is as under.

	<b>2010-2011</b>
	<b>Rs. In Lacs</b>
Difference between book and tax depreciation	<b>813.43</b>
Difference between book and tax allowable exp	<b>(21.30)</b>
Deferred tax liability	<b>792.13</b>

8. **Managerial Remuneration**

	<b>2010-2011</b>
	<b>Rs. In Lacs</b>
i] Remuneration	<b>33.48</b>
ii] Commission *	<b>32.97</b>
iii] Gratuity/Leave encashment	<b>4.28</b>
Total	<b>70.73</b>

\* Calculation of Managerial Commission

COMPUTATION OF PROFIT U/s 349 AND 350 FOR MANAGERIAL REMUNERATION

S No	Particulars		Amount (Rs.)
1	Profit for the year		132932216
	Add: Managerial remuneration	3775991	
	Loss on sale of assets	65875	
	Loss on Impairment of Assets	204378	
	Depreciation	30026208	
	Sub-Total		34072452
	Total		167004668
	Less: Profit on sale of fixed assets	70917	
	Depreciation as in terms of Section 350	30004120	
	Sub-Total		30075037
	Total		136929631
	Proportionate Profit for the purpose of Managerial Remuneration and Directors Commission under Section 349 of the Companies Act 1956. For 9 months from 01.07.2010 to 31.03.2011		102697223
	Eligible remuneration to the Managerial Personnel in terms of Section 309 @ 10%		10269722
S No	Total amount of managerial remuneration proposed to be paid		Total Rem.
1	Remuneration to Managing Director Gautam D Shah from 01.04.2010 to 30.06.2010		413462
	Remuneration to Managing Director Gautam D Shah from 01.07.2010 to 31.03.2011	1837500	
	Commission	3297361	
	Total Restricted to 5 % of Rs.102697223/-		5134861
2	Whole-Time Director		
	Remuneration to other Whole-Time Directors	1525029	1525029
	Total Managerial Remuneration		7073352

9. Auditors' Remuneration

- i As Auditors
- ii Tax Audit
- Total

2010-2011  
Rs. In Lacs  
0.72  
0.22  

---

0.94

10. Capital Work in Progress (includes )

- i.] Purchase of Machineries & Components
- ii.] Advance against capital expenditure
- Total

179.87  
43.55  

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223.42

11. Disclosure relating to Employee Benefit –As per Revised AS-15

- A Expenses recognized in the statement of profit & Loss Account for the period ended
  - 1. Current Service Cost
  - 2. Interest Cost
  - 3. Expected Return on Planned Assets
  - 4. Net Actuarial (Gain) /Loss recognized during the year
  - 5. Settlement costs/others
  - Total Expenses

2010-2011  
Rs. In Lacs  
Gratuity      Leave  
Encashment  
Non Funded  
2.97      4.57  
1.29      1.03  
0      0  
(1.54)      9.51  
1.95      2.34  

---

4.67      17.45

**B Net Assets / (Liability) recognized in the Balance Sheet**

1. Present value of the obligation	15.10	16.30
2. Fair value of Planned Assets	0	0
3. Funded status (surplus/deficit)	0	0
Net Assets / (Liability) recognized in the Balance Sheet	15.10	16.30
4. add.: Provision for separated employees /others	10.73	10.46
Total provision (refer schedule "10")	25.83	26.76

**C Change in present value of obligation**

1. Present value of obligation as on 01-04-2010	13.91	12.94
2. Current service cost	2.97	4.57
3. Interest Cost	1.29	1.03
4. Benefit paid	(1.53)	(11.75)
5. Net Actuarial (Gain) /Loss recognized during the year	(1.54)	9.51
Present value of obligation as per actuarial Valuation as at 31-03-2011	15.10	16.30
6. add.: Provision for separated employees /others	10.73	10.46
Total provision (refer schedule "10")	25.83	26.76

**D Actuarial assumptions:**

i) Discount Rate	8.00%
ii) Salary Escalation over a long term	5.00%
iii) Mortality rate	LIC (1994-96) Ultimate

**12. Segment Information**

Segment Revenues, Results and other Information

(Rs. In Lacs)

Sr. No	Particulars	Paper	Wind Mill	Other/ Unallocable	Total
		2010-11	2010-11	2010-11	2010-11
1	REVENUE				
	Net Sales	13277.22	144.61	14.21	13436.04
	Less: Inter Segment Revenue	0	0	0	0
	Net Sales/Income from Operation	13277.22	144.61	14.21	13436.04
2	RESULTS				
	Profit before Tax, Dep & Interest	2015.85	123.74	-146.42	1993.16
	Less: Depreciation	241.31	47.35	11.60	300.26
	Profit after Depreciation	1774.52	76.39	-158.02	1692.90
	Less: Interest				398.70
	Profit before Extra Ordinary Item				1294.20
	Less: Extra Ordinary Item				0.00
	Less: Provision for Taxation				419.19
	Net Profit				875.02
	OTHER INFORMATION				
3	Segment Assets	7416.10	839.48	616.03	8871.62
4	Segment Liabilities	1123.47	2.44	4387.89	5513.79
5	Capital Expenditure (Incl. Capital WIP)	219.71	0	3.71	223.42
6	Depreciation	241.31	47.35	11.60	300.26
7	Non Cash Exp. other than Dep.	0	0	0	0.00

\*Note: Item of Expenses and Income, Assets and Liabilities (Including Provision for Taxation, Deferred Tax Liability which are not directly attributable/identifiable/allocated to business segment are shown as Other/Unallocable)

**13. Related Party Disclosure (As Identified by Management)****(i) Related Party Relationships****(a) Enterprises Owned by Directors or Major Shareholders**

- |  |   |
|--|---|
| (1) Ajit Steel Centre                  | (2) Ajeet Buildsteel Pvt. Ltd.            |
| (3) Shah Trading Co.                   | (4) Twinkle Investment                    |
| (5) Paras Industries                   | (6) Piyush Export                         |
| (7) Ratilal Ujamlal                    | (8) Kashida                               |
| (9) Shree Samrat Pulp & Paper Pvt. Ltd | (10) Shree Samarpan Pulp & Paper Pvt. Ltd |

**(b) Key Management Personnel**

Shri Gautam D. Shah, Shri Piyush R. Shah &amp; Shri Gyanprakash H. Gupta

**(c) Relatives of Key Management Personnel**

Security Product (Brother of the Director is proprietor) Narmada Sales Corporation (Brother of the Director is Partner)

**Note:** In respect of above parties, there is no provision for doubtful debts as on 31<sup>st</sup> March, 2011 and no amount has been written off or written back during the year in respect of debts due from/to them.

**(ii) Transactions with related Parties**

(Rs. In Lacs)

Type of Related Party	Description of the nature of the transactions	Volume of transactions during 2010-11	Amount outstanding as on 31.03.2011	
			Receivable	Payable
Where control exists	Purchase of Materials, etc.	2.24	Nil	0.45
	Amount Invested in Equity Shares	11.00	Nil	Nil
Key Management Personnel	Managerial Remuneration	70.73	Nil	23.70
Relative of Key Management Personnel	Payment for rent	Nil	Nil	1.62

**14. Earning per Share**

	2010-2011
a) Net Profit/Loss after tax available for equity share holder Rs.	<b>87501440</b>
b) Weighted average number of equity share of Rs. 10/- each outstanding during the year [No. of Shares]	<b>5465767</b>
c) Basic/Diluted earning per share (Rs.) [a/b]	<b>16.01</b>

**15. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part- II of Schedule – VI to the Companies Act, 1956 (as Certified by management)**

**I. CONSUMPTION OF RAW MATERIALS**

2010-11

	Qty. M.T.	Amount Rs. In Lacs
(a) Waste Paper (Indian)	11318.449	1253.24
(b) Waste Paper (Imported)	45113.144	6134.15
(c) Other Raw Materials		735.71
<b>TOTAL</b>	<b>56431.593</b>	<b>8123.10</b>

**II. PERCENTAGE OF CONSUMPTION OF INDIGENOUS AND IMPORTED MATERIAL**

2010-11

	%	Amount Rs. In Lacs.
<b>a) Raw Material</b>		
i Imported	75.51	6134.15
ii Indigenous	24.49	1988.95
<b>TOTAL</b>	<b>100.00</b>	<b>8123.10</b>
<b>b) Components and Spare Parts</b>		
i Imported	24.95	43.50
ii Indigenous	75.05	130.84
<b>TOTAL</b>	<b>100.00</b>	<b>174.34</b>

**III Installed Capacity etc.\***

Multilayer Testliner &amp; Testliner Paper

	2010-11	
	Qty. M.T.	Amount Rs. In Lacs.
(a) Installed capacity, Annual	60000	—
(b) Actual Production	52736	—
(c) Stock of Goods Produced:		
Opening Stock	406	81.72
Closing Stock	1036	249.78
(d) Turnover :	52106	14044.69

\* Licensed capacity per annum is not indicated due to the abolition of Industrial Licensing vide Notification number 447(E) dated July 25, 1991 issued under the Industries (Development And Regulation) Act, 1951.

\* As certified by the management and accepted by the auditor.

**IV. Wind Power****Installed Capacity (Unit)**

Unit Generated

2010-11

1.50 MW

2749954

**V. C.I.F. Value of Imports**

Waste Paper

Components and spare parts

Capital Goods

2010-11 (Rs. In Lacs)

1303.94

37.72

253.21

**VI Expenditure in Foreign Currency**

Traveling Expenses

5.14

**VII Earnings in Foreign Exchange**

Claim Received

11.93



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

(Pursuant to clause 32 of listing agreement with stock exchanges)

	<b>31-Mar-2011</b>	
	<b>(Rs.)</b>	
<b>I Cash Flow from Operating activities</b>		
Net profit before tax and extra-ordinary items	129420659	
Add : Depreciation/Impairment loss	30230586	
Interest	47348246	
Prior Period Adjustment	0	
Less : Interest received	(1408215)	
Profit on Sale of Fixed Assets	(5042)	
Dividend received	(12315)	
Cash Generation from Operation	205573918	
Less : Prior Period Adjustment	0	
<b>Operating profit before working capital changes</b>	<u>205573918</u>	
Add/(Less):(Increase)/Decrease in current Assets		
Inventories	27434878	
Debtors	(40265978)	
Loans and Advances	37051007	
Add/(Less):Increase/(Decrease) in current Liabilities		
current Liabilities	(11009215)	
Cash from operation	218784610	
Direct Taxes Paid (Net of Refund)	(35164081)	
Net Cash from Operating Activities (A)		183620529
<b>II Cash flow from investing activities</b>		
Purchase of Fixed Assets	(74684725)	
Sale of Fixed Assets	674000	
Investment made in Co's	(1103000)	
Interest received	1408215	
Dividend received	12315	
Net Cash used in Investing Activities (B)		(73693195)
<b>III Cash flow from financing activities</b>		
Proceeds from calls in arrears of Equity share capital	32797	
Long term loans	(27082949)	
Cash Credit (Net)	(13352731)	
Dividend paid (including dividend tax thereon)	(1597709)	
Interest paid	(47348246)	
Net cash from financing activities (C)		(89348838)
Net increase in cash and equivalent (A+B+C)		<u>20578497</u>
Cash and cash equivalent		
as at 01/04/2010 (opening balance)		12412009
as at 31/03/2011 (closing balance)		<u>32990505</u>

Note 1 Cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 "Cash Flow Statement " as specified in the Companies (AS )Rules, 2006.

Note 2 This statement have been prepared by consolidating the accounts of Shree Samrudhi Industrial Papers Pvt Ltd ( 100 % subsidiary of Shree Ajit Pulp and Paper Limited) with Shree Ajit Pulp and Paper Limited.

Note 3 Purchase of fixed assets includes movement of capital work-in-progress during the year.

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

**For H.P.SHAH ASSOCIATES**  
Chartered Accountants  
FRN. 109588 W

**H. P. SHAH**  
Proprietor  
Membership No. 39093  
Vapi, 28th May 2011

**GAUTAM D. SHAH**  
Managing Director

**G. P. GUPTA**  
Director

Vapi, 28th May 2011

# SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

## **NOTICE**

NOTICE is hereby given that the **FIRST ANNUAL GENERAL MEETING**, of the Members of the Company will be held at the registered office of the Company at Office No.34, 2<sup>nd</sup> Floor, Sahara Market, Silvassa Road, Vapi on Saturday, 20th August, 2011 at 11.30 A.M., to transact the following business:-

### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt Audited Balance Sheet as at 31st March, 2011 and the Reports of Directors and Auditors thereon.
- 2) To appoint auditors to hold office from the conclusion of the first Annual General Meeting till the conclusion of the second Annual General Meeting and to fix their remuneration. M/s. G. B. Laddha & Co., Chartered Accountants, Vapi, the retiring auditors being eligible, have offered themselves for reappointment.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Date : 12<sup>th</sup> May, 2011**  
**Place : Vapi**

**Sd/-**  
**GAUTAM D.SHAH**  
**Director**

## **NOTES**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST BE RETURNED SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.

# SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

## **DIRECTORS' REPORT**

**TO THE MEMBERS:**  
**SHREE SAMRUDHI INDUSTRIAL PAPERS PVT LTD**  
**VAPI**

Your Directors have pleasure in presenting their First Annual Report, and the Audited financial statement for the year ended on 31st March, 2011.

### **FINANCIAL RESULT**

This is the First year of incorporation of the Company. The Company has not commenced any business during the year. The profit and loss account only reflects certain unavoidable expenses incurred and the loss reported is carried to the Balance Sheet.

The Board is actively considering various options for undertaking business activity and appropriate decision will be taken at appropriate time.

### **AUDITORS**

The comments made by the Auditors in their report are self explanatory and do not require further explanation.

M/s. G. B. Laddha & Co., Chartered Accountants, Vapi, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. You are requested to appoint them as statutory Auditors of the Company from the year 2011-12 and to fix their remuneration.

### **Information under section 217(2AA) of the Companies Act, 1956- Directors Responsibility Statement**

The Directors confirmed that :-

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2011 and of the profit and loss of the Company for the period ended on that date.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate 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;
- iv) The Directors have prepared the annual accounts on a going concern basis.

### **PUBLIC DEPOSIT**

The company has not accepted any deposit from the public within the meaning of section 58-A of the Companies Act 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

### **PARTICULARS OF EMPLOYEES**

Information under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended up to date is Nil.

### **ACKNOWLEDGEMENT**

Your Directors wish to acknowledge and place on record the Co-operation and support received from holding Company during the year under report.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Date** : 12<sup>th</sup> May, 2011  
**Place** : Vapi

**GAUTAM D.SHAH**  
**Director**

**G. P. GUPTA**  
**Director**

# SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

## AUDITOR'S REPORT

To,  
The Members  
SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED  
Vapi

We have audited the attached Balance Sheet **SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED** as at 31st March 2011 and the Profit and Loss Account for the year ended on that date annexed thereto and also the cash flow statement for the year ended on that date. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

The company is a private limited company and falls within the exemption specified under paragraph 2(iv) of the Companies (Auditors Report) Order 2003 and as amended by the Companies (Auditors Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub section 4A of section 227 of "The Companies Act, 1956 of India (the 'Act')". Hence the matters specified in paragraphs 4 & 5 of the said Companies (Auditors Report) Order 2004 are not enclosed.

We report that:

1. 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.
2. In our opinion, proper books of accounts as required by law, have been kept by the Company, so far as it appears from our examination of such books.
3. The Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
4. In our opinion the Balance Sheet comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
5. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2011, and taken on record by the Board of Directors, We report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true fair view in conformity with the accounting principles generally accepted in India.
  - i. In so far as it relates to the Balance sheet, of the state of affairs of the Company as at 31st March, 2011,
  - ii. In so far as it relates to the Profit and Loss Account, the Loss of the Company for the year ended on that date, and
  - iii. In the case of Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For **G. B. LADDHA & Co.**  
Chartered Accountants  
FRN 120352 W

Sd/-  
**GIRIRAJ LADDHA**  
Partner  
M.NO.108558

Place: Vapi  
Date : 12<sup>th</sup> May, 2011

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	SCHEDULE	As At	
		31st March, 2011 Rs.	Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	5,000,000	
<b>TOTAL</b>			5,000,000
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block		-	
Less : Depreciation		-	
Net Block			-
<b>INVESTMENT</b>			
			-
<b>CURRENT ASSETS LOANS AND ADVANCES</b>	2		
Cash and Bank Balances		19,794	
Loan Advances and Deposit		4,813,040	
		4,832,834	
<b>Less : Current Liabilities and Provisions</b>	3		
Current Liabilities		47,030	
Provisions		-	
Net Current Assets			4,785,804
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)	4		
			-
Profit and Loss a/c		214,196	214,196
<b>TOTAL</b>			5,000,000
<b>Significant Accounting Policies</b>	6		
<b>Notes on Accounts</b>	7		

As per report of even date attached

For G. B. LADDHA & Co.  
Chartered Accountants  
FRN 120352 W

GIRIRAJ LADDHA  
Partner  
Membership No. 108558

Vapi, 12th May, 2011

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT LTD

GAUTAM D. SHAH      G. P. GUPTA  
Director                      Director

Vapi, 12th May, 2011

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

**PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2011**

	SCHEDULE	As At 31st March, 2011 Rs.
<b>INCOME</b>		
Sales	-	
<b>TOTAL</b>		-
<b>EXPENDITURE</b>		
Purchase of Materials & Inventory Adjustment		-
Expenditure on Employees		-
Administrative & General Expenses	5	214,196
Selling & Distribution Expnese		-
Depreciation		-
Total		<b>214,196</b>
<b>PROFIT/LOSS FOR THE YEAR BEFORE TAX</b>		(214,196)
<b>Less: Provision for Taxation</b>		-
<b>PROFIT/LOSS FOR THE YEAR AFTER TAX</b>		(214,196)
Balance Brought forward		-
Amount Available for Appropriation		<b>(214,196)</b>
<b>APPROPRIATION</b>		
Balance carired to Balance Sheet		(214,196)
		<b>(214,196)</b>
<b>Earning Per Share (Basic/Diluted) (Face value per share of Rs. 10/-)</b>		<b>(0.43)</b>
<b>Significant Accounting Policies</b>	6	
<b>Notes on Accounts</b>	7	

As per report of even date attached

For **G. B. LADDHA & Co.**  
Chartered Accountants  
FRN 120352 W

**GIRIRAJ LADDHA**  
Partner  
Membership No. 108558

Vapi, 12th May, 2011

**SHREE SAMRUDHI INDUSTRIAL PAPERS PVT LTD**

**GAUTAM D. SHAH**  
Director

**G. P. GUPTA**  
Director

Vapi, 12th May, 2011

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

**SCHEDULES FORMING PART OF BALANCE SHEET**

P A R T I C U L A R S	As At 31-03-2011 Rs.
-----------------------	----------------------------

**SHARE CAPITAL**

**SCHEDULE - 1**

AUTHORISED SHARE CAPITAL 5,00,000 shares of Rs.10/-each	5,000,000
	<b>5,000,000</b>
ISSUED, SUBSCRIBED & PAID UP CAPITAL 5,00,000 shares of Rs.10/-each	5,000,000
<b>T O T A L</b>	<b>5,000,000</b>

**CURRENT ASSETS LOANS AND ADVANCES**

**SCHEDULE - 2**

Cash on Hand	-
Bank Balance	19,794
Deposit	60,000
Loan and Advances	4,753,040
<b>T O T A L</b>	<b>4,832,834</b>

**CURRENT LIABILITIES & PROVISIONS**

**SCHEDULE - 3**

<b>CURRENT LIABILITIES</b>	
<b>Sundry Creditors</b>	
a) Due to Small scale industrial undertaking	-
b) Due to other than Small scale industrial undertaking	25,000
Other Liabilities	22,030
<b>T O T A L</b>	<b>47,030</b>

**MISCELLANEOUS EXPENDITURE**

**SCHEDULE - 4**

(To the extent not written off or adjusted)	
<b>Preliminary Expenses</b>	
Opening Balance	-
Add : Incurred During the Year	141,960
Less : Written off during the year	141,960
<b>T O T A L</b>	<b>-</b>

# SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

## SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

PARTICULARS	As At 31-03-2011 Rs.
<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>	
<b>SCHEDULE - 5</b>	
Audit Fees	11,030
Bank Charges	206
Professional Fees	25,000
Office Rent	36,000
Preliminary Expenses W/off	141,960
<b>TOTAL</b>	<b>214,196</b>

### SCHEDULE - 18 : SIGNIFICANT ACCOUNTING POLICIES

#### SIGNIFICANT ACCOUNTING POLICIES :

**(a) Basis of Accounting**

The Financial Statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

**(b) Fixed Assets**

Fixed Assets are stated at cost, net off CENVAT, less accumulated depreciation. All costs, including financing costs till commencement of commercial production are capitalized.

**(c) Provision, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if

- The company has a present obligation as a result of past event.
- The probable outflow of resources is expected to settle the obligation, and
- The amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of ;

- A present obligation arising from a past event, when it is not probable that an outflow of resource will be required to settle the obligation.
- A possible obligation, unless the probability of outflow of resource is remote.

Contingent Assets are neither recognized nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

**(d) Impairment of Assets**

Impairment is recognized to the extent that the recoverable amount of an asset is less than its carrying amount and is charged to the Profit and Loss account as prescribed by The Institute of Chartered Accountants of India in Accounting Standard 28 "Impairment of Assets".

**(e) Depreciation**

Depreciation on Fixed Assets is provided on the Straight Line Method at the rates and in manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions to assets during the year is provided on pro-rata basis.

**(f) Investments**

Investments are stated at cost. Provision is made to recognize diminution, other than temporary, in carrying amount of long term investments.

**(g) Inventories**

Traded Goods stock is valued at the lower of cost or net realisable value. The cost of traded goods is determined on consistent basis, accepting the average direct and indirect expenses related to the purchase during the year. Goods in transit are valued at landed cost or net realizable value which ever is less. The cost is determined on FIFO basis.

**(h) Sales**

Revenue from sales of goods are recognize upon passage of title to the customer which generally co inside with the delivery. Sales represent the amount receivables for goods sold including the value of Excise Duty, Sales Tax, Gujarat value added tax, and Transit Insurance Charges wherever applicable.



# SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

**(i) Foreign Currency Transactions**

Transactions in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction. At the year-end, monetary items denominated in foreign currency are reported using the rate of exchange prevailing on the last day of year. Exchange difference arising on realization / payment of foreign exchange is accounted to the Profit & Loss Account in the year of realization/ payment.

**(j) Amortization of Miscellaneous Expenditure**

Preliminary and Share Issue Expenses are being written off in the year in which it is incurred as per the Accounting Standard 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India.

**(k) Provision for Gratuity and Leave Encashment**

- a) Company has created provision for Gratuity on the basis of actuary report which taking into account inter alia the provisions of Payment of Gratuity Act, the number of completed years of service as on Balance Sheet date.
- b) Liability for leave encashment has been determined and accounted for based on the number of days of en-cashable leave to the credit of each employee as on the balance sheet date, treating it as short term employees' benefit.

**(l) Taxation**

Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax for timing difference between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is convincing evidence that these assets can be realised in future.

**(m) Use of Estimates**

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

**SCHEDULE 7: NOTES ON ACCOUNTS:**

1. The Company was incorporated on 2nd April, 2010. These financial statements are for the period from incorporation, i.e. 2nd April, 2010 up to 31st March 2011.
2. The company did not transactions anything during the year as it is still in the process of setting up its business.
3. Auditor's Remuneration Year 2010-11
  - i) Audit fees Rs. 10000/-
  - ii) Service Tax Rs. 1030/-
4. Related Party Disclosure (As Identified by Management)
  - (i) Related Party Relationships
    - (a) Enterprises Owned by Directors or Major Shareholders
      - (1) Ajit Steel Centre (2) Ajeet Buildsteel Pvt. Ltd.
      - (3) Shree Samrat Pulp & Paper Pvt. Ltd (4) Shree Samarpan Pulp & Paper Pvt. Ltd
      - (5) Shree Ajit Pulp & Paper Ltd
    - (b) Key Management Personnel  
Shri Gautam D. Shah, & Shri Gyanprakash H. Gupta
    - (c) Relatives of Key Management Personnel  
Security Product (Brother of the Director is proprietor)

Note: In respect of above parties, there is no provision for doubtful debts as on 31<sup>st</sup> March, 2011 and no amount has been written off or written back during the year in respect of debts due from/to them.

**(ii) Transactions with related Parties**

(Rs./Lacs)

Type of Related Party	Description of the nature of the transactions	Volume of transactions during 2010-11	Amount outstanding as on 31.03.2011	
			Receivable	Payable
Where control exists	Loans & Advances	48.62	47.53	Nil
Key Management Personnel	Nil	Nil	Nil	Nil
Relative of Key Management Personnel	Nil	Nil	Nil	Nil

## SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

5. EARNINGS PER SHARE:

(Amount in Rs.)

<b>Particulars</b>	<b>As at 31.03.2011</b>
Profit available for appropriation (Rs.)	<b>-214196</b>
Weighted average number of shares (Rs.)	<b>500000</b>
Earning per share (Basic) (Rs.)	<b>(0.43)</b>
Face value per share (Rs.)	<b>Rs.10</b>

6. The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium enterprises Development Act, 2006 and hence disclosure, if any, relating to the amount un-paid as the end of year together with interest paid/ payable as required under the said Act have not been furnished
7. Expenditure on employees in receipt of remuneration of not less than Rs. 60,00,000 per annum or at the rate of not less than Rs. 5,00,000 per month is Nil.
- 8 This being the first years of the company. Hence the previous year figures are not provided.

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	<b>31-Mar-2011</b>
<b>Cash flow from Operating Activities</b>	-214196
Add : Depreciation	0
Interest Payment	0
Less : Interest Received	0
Dividend Income	0
<b>Operating Profit before working Capital Changes</b>	0
Add : Decrease in Sundry Debtors	0
Increase in Sundry Creditors	25000
Increase in Other Current Liabilities	22030
Decrease in Other Current Assets	-4813040
Decrease in inventory	0
<b>Cash generated from Operation</b>	-4766010
Less : Income Tax paid	0
<b>Cash flow before extraordinary item</b>	-4766010
Add/Less: Extraordinary item	0
<b>Net Cash From Operating Activities (A)</b>	-4766010
<b>Cash Flow from Investing Activities</b>	
Less : Purchase of Fixed Assets	0
Investments made during the year	0
Add : Sale Of Investment	0
Interest Received	0
Proceeds from sale of Fixed Assets	0
Dividend Received	0
<b>Net Cash From Investing Activities (B)</b>	0
<b>Cash Flow from Financing Activities</b>	
Add: Proceeds from Issue of Share Capital	5000000
Proceeds from Long Term Borrowings	0
Less : Repayment of Long Term Borrowings	0
Interest Paid	0
Dividend Paid	0
Dividend Tax Paid	0
<b>Net Cash From Financing Activities (C)</b>	5000000
<b>Net increase/ Decrease In Cash and Cash Equivalents (A+B+C)</b>	19794
<b>Cash and Cash Equivalents at beginning of the year</b>	0
<b>Cash and Cash Equivalents at end of the year</b>	19794

As per report of even date attached

For **G. B. LADDHA & Co.**  
Chartered Accountants  
FRN 120352 W

**GIRIRAJ LADDHA**  
Partner  
Membership No. 108558

Vapi, 12th May, 2011

**SHREE SAMRUDHI INDUSTRIAL PAPERS PVT LTD**

**GAUTAM D. SHAH**      **G. P. GUPTA**  
Director                      Director

Vapi, 12th May, 2011

# SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

## BALANCE-SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I Registration Details :

Registration No.  State Code   
 Balance Sheet Date

### II Capital Raised During The Year : (Amount in Thousand )

Public Issue  Right Issue   
 Bonus Issue  Private Placement

### III Position of Mobilisation and Deployment of Funds (Amount in Thousand)

Total Liabilities  Total Assets

#### Sources of Funds

Paid up Capital  Reserve & Surplus   
 Share Application Money  Deferred Tax Liabilities   
 Secured Loans  Deferred Tax Liability

#### Application of Funds

Net Fixed Assets  Investments   
 Net Current Assets  Misc. Expenditure   
 Accumulated Losses

### IV Performance of Company (Amount in Thousand )

Turnover  Total expenditure   
 Profit/Loss Before Tax  Profit Loss After Tax   
 Earning Per Share in Rs.  Dividend Rate %

### V Generic names of three principal products/services of company (as per monetary terms) Item Code No. (ITC Code) :- No activities during the year

As per report of even date attached

For **G. B. LADDHA & Co.**  
 Chartered Accountants  
 FRN 120352 W

**GIRIRAJ LADDHA**  
 Partner  
 Membership No. 108558

Vapi, 12th May, 2011

**SHREE SAMRUDHI INDUSTRIAL PAPERS PVT LTD**

**GAUTAM D. SHAH**      **G. P. GUPTA**  
 Director                      Director

Vapi, 12th May, 2011

**Statement pursuant to section 212 of the Companies Act, 1956, relating to Subsidiary Company**

Name of Company	Financial Year	Shares of the Subsidiary held by the Company directly or through its Subsidiary Company on 31-03-2011		Net aggregate amount of Profit/(loss) of the Subsidiary for the financial year of the Subsidiary so far as they concern members of the Company		Net aggregate amount of Profit/(Loss) for previous financial years of the Subsidiary since it became a Subsidiary so far as they concern members of the Company	
		Number and face value	Extent of Holding (%)	Dealt with in the accounts of the Company for the year ended 31-03-2011	Not Dealt with in the accounts of the Company for the year ended 31-03-2011	Dealt with in the accounts of the Company for the year ended 31-03-2010	Not Dealt with in the accounts of the Company for the year ended 31-03-2010
Shree Samrudhi Industrial Papers Pvt. Ltd.	31-03-2011	500000 Shares of Rs. 10 each fully paid up	100	Rs. Nil	Rs. (214196)	Rs. Not Applicable	Rs. Not Applicable

**FOR AND ON BEHALF OF THE BOARD**

**Place : VAPI  
Date : 28th May, 2011**

**GAUTAM D. SHAH      G. P. GUPTA  
MANAGING DIRECTOR      DIRECTOR**





# SHREE AJIT PULP AND PAPER LIMITED

Regd. Off. : Survey No. 239, Near Morai Railway Crossing, Village Salvav,  
Via-Vapi - 396 191. Gujarat.

16TH ANNUAL GENERAL MEETING ON 29th SEPTEMBER, 2011

## ATTENDANCE SLIP

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

No. of Shares : .....

FOLIO No. : .....

DP ID No : .....

CLIENT No. : .....

\_\_\_\_\_  
(Name of the attending member (in block letters))

\_\_\_\_\_  
Name of the Proxy (in block letters) (to be filled by the Proxy attending instead of the member)

I hereby record my presence at the 16th Annual General Meeting to be held at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi-396 191. Gujarat on 29th September, 2011 at 11:00 a.m.

\_\_\_\_\_  
Member's / Proxy's Signature

- Note : 1) Interested joint members may obtain attendance slips from the Regd. Office of the Company  
 2) Members/joint members/proxies are requested to bring attendance slip with them. Duplicate slips will not be issued at the entrance of the Auditorium



# SHREE AJIT PULP AND PAPER LIMITED

Regd. Off. : Survey No. 239, Near Morai Railway Crossing, Village Salvav,  
Via-Vapi - 396 191. Gujarat.

16TH ANNUAL GENERAL MEETING ON 29th SEPTEMBER, 2011

## PROXY FORM

FOLIO No. : .....

DP ID No : .....

CLIENT No. : .....

I/We ..... of .....

I/We ..... being a Member/Members of above named

Company, hereby appoint ..... of .....

or failing him I/We .....of.....

as my / our proxy to vote for me/us on/our behalf at the 16th Annual General Meeting to be held at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi-396 191. Gujarat on 29th September, 2011 at 11:00 a.m. and at any adjournment thereof.

Signed this ..... day of .....2011.

Signature .....

Affix  
Revenue  
Stamp

**Note :** The proxy form must be deposited at the Company's Regd. Office not less than 48 hours before the meeting, the Proxy need not be a member of the Company.

***BOOK - POST***

*To,*

*If undelivered please return to :*  
**SHREE AJIT PULP AND PAPER LIMITED**  
*Regd. Office :*  
*Survey No. 239,*  
*Near Morai Railway Crossing, Village Salvav,*  
*Vapi - 396 191. Gujarat.*