

The logo for 'ajit' is written in a bold, lowercase, sans-serif font. The letters are black and have a slight shadow effect, giving them a three-dimensional appearance. The 'j' has a distinctive hook.

SHREE AJIT PULP AND PAPER LIMITED

18th Annual Report

2012 - 2013

SHREE AJIT PULP AND PAPER LIMITED



BOARD OF DIRECTORS

Shri Gautam D. Shah	Managing Director
Shri Dhansukhlal G. Shah	Director
Shri Piyush R. Shah	Director - Marketing
Shri Dhansukh H. Shah	Director
Shri Mitesh M. Mehta	Director

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



NOTICE

Notice is hereby given that the Eighteenth 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 Monday 05th August 2013 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 31st March 2013, the Auditors' Report thereon and the Directors' Report.
2. To declare a dividend for the year 2012-2013.
3. To appoint a Director in place of Mr. Dhansukh H. Shah who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. 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 18th Annual General Meeting till the conclusion of the 19th Annual General Meeting and to fix their remuneration.

M/s. H. P. Shah Associates, Chartered Accountants, Vapi, the Auditors of the Company retire at the ensuing Annual General Meeting and they have expressed their unwillingness in writing to be reappointed as Statutory Auditors of the Company for the year 2013-2014.

M/s Deloitte Haskins and Sells, Chartered Accountants, have expressed their willingness to be appointed as Statutory Auditors of the Company in place of M/s. H. P. Shah Associates, Chartered Accountants. The Company has received from them a certificate required under the Proviso to Sub-Section (1) of Section 224 of the Companies Act, 1956 certifying that their appointment, if made, will be within the limit prescribed under Sub-Section (1-B) of the said Section.

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

For and on behalf of the Board of Directors

Date: 04th July 2013

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 22/07/2013 to 05/08/2013 (both days inclusive), for the purpose of payment of dividend to those members whose names stand on the Register of Members as on 05-08-2013. 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 20-07-2013 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 20-08-2013.
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. 27th 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.

SHREE AJIT PULP AND PAPER LIMITED



DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting their Eighteenth Annual Report and the Audited Statement of Accounts, for the year ended on 31st March 2013, together with the Auditors' Report thereon.

Financial Results

	₹ In Lacs	
	Current Year Ended 31-03-2013	Previous Year Ended 31-03-2012
Gross Sales/ Income from operations (Including Excise Duty and Sales Tax)	19052.61	16317.45
Other Income	29.00	21.10
Total Expenditure	(16353.50)	(14513.15)
Interest	(340.68)	(371.27)
Gross Profit after interest but before depreciation and taxation	2387.43	1454.13
Depreciation	(390.77)	(341.21)
Provision for Taxation	(464.45)	(205.08)
Deferred Tax Provision	(128.37)	(142.12)
Extra Ordinary and Exceptional Items	4.74	3.05
Net Profit	1408.58	768.77
Balance brought forward from previous year	3790.02	3036.81
Amount Available for Appropriation	5198.60	3805.58
Appropriations:		
Proposed Dividend (Including Tax)	31.34	15.56
Balance carried to Balance Sheet	5167.26	3790.02

Dividend:

Your Directors have pleasure in recommending a modest dividend of 5%, i.e. Re. 0.50 per Equity Share on 5356700 Equity Shares of ₹ 10/- each for the year 2012-2013.

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 states, "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 five Directors. There are two independent Directors, two executive Directors and one Director is relative of the Managing Director. The Board is in the process of appointing one independent director to fill the vacancy and hope to complete the appointment shortly.

Finance:

The Company has tied up a term loan of Rs. 8.60 Cr with Company's Bankers under consortium arrangement for part financing Machinery and Equipment in the existing plant, and started drawing against the same during the year. The Company has continued drawing the amount out of term loan of Rs. 8.25 Cr. sanctioned previously for setting up Co-Generation plant of the Company. The repayment of due loan installments and interest payment is being 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, 2013.**

Name, Age and Qualification	Designation	Gross Remuneration	Experience	Date of Joining	Previous Employment	Period
Gautam D. Shah, 49 years, BE Civil	Managing Director	Rs. 10568246/-	24 years	1-7-05	-	1-4-12 to 31-3-13

• Remuneration includes Salary, Commission, Provision for 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 2013 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:-

The Company's subsidiary Shree Samrudhi Industrial Papers Pvt Ltd. has not yet commenced the business. As required by section 212 (1) of the Companies Act, 1956 a copy of the balance sheet as at 31st March 2013 together with statement pursuant to section 212 of the Companies Act, 1956 are attached.

As required by the listing agreements with stock exchanges, the consolidated financial statements of the Company for the year ended on 31st March, 2013 and the Auditors report there on are attached. The Directors have taken note of Auditor's remarks on consolidated financial statement with regards to consolidation of Company's interest in Joint Ventures and will take appropriate action while preparing consolidated financial statement for the year 2013-14 and onwards.

Directors:

Mr. Dhansukh H Shah and Mr. 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 2013-2014. You are requested to appoint them as Auditors of the Company for the year 2013-2014 and to fix their remuneration.

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 31st March 2013. 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, 25th May 2013

Gautam D. Shah
Managing Director

Dhansukhlal G. Shah
Director

SHREE AJIT PULP AND PAPER LIMITED



ANNEXURE TO DIRECTORS' REPORT Form A

A. Conservation of Energy

Form for disclosure of particulars with respect to Conservation of energy

a. POWER AND FUEL CONSUMPTION

Particulars	Current Year 2012-13	Previous Year 2011-12
1 (a) Electricity Purchases		
Unit (KWH) *	22476750	20119240
Total Amount (Rs. In Lacs)	1600.08	1352.15
Rate per unit (Rs.)	7.12	6.72
*Includes 3557632 units (Previous year 2652739) Generated by Wind Power Project of the Company		
(b) Own Generation through Gas Engine		
Unit (KWH)	0	198140
Total Amount (Rs. In Lacs)	0	23.11
Rate per unit (Rs.)	0	11.66
(c) Total Unit (KWH) (a+b)	22476750	20317380
Total Amount (Rs. In Lacs)	1600.08	1375.26
Rate per unit (Rs.)	7.12	6.77
2 Coal & Lignite (Used in Bolier)		
Quantity (Kgs)	20475460	17937447
Total Amount (Rs. In Lacs)	968.17	817.63
Rate per Kg (Rs.)	4.73	4.56
3 Gas (Used in gas engine)		
Quantity (SCM)	0	63247
Total Amount (Rs. In Lacs)	0	14.79
Rate per SCM (Rs.)	0	23.39
4 Other/Internal Generation/Wind Power (KWH in Unit)	3952926	2852407

b. CONSUMPTION PER UNIT OF PRODUCTION

Products Multilayer Testliner & Testliner Paper / Unit of Production - MT

1. Electricity KWH	349	355
2. Steam Coal - Kg	318	314

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. 10.38
- 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. 2818.34
 - Others - For expenses (Rs. In Lacs) ➤ Rs. 2.71

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Vapi, 25th May 2013

Gautam D. Shah
Managing Director

Dhansukhlal G. Shah
Director

SHREE AJIT PULP AND PAPER LIMITED



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company manufactures Multilayer Testliner & Testliner Paper and M. G. Kraft Paper from 100 to 250 GSM and 16 to 35 BF. This product is mainly used for making Corrugated Boxes, Duplex Cartons, Corrugated small e-fluet etc. as packaging material.

2. AN OVERVIEW:

The overall performance of the Company during the year under report has been very good considering general economic conditions in the country. The total income of the Company has increased by 16.76 % to Rs. 19052.61 Lacs during the year from Rs. 16317.45 Lacs in the previous year. The Profit before Tax has increased to Rs.2001.39 Lacs from Rs. 1115.97 Lacs and the Profit after Tax at Rs. 1408.58 Lacs as compared to Rs. 768.77 Lacs of the previous year. The profit before tax has increased by 79.34% and profit after tax has increased by 83.23%.

3. OVERALL PRODUCTION AND SALES PERFORMANCE:

NAME OF PRODUCT	PRODUCTION (MT)			SALES (MT)		
	2012-13	2011-12	INCREASE %	2012-13	2011-12	INCREASE %
Multilayer Testliner & Testliner Paper & M. G. Kraft Paper	64455	57160	12.76	64419	57617	11.84

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:

The Co-Generation power Plant having capacity of 1.50 MW presently under erection in the existing manufacturing plant of the Company is expected to be commissioned by September 2013.

The wholly owned subsidiary of the Company, namely Shree Samrudhi Industrial Papers Pvt Ltd has not yet commenced business.

The Company's 50:50 JV, Shree Samrat Pulp and Paper Pvt Ltd. has acquired a running industrial unit for manufacture of kraft paper during the year and the same has become operational since 4th April, 2013.

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 16.76 % to Rs. 19052.61 Lacs from Rs. 16317.45 lacs in the previous year. The sales in terms of volume increased by 11.84% compared to previous year. The profit before tax has increased by 79.34%. The increase in profit margin is mainly due to reduction in raw material cost, achieved by installation of better equipments in the plant resulting in better ratio of consumption of imported and indigenous raw materials.

b) DEBT:

As at 31st March, 2013, the Company's total debt including Term Loans and Working Capital Facilities was Rs. 3469.33 lacs as compared to Rs. 3730.40 lacs in the previous year. The interest cost has decreased to Rs.340.68 lacs during the year under report from Rs. 371.27 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. 1408.58 lacs as compared to Rs. 768.77 lacs in the previous year. The EPS has increased to Rs. 26.30 against Rs. 14.38 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 31 competent and highly motivated technical and management staff. It has 70 clerical, computer operating and other staff and 154 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 Five Directors. The composition and category of Directors is as follows:

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

Mr. Dhansukhlal G. Shah Non Executive Promoter Director and Mr. 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:

SR. NO.	NAME OF DIRECTOR	ATTENDANCE PARTICULARS	
		NO. OF BOARD MEETING	LAST A.G.M
1	MR. GAUTAM D. SHAH	6	YES
2	MR. DHANSUKHLAL G. SHAH	5	YES
3	MR. PIYUSH R. SHAH	5	NO
4	MR. DHANSUKH H. SHAH	6	YES
5	MR. MITESH M. MEHTA	5	NO

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

SR. NO.	NAME OF DIRECTOR	NAME OF COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	NAME OF COMPANIES IN WHICH DIRECTOR IS A COMMITTEE MEMBER
1	MR. GAUTAM D. SHAH	Shree Samrudhi Industrial Papers Pvt Ltd, Shree Samrat Pulp and Paper Pvt Ltd, Shree Samarpan Pulp and Paper Pvt Ltd	— N. A. —
2	MR. DHANSUKHLAL G. SHAH	Shree Samrudhi Industrial Papers Pvt Ltd.	— N. A. —
3	MR. PIYUSH R. SHAH	— N. A. —	— N. A. —
4	MR. DHANSUKH H. SHAH	— N. A. —	— N. A. —
5	MR. MITESH M. MEHTA	Nincro Inv. & Fin. (P) Ltd., Pristine Financial Consultants (P). Ltd.	— N. A. —

SHREE AJIT PULP AND PAPER LIMITED



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

Six 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) 12th April 2012 (2) 25th May 2012 (3) 31st July 2012 (4) 29th September 2012
(5) 03rd November 2012 (6) 29th January 2013

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 31st March 2013. 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, Mr. Dhansukh H. Shah – Chairman, and Mr. Mitesh M. Mehta, member. Mr. 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:

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment of External Auditors and Internal Auditors, fixation of their Fees and approval for payment for any other services.
- 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.
- Reviewing with the management and external and internal auditors, the adequacy and compliance of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal auditors on any significant findings and follow-up there of.
- 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.
- 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	ATTENDANCE PARTICULARS
1	Mr. Dhansukh H. Shah	4
2	Mr. Mitesh M. Mehta	4
3	Mr. Gautam D. Shah	4

SHREE AJIT PULP AND PAPER LIMITED



2. **SHARE HOLDERS' GRIEVANCE COMMITTEE:**

The Shareholders' Grievance Committee comprises of Mr. Gautam D. Shah - Chairman, Mr. Dhansukhlal G. Shah, Non Executive Director and Mr. 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
NIL	NIL	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
34	34	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
10	10	NIL

3. **REMUNERATION COMMITTEE:**

The Board has constituted the Remuneration Committee, comprising of three Directors, (1) Chairman Mr. Mitesh M. Mehta, Independent Director, (2) Mr. Dhansukh H. Shah, member, Independent Director, and (3) Mr. 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	Mr. Gautam D. Shah -Managing Director	105.68 #
2	Mr. Piyesh R. Shah- Director Marketing	0.96

Remuneration includes Salary, Commission, Provision for Leave encashment and gratuity.

4. **ANNUAL GENERAL MEETING:**

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

YEAR	LOCATION	DATE	TIME
2009-2010	At Regd. Office at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi- 396191	17-08-2010	11 A.M.
2010-2011	-do-	29-09-2011	11 A.M.
2011-2012	-do-	29-09-2012	11 A.M.

During the year ended 31st March 2013, 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.

SHREE AJIT PULP AND PAPER LIMITED



7. The Board has already set up Remuneration Committee. The Board does not feel it necessary at this stage to adopt any other non mandatory requirements.

8. MEANS OF COMMUNICATION:

The unaudited quarterly and half yearly results for the periods ended 30th June 2012, 30th September 2012 and 31st December 2012 and audited results for the year ended 31st March 2013 were published in Indian Express (English) Baroda Edition, Financial Express (Gujarati) Ahmedabad Edition and Free Press Journal (English) Mumbai Edition.

9. GENERAL SHARE HOLDERS' INFORMATION:

a) ANNUAL GENERAL MEETING:

Date and Time - Monday, 05th August, 2013 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, 2013 - Second week of August 2013
 Results for the quarter / half year ending Sept. 30, 2013 - Second week of November 2013
 Results for the quarter ending December 31, 2013 - Second week of February 2014
 Results for the year ending March 31, 2014 - Last week of May 2014
 Annual General Meeting - Last week of September 2014.

c) Book Closure Date:

Monday, 22nd July 2013 to Monday, 05th August 2013 (Both days inclusive) for Annual General Meeting and payment of dividend.

d) Dividend Payment Date – 20-08-2013

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 2013-14 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
 - In NSDL and CDSL – INE185C01017

(b) Demat ISIN Nos.

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	Shree Ajit Pulp and Paper Ltd.		Shree Ajit Pulp and Paper Ltd.	
	Price (Rs.)	BSE Sensex	Price (Rs.)	BSE Sensex
April 2012	37.30	17664.10	30.30	17010.16
May 2012	34.95	17432.33	28.00	15809.71
June 2012	36.40	17448.48	30.00	15748.98
July 2012	34.00	17631.19	28.55	16598.48
August 2012	40.50	17972.54	29.00	17026.97
Sept. 2012	42.00	18869.94	33.30	17250.80
October 2012	42.65	19137.29	32.50	18393.42
Nov. 2012	43.75	19372.70	36.50	18255.69
Dec. 2012	45.30	19612.18	36.35	19149.03
January 2013	55.80	20203.66	36.25	19508.93
February 2013	59.60	19966.69	44.70	18793.97
March 2013	48.85	19754.66	36.05	18568.43

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 31.03.2013:*

NO. OF EQUITY SHARES	NO. OF SHARES HELD	% TO TOTAL SHARES	NO. OF SHAREHOLDERS	% TO TOTAL SHAREHOLDERS
1 TO 500	351025	6.5530	1001	77.0593
501 TO 1000	126202	2.3560	151	11.6243
1001 TO 5000	225135	4.2029	102	7.8522
5001 TO 10000	70722	1.3203	10	0.7698
10001 AND ABOVE	4583616	85.5679	35	2.6944
TOTAL	5356700	100.00	1299	100.00

S.R. NO.	CATEGORY	NO. OF SHARE HOLDERS	NO. OF SHARES HELD	% TO TOTAL SHARES
1	PROMOTERS	12	2904040	54.2132
2	PUBLIC FINANCIAL INSTITUTIONS	0	0	0.0000
3	BODIES CORPORATE	32	23933	0.4468
4	CLEARING MEMBER /MARKET MAKER	14	67543	1.2609
5	NRI	3	7522	0.1404
6	RESIDENT INDIVIDUALS/HUF	1238	2353662	43.9387
	TOTAL	1299	5356700	100.00

k) *Dematerialization of Shares:*

As on 31st March, 2013, 656 Shareholders were holding 4406740 Equity Shares in Demat form, which constitutes 82.27% of the total share capital of the Company.

Liquidity: The Company's shares are regularly traded on the Indonext 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 1.50 MW: Village Bagasara, Taluka Maliya Miyana, Dist Rajkot, Gujarat

Wind Mill 1.25MW: Village Murvel, Taluka Dwarka, Dist Jamnagar, 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 31st March 2013.

Gautam D. Shah
Managing Director

Vapi, 25th MAY, 2013

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 31st March 2013, 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.

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

H.P.SHAH
PROPRIETOR
Membership No. 39093

Place : Vapi
Date : 25th May, 2013

SHREE AJIT PULP AND PAPER LIMITED



INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Shree Ajit Pulp and Paper Limited.
Report on the Financial Statements

We have audited the accompanying financial statements of **SHREE AJIT PULP AND PAPER LIMITED**, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- in the case of the Statement of Profit and Loss, the **Profit** of the Company for the year ended on that date.
- in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order 2003 ("the order"), issued by the central Government of India in terms of sub-section (4A) of section 227 of "The Companies Act, 1956 of India (the 'Act')". We give in the Annexure a statement on the matter specified paragraphs 4 & 5 of the order.
- As required by Section 227(3) of the Act, we report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

H.P.SHAH
PROPRIETOR
Membership No. 39093

Place : Vapi
Date : 25th May, 2013

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 31st March 2013 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.

SHREE AJIT PULP AND PAPER LIMITED



(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

H.P.SHAH
PROPRIETOR
Membership No. 39093

Place : Vapi
Date : 25th May, 2013

SHREE AJIT PULP AND PAPER LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2013

	NOTE NO.	As At 31-March-2013 ₹	As At 31-March-2012 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	53,567,000	53,567,000
(b) Reserves and Surplus	3	518,019,163	380,294,759
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	122,767,899	162,199,826
(b) Deferred Tax Liabilities (Net)	5	106,261,298	93,424,833
(c) Long Term Provisions	6	6,943,853	5,313,719
(3) Current Liabilities			
(a) Short-Term Borrowings	7	116,970,603	126,085,537
(b) Trade Payables	8	110,224,269	154,129,373
(c) Other Current Liabilities	9	115,233,403	90,024,356
(d) Short-Term Provisions	10	8,390,111	3,560,271
TOTAL		1,158,377,599	1,068,599,674
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	604,546,290	606,536,416
(ii) Intangible Assets	11	2,640,492	2,790,492
(iii) Capital Work in Progress	11	85,051,553	23,788,828
(b) Non-current investments	12	25,171,571	12,973,204
(c) Long term loans and advances	13	35,339,256	44,928,795
(2) Current Assets			
(a) Inventories	14	145,892,079	140,429,997
(b) Trade receivables	15	224,583,924	176,015,559
(c) Cash and Bank Balance	16	17,028,278	36,555,245
(d) Short-term loans and advances	17	16,723,452	23,300,733
(e) Other current assets	18	1,400,704	1,280,405
TOTAL		1,158,377,599	1,068,599,674

SIGNIFICANT ACCOUNTING POLICES
NOTES ON FINANCIAL STATEMENT
AS PER OUR REPORT OF EVEN DATE

1
2 to 35

FOR H.P.SHAH ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.: 109588 W

FOR AND ON BEHALF OF THE BOARD

H.P.SHAH
Proprietor
Membership No. : 39093
Vapi, 25th May, 2013

GAUTAM D SHAH
Managing Director

DHANSUKHLAL G SHAH
Director

Vapi, 25th May, 2013

SHREE AJIT PULP AND PAPER LIMITED



STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2013

	NOTE NO.	2012-2013 ₹	2011-2012 ₹
INCOME			
I Revenue from operations	19	1,792,251,517	1,549,018,533
II Other Income	20	2,899,953	2,110,456
III Total Revenue (I +II)		1,795,151,471	1,551,128,989
IV EXPENDITURE			
Cost of materials consumed	21	1,038,505,427	948,766,620
Changes in inventories of finished goods and work-in-progress.	22	(470,883)	10,665,936
Employee Benefit Expense	23	72,411,113	57,165,485
Financial Costs	24	36,047,026	37,489,340
Depreciation and Amortization Expense	25	39,076,924	34,121,282
Other Expenses	26	409,916,675	351,628,191
V Total Expenses (IV)		1,595,486,281	1,439,836,854
VI Profit before exceptional and extraordinary items and tax (III - V)		199,665,189	111,292,135
VII Add: Exceptional Items	27	475,620	398,397
VIII Profit before extraordinary items and tax (VI + VII)		200,140,809	111,690,532
IX Less: Extraordinary Items	27	1,633	93,102
X Profit before tax (VIII - IX)		200,139,176	111,597,430
XI Tax expense			
Current tax		50,387,002	22,679,469
Mat Credit Entitlement		0	2,171,351
Deferred tax		12,836,465	14,212,329
Excess Provision of Income Tax of Earlier years		-3,942,232	0
XII Profit for the year from continuing operations (X-XI)		140,857,941	76,876,983
Earning (Including extraordinary/exceptional items) per equity share of face value of ₹ 10 each Basic & Diluted		26.30	14.38
XIII Earning (Excluding extraordinary/exceptional item) per equity share of face value of ₹ 10 each Basic & Diluted		26.21	14.32

SIGNIFICANT ACCOUNTING POLICES
NOTES ON FINANCIAL STATEMENT
AS PER OUR REPORT OF EVEN DATE

1
2 to 35

FOR H.P.SHAH ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.: 109588 W

FOR AND ON BEHALF OF THE BOARD

H.P.SHAH
Proprietor
Membership No. : 39093
Vapi, 25th May, 2013

GAUTAM D SHAH
Managing Director

DHANSUKHLAL G SHAH
Director

Vapi, 25th May, 2013

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note 1 : SIGNIFICANT ACCOUNTING POLICIES:

(a) **Basis of Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

(b) **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.

(c) **Fixed Assets**

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

(d) **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 and waste paper godown. Depreciation provided on the same @ 25% and @ 20 % on SLM basis respectively.

All individual items of fixed assets, where actual cost does not exceed Rs.5000/- have been written off entirely in the year of acquisition.

Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with respect to date of acquisition/ disposal.

Cost of leasehold land including premium is amortized over the primary period of lease.

(e) **Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) **Investments**

Investments are stated at cost. Long term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments.

(g) **Inventories**

Finished stock is valued at the lower of cost or net realisable value. Finished goods include cost of raw material, labour, cost of conversion and other cost incurred in bringing inventories to their present location and condition.

Cost of Finished Goods includes excise duty.

Work in process is valued at cost.

Raw materials, fuel, packing materials, goods in transit and stores & spares are valued at landed cost or net realizable value which ever is less.

Cost of inventories is computed on FIFO basis.

(h) **Revenue Recognition**

Revenue from sales of goods is recognized when significant risks and reward of ownership of goods have been passed to the buyer, which ordinarily coincide with the dispatch of goods to customer. Revenue recorded at invoice value, net off returns and discounts.

Income from electricity units generated by windmill is accounted as income from wind mill at landed cost and has been shown as such in the Profit and Loss account.

Interest income is recognized on time proportion basis.

Dividend Income is recognized when the right to receive is established.

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(i) **Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency monetary assets & liabilities are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Company's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the financial statement, are recognized as income or expenses in the year in which they arise.

Non monetary foreign currency items are carried at the rate prevailing on the date of the transaction.

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

A provision is recognized when the company has a present obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and determined based on best estimate required to settle the obligation at the Balance Sheet date.

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.

A disclosure of contingent liability is made when there is possible obligation or present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed.

(k) **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 reasonable certainty evidence that these assets can be realized in future.

(l) **Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition or construction of Qualifying Assets, which take substantial period of time to get ready for its intended use, are capitalized until the time all substantial activities necessary to prepare such assets for their intended use are complete. Other Borrowing costs are recognized as an expense in the year in which they are incurred.

(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 Windmills. 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.

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
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Note : 2 Share Capital

AUTHORIZED CAPITAL 15,000,000 (15,000,000) Equity Shares of ₹ 10 each.	150,000,000	150,000,000
	150,000,000	150,000,000
ISSUED SHARE CAPITAL 5,356,700 (5,356,700) Equity Shares of ₹ 10 each	53,567,000	53,567,000
SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL 5,356,700 (5,356,700) Equity Shares of ₹ 10 each	53,567,000	53,567,000
Total in ₹	53,567,000	53,567,000

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

2.1 Reconciliation of Number of shares fully paid up outstanding at the beginning and at the end of the year

Particulars	31-Mar-13		31-Mar-12	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
No. of Shares at the beginning of the year	5,356,700	53,567,000	5,331,300	53,313,000
Add: Shares fully paid up during the year	0	0	25,400	254,000
No. of Shares at the end of the year	5,356,700	53,567,000	5,356,700	53,567,000

2.2 Reconciliation of Number of partly paid up shares outstanding at the beginning and at the end of the year

Particulars	31-Mar-13		31-Mar-12	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Calls in Arrears at the beginning of the year	0	0	420,300	2,858,335
Less: Dividend adjusted	0	0	0	31,537
Add: Shares fully paid up during the year	0	0	25,400	170,791
Balance of Calls in Arrears	0	0	394,900	2,656,007
Less: Share forfeiture during the year	0	0	394,900	3,949,000
Amount Received on forfeiture of shares transferred to Capital Reserve	0	0	0	1,292,993
No. of Partly paid up Shares outstanding at the end of the year	0	0	0	0

2.3 Details of Shareholder holding more than 5 % shares

Name of the Share Holders	31-Mar-13		31-Mar-12	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Gautam D Shah	1,064,500	19.87%	1,064,500	19.87%
Sureshbhai C Shah	454,000	8.48%	454,000	8.48%
Jayantilal M Shah	435,000	8.12%	435,000	8.12%
Bela G Shah	385,540	7.20%	385,540	7.20%
Varun Shah	305,300	5.70%	304,300	5.68%
Bharat Mafatlal Shah	270,900	5.06%	270,900	5.06%

2.4 Terms and Rights attached to Equity Shares :

The company has only one class of equity shares having a par value of ₹ 10 per share. Each Shareholder of equity share is entitled to one vote per share. The company declare and pay dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of preferential amount. The distribution will be in proportion of number of equity shares held by the shareholder.

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Note : 3 Reserve & Surplus		
Capital Reserve		
Opening balance as per last balance sheet	1,292,993	0
Add: Additional during the year on account of forfeiture of shares	0	1,292,993
Total Capital Reserve	1,292,993	1,292,993
Surplus (Profit & Loss Account)		
Balance brought forward from previous year	379,001,765	303,681,206
Add: Profit for the period	140,857,941	76,876,983
Less: Appropriation		
Proposed Dividend on Equity Share of ₹ 10 each	2,678,350	1,339,175
Dividend per Share ₹ 0.50 (Previous Year ₹ 0.25)		
Tax on Proposed Dividend	455,186	217,248
Total Surplus (Profit & Loss Account)	516,726,170	379,001,766
Total in ₹	518,019,163	380,294,759

Note : 4 Long Term Borrowings

Term Loan- Secured		
From Banks	121,757,814	160,039,510
Other Loan- Secured		
From Others	1,010,085	2,160,316
Total in ₹	122,767,899	162,199,826

4.1 Secured Term Loan from Banks

- 1 Term Loan outstanding of ₹ NIL (30000000) from Nationalised Bank and carrying rate of Interest base rate plus 2.4% per annum and repayable in 60 Installments starting from April 2009 of ₹ 25,00,000 each along with interest.
 - 2 Term Loan outstanding of ₹ 4950947 (34146947) from Nationalised Bank and carrying rate of Interest base rate plus 2.4% per annum and repayable in 60 Installments starting from Nov. 2009 of ₹ 24,33,000 each along with interest.
 - 3 Term Loan outstanding of ₹ 5679187 (7533086) from Nationalised Bank and carrying rate of Interest base rate plus 2.4% per annum and repayable in 60 Installments starting from July 2011 of ₹ 6,25,000 each along with interest.
 - 4 Term Loan outstanding of ₹ 41811555 (₹ 1357500) from Nationalised Bank and carrying rate of Interest base rate plus 2.65% per annum and repayable in 60 Installments starting from Sep. 2013 of ₹ 13,75,000 each along with interest.
 - 5 Term Loan outstanding of ₹ 3657982 (NIL) from Nationalised Bank and carrying rate of Interest base rate plus 2.5% per annum and repayable in 60 monthly Installments starting from December 2013 of ₹ 8,60,000 each along with interest.
 - 6 Term Loan outstanding of ₹ 2479421 (NIL) from Nationalised Bank and carrying rate of Interest base rate plus 3.15% per annum and repayable in 60 Installments starting from December 2013 of ₹ 5,73,333 each along with interest.
- All above loans are Secured by Plant & Machinery and Equitable Mortgage on Immovable property and Hypothecation of stocks, book debts, furniture, fixture & fitting, office equipment situated at Vapi of the company.
- 7 Term Loan outstanding of ₹ 23817990 (36819772) from Nationalised Bank is Secured by way of first charge on Plant & Machinery and Equitable Mortgage on Immovable property situated at Vapi of the company, Secured by Hypothecation of Plant & Machinery for the Windmill situated on lease land at Village Bagasara, Dist Rajkot. Term loan is Carrying rate of Interest base rate plus 2.4% per annum and repayable in 60 Installments starting from Feb 2011 of ₹ 1083334 each along with interest.

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- 8 Term Loan outstanding of ₹ 39065941 (48702045) from Nationalised Bank is Secured by way of first charge on Plant & Machinery and Equitable Mortgage on Immovable property situated at Vapi of the company, Secured by Hypothecation of Plant & Machinery for the Windmill situated on lease land at Village Murvel, Dist Jamnagar. Term loan is Carrying rate of Interest base rate plus 2.9 % per annum and repayable in 60 Installments starting from March 2013 of ₹ 820000 each along with interest.
- 9 Vehicle Loan of ₹ NIL (267033) from Nationalised Bank is Secured by way of Hypothecation of Vehicle. The loan is repayable in 36 EMI starting from March 2011 of ₹ 21942 each.
- 10 Forklift Loan of ₹ 294791 (1213127) from Private Bank is Secured by way of Hypothecation of Forklift. The loan is repayable in 31 MI starting from May 2012 . 14 monthly installments of ₹ 105000 each, 12 monthly installments of ₹ 78000 each and 5 monthly installments of ₹ 14000 each.

4.2 Secured Term Loan from Other

Vehicle Loan of ₹ 1010085 (2160316) from NBFC is Secured by way of Hypothecation of Vehicle. The loan is repayable in 36 EMI starting from Jan 2012 of ₹ 113108 each.

All above secured term loans from Nationalised Bank and from other are secured by way of personal guarantee of Managing Director of the company.

4.3 Maturity Profile of Secured Term Loans are as set out below :-

Term Loan from Banks	Maturity Profile			
	1-2 Years	2-3 Years	3-4 years	Beyond 4 years
	57412421	37157982	18651555	9545941

Particulars	As At	As At
	31-Mar-13	31-Mar-12
	₹	₹

Note : 5 Deferred Tax Liability (Net)

The break-up of major component of net deferred tax liability is as under.		
Deferred Tax Liability		
Related to Fixed Assets	109,500,263	95,930,565
Differed Tax Assets		
Disallowances under the Income Tax Act 1961	-3,238,965	-2,505,732
Total in ₹	106,261,298	93,424,833

Note : 6 Long Term Provisions

Provision for Gratuity	3,191,158	2,556,295
Provision for Leave Encashment	3,752,695	2,757,424
Total in ₹	6,943,853	5,313,719

Note : 7 Short Term Borrowings

Secured		
Cash Credit from Banks	116,970,603	126,085,537
Total in ₹	116,970,603	126,085,537

- 7.1 Cash Credit is Secured by Hypothecation of stocks, book debts, furniture, fixture & fitting, office equipment and Plant and Machinery and equitable mortgage of immovable properties and personal guarantee of Managing Director of the Company. The Cash Credit is repayable on demand and carries interest base rate plus 0.5% to 2.5%.

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
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Note : 8 Trades Payables

Due to Micro, Small and Medium Enterprises	3,464,275	3,628,623
Others	106,759,994	150,500,750
Total in ₹	110,224,269	154,129,373

8.1 The details of amount outstanding to Micro, Small and Medium Enterprises based on available information's with the company is as under :-

Principal amount due and remaining unpaid	0	62,745
Interest due on above and the unpaid interest	0	3,628
Amount of interest due and payable for the year (where the principal amount has been paid but the interest not paid)	9,362	54,606
Interest paid during the year	0	0
Payment made beyond the appointed day during the year	3,116,187	3,788,218
Interest due and payable for the period of delay	9,362	58,234
Interest accrued and remaining unpaid	9,362	58,234
Amount of further interest remaining due and payable in succeeding years	0	1,157

Note : 9 Other Current Liabilities

Current maturities of long-term debt (Refer note 4)	107,194,795	84,754,308
Other Payable		
Advances From Customers	0	121,714
TDS Payable	3,372,963	1,486,372
Central Sales Tax Payable	2,797,788	2,347,012
Vat Tax Payable	583,232	329,487
Service Tax Payable	300,059	0
Contributions Payable	401,523	354,437
Unclaimed Dividend	583,043	631,026
Total in ₹	115,233,403	90,024,356

9.1 Unclaimed Dividend includes amount due to be credited to Investor Education and Protection Fund of ₹ 118875 on or before 28th October 2013.

Note : 10 Short Term Provisions

Provision For Employees Benefit		
Provision for Gratuity	531,649	531,764
Provision for Leave Encashment	1,108,897	888,516
Provision for Bonus	614,814	583,568
Other Provisions		
Proposed Dividend	2,678,350	1,339,175
Provision for Tax on Proposed Dividend	455,186	217,248
Provision for taxation (Net of Advance Tax)	3,001,215	0
Total in ₹	8,390,111	3,560,271

SHREE AJIT PULP AND PAPER LIMITED

18th
Annual
Report
2012-2013

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note : 11 FIXED ASSETS

₹

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As on 01/04/2012	Addition during the year	Deduction during the year	As on 01/04/2012	Addition during the year	Deduction during the year	As on 31/03/2013	As on 31/03/2012
Tangible Assets								
Land- Free Hold	8,501,634	0	0	0	0	0	8,501,634	8,501,634
Building	87,683,598	1,664,596	0	14,850,120	2,696,100	0	17,546,220	71,801,974
Plant and Machinery	446,615,530	32,707,636	10,149,882	113,355,536	23,929,581	4,339,637	132,945,480	336,227,804
Windmill	152,318,740	0	0	9,406,509	8,042,429	0	17,448,938	134,869,802
Electrical Installations	43,111,460	6,984,463	0	8,592,994	2,288,558	0	10,881,552	34,518,466
Furniture & Fixtures	3,313,697	102,632	0	1,209,345	178,297	0	1,387,642	2,104,352
Vehicles	11,527,189	51,995	1,933,541	2,780,341	1,093,335	1,551,064	2,322,612	8,746,848
Office Equipment	7,493,943	1,580,872	894,170	3,834,530	590,472	823,343	3,601,659	4,578,986
SUB TOTAL (A)	760,565,791	43,092,194	12,977,593	154,029,375	38,818,771	6,714,044	186,134,102	604,546,290
Intangible Assets								
Exp. On Leasehold Land	3,000,000	0	0	209,508	150,000	0	359,508	2,640,492
Software	0	108,153	0	0	108,153	0	108,153	0
SUB TOTAL (B)	3,000,000	108,153	0	209,508	258,153	0	467,661	2,790,492
Capital Work in Progress	0	0	0	0	0	0	0	23,788,828
SUB TOTAL (C)	0	0	0	0	0	0	0	23,788,828
Total [A + B + C]	763,565,791	43,200,347	12,977,593	154,238,883	39,076,924	6,714,044	186,601,763	633,115,736
Previous Year	657,439,504	106,197,287	71,000	120,106,492	34,150,298	17,906	154,238,884	555,319,989

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

11.1 Project Development Expenditure	₹	₹
	31-Mar-13	31-Mar-12
Opening Balance	0	0
Add: Transferred from Profit and Loss A/c		
Insurance Capitalised	0	1,968
Interest Capitalised	44,836	345,689
Travelling Expenses	0	894,735
Depreciation/Amortisation Capitalised	0	29,016
Less: Project Development Expenditure Capitalised during the year	44,836	376,673
Closing Balance	44,836	894,735

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
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Note : 12 Non Current Investments

(LONG TERM) - OTHER THAN TRADE		
Quoted - Fully Paid-up Equity Instrument		
2300 (2300) Equity Shares of Gujarat State Financial Corporation of ₹ 10 each at a premium of ₹ 10 per share, fully paid up plus interest of ₹ 6386. (Market Value ₹ 4071)	52,386	52,386
Less: Provision for Diminution in value of investments	48,315	46,682
400 (400) Equity Shares of Punjab National Bank of ₹ 10 each, at a premium of ₹ 21 per share, fully paid up (Market Value ₹ 287000)	12,400	12,400
Unquoted - Fully Paid-up Equity Instrument		
In Equity Shares of Subsidiary Companies-Unquoted, fully paid up		
5,00,000 (5,00,000) Shares of Shree Samrudhi Industrial Papers Pvt. Ltd.of ₹ 10 each fully paid up (out of the above 20 equity shares of ₹ 10 each are held in the names of nominees of the company.)	5,000,000	5,000,000
In Equity Shares of Joint Venture-Unquoted, fully paid up		
20,00,000(7,80,000) Shares of Shree Samrat Pulp and Paper Pvt.Ltd.of ₹ 10, each fully paid up. (out of the above 10 equity shares of ₹ 10 each are held in the name of a nominee of the company.)	20,000,000	7,800,000
10,000 (10,000) Shares of Shree Samarpan Pulp and Paper Pvt. Ltd.of ₹ 10 each fully paid up. (out of the above 10 equity shares of ₹ 10 each are held in the name of a nominee of the company.)	100,000	100,000
Other Unquoted - Fully Paid-up Equity Instrument		
501 (501) Shares of Sardar Bhiladwala Pardi Peoples Co.Op.Bank Ltd. of ₹ 100 each fully paid up.	50,100	50,100
1 (One) Share of Shri Damanganga Sahakari Khand Udyog Mandali Limited of ₹ 2000, each fully paid up	2,000	2,000
300 (300) Shares of Wel-Treat Enviro Management Organisation of ₹10, each fully paid up	3,000	3,000
Total in ₹	25,171,571	12,973,204

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
12.1 Aggregate amount of quoted investments	16,471	18,104
Market value of quoted investments	291,071	376,124
Aggregate amount of un quoted investments	25,155,100	12,955,100
Aggregate Provision for Diminution in value of investments	48,315	46,682

Note : 13 Long Term Loans and Advances

Unsecured, Considered Good :		
Capital Advances	26,958,145	6,184,766
Security Deposit	1,072,921	20,590,107
Unsecured, Considered Doubtful :		
Security Deposit	500,000	500,000
Less: Provision for Doubtful Security Deposit	500,000	500,000
Other Loans & Advances		
Advance Income Tax (Net of Provision for taxation)	5,007,190	15,852,922
Other Long term Loans & Advances	2,301,000	2,301,000
Total in ₹	35,339,256	44,928,795

Note : 14 Inventories

(As certified and valued by the Management)		
Raw Material	109,897,050	83,133,365
Fuel	1,269,247	8,850,532
Packing Material Stock	327,269	197,974
Work-in-Progress	154,580	0
Finished Goods	14,628,475	14,312,172
Stores & Spares	17,687,392	17,672,444
Goods-in-transit	1,928,066	16,263,510
Total in ₹	145,892,079	140,429,997

Note : 15 Trade Receivables

Unsecured, Considered Good		
Outstanding for more than six months	341,477	1,525,314
Others	224,242,447	174,490,245
Total in ₹	224,583,924	176,015,559

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Note : 16 Cash & Bank Balance		
Cash & Cash Equivalent		
Bank Balance with Current Account		
With Scheduled Bank	7,610,390	8,067,257
With Nationalised Bank	49,865	215,973
Deposit with original maturity of less than 3 months	0	20,000,000
Unclaimed Dividend Bank Accounts	583,043	631,026
Other Bank Balances		
Margin Money given for Letter of Credit	4,000,000	7,000,000
Margin Money given for Guarantee	4,387,718	542,956
Sub Total (A)	16,631,015	36,457,212
Cash-in-Hand		
Cash Balance	397,263	98,033
Sub Total (B)	397,263	98,033
Total in ₹ [A + B]	17,028,278	36,555,245

16.1 Fixed Deposit with Nationalised Banks

Margin money Deposits with respective carrying amount are subject to first charge to Secure the respective credit facilities.

16.2 Unclaimed Dividend Bank Accounts includes amount due to be credited to Investor Education and Protection Fund of ₹ 118875 on or before 28th Oct 2013.

16.3 Cash and Cash Equivalents as of March 31, 2013 and March 31, 2012 includes restricted cash and Bank balances of ₹ 8387718 and ₹ 7542956 respectively. Other Bank balances maintained by the company with banks comprise of time deposits, which can be withdrawn by the company at any point of time without prior notice or penalty on the principal.

Note :17 Short Terms Loans and Advances

Unsecured and considered Goods		
Advance to Suppliers	4,876,828	13,449,365
Balance With Government Authorities	8,785,757	6,114,384
Prepaid Expenses	2,822,477	2,100,185
Loan to Staff	126,500	350,100
Custom Duty Advance	111,890	886,698
Loan to Contractor	0	400,000
Total in ₹	16,723,452	23,300,733

Note :18 Other Current Assets

Interest on F. D. Receivable	269,795	398,982
Interest on GEB Deposit Receivable	1,130,909	881,423
Total in ₹	1,400,704	1,280,405

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
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Note : 19 Revenue from Operations

Sale of Products	1,881,802,690	1,615,791,492
Less : Excise Duty	113,008,917	82,726,021
Net Sales	1,768,793,773	1,533,065,471
Income from Windmill	23,457,745	15,953,062
Total in ₹	1,792,251,517	1,549,018,533

19.1 Details of Product Sold

Multilayer Testliner & Testliner Paper

1,881,802,690 1,615,791,492

Note : 20 Other Income

Interest Income	2,205,758	1,951,610
Other Receipts	694,196	158,846
Total in ₹	2,899,953	2,110,456

Note : 21 Cost of Material Consumed

Consumption of Raw Material Imported		
Imported Waste paper	457,037,411	607,019,786
Indigenous		
Indian Waste Paper	445,493,492	244,385,994
Colour & Chemical	135,974,524	97,360,841
Total in ₹	1,038,505,427	948,766,620

21.1 Details of Raw Material Consumed

Particulars	2012-13		2011-12	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of Raw Material Imported				
Imported Waste paper	457,037,411	44.01	607,019,786	63.98
Indigenous				
Indian Waste Paper	445,493,492		244,385,994	
Colour & Chemical	135,974,524		97,360,841	
Total of Indigenous	581,468,016	55.99	341,746,835	36.02
Total	1,038,505,427	100.00	948,766,620	100.00

Note : 22 Change in Inventories of Finished Goods and Stock in process

Inventories at Close		
Finished Goods	14,628,475	14,312,172
Stock in process	154,580	0
Total in ₹	14,783,055	14,312,172
Opening Stock of Finished Goods	14,312,172	24,978,108
Total in ₹	(470,883)	10,665,936

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
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Note : 23 Employment Benefit Expenses

Salaries & Wages	53,403,851	42,809,409
Staff Welfare	1,270,685	1,171,037
Bonus Expenses	614,814	597,771
Provident Fund and E.S.I.C.	2,151,012	1,895,295
Gratuity Expenses	552,997	622,007
Leave Encashment Expenses	3,201,508	2,581,529
House Rent Expenses	552,000	552,000
Directors Remuneration	10,664,246	6,936,438
Total in ₹	72,411,113	57,165,485

23.1 Employment Benefit Expenses Disclosure relating to Employee Benefit –As per Revised AS-15

Particulars	2012-2013		2011-2012	
	Gratuity Non Funded	Leave Encashment Non Funded	Gratuity Non Funded	Leave Encashment Non Funded
A Expenses recognized in the statement of profit & Loss Account for the period ended				
Current Service Cost	270345	661095	340334	521374
Interest Cost	179273	167119	144235	134485
Expected Return on Planned Assets	0	0	0	0
Net Actuarial (Gain) /Loss recognized during the year	28924	2062075	-2189	1326853
Settlement costs/others	74455	311219	139626	598816
Total Expenses	552997	3201508	622006	2581528
B Net Assets / (Liability) recognized in the Balance Sheet				
Present value of the obligation	2247425	2605710	1788094	1909931
Fair value of Planned Assets	0	0	0	0
Funded status (surplus/deficit)	0	0	0	0
Net Assets / (Liability) recognized in the Balance Sheet	2247425	2605710	1788094	1909931
Add.: Provision for separated employees /others	1475382	2255882	1299965	1736009
Total provision (Refer Note 6 and 10)	3722807	4861592	3088059	3645940
C Change in present value of obligation				
Present value of obligation as on 01-04-2012	1788094	1909931	1510231	1630120
Current service cost	270345	661095	340334	521374
Interest Cost	179273	167119	144235	134485
Benefit paid	-19211	-2194510	-204517	-1702901
Net Actuarial (Gain) /Loss recognized during the year	28924	2062075	-2189	1326853
Present value of obligation as per actuarial Valuation as at 31-03-2013	2247425	2605710	1788094	1909931
Add.: Provision for separated employees /others	1475382	2255882	1299965	1736009
Total provision (Refer Note 6 and 10)	3722807	4861592	3088059	3645940

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
D Actuarial assumptions		
Discount Rate	8.75%	8.25%
Salary Escalation over a long term	5.00%	5.00%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate

The above information's is certified by the Actuary.

Note : 24 Financial Cost

Interest Expenses	34,113,183	37,472,429
Less: Interest Capitalised	44,836	345,689
Net Interest Expenses	34,068,347	37,126,740
Other Borrowing Cost	1,978,679	362,600
Total in ₹	36,047,026	37,489,340

24.1 Other Borrowing cost includes renewal charges of Cash Credit limit Guarantee charges and mortgage charges etc.

Note : 25 Depreciation & Amortisation Cost

Depreciation	38,818,771	34,060,790
Amortisation of Intangible Assets	258,153	89,508
Less : Depreciation Capitalised (Refer Note 11)	0	29,016
Total in ₹	39,076,924	34,121,282

Note : 26 Other Expenses

a Manufacturing Expenses		
Stores & Consumables Consumed		
Indigenous	17,975,082	19,099,099
Imported	6,580,240	4,003,112
Fuel and Power Consumed	256,824,839	219,289,397
Packing Material Consumed	13,924,444	10,280,986
Unloading Charges	9,501,645	7,885,193
Insurance Charges	3,446,584	2,946,051
Repairs and Maintenance- Plant & Machinery	6,232,656	7,403,842
Repairs and Maintenance- Building	670,927	959,732
Increase/(Decrease) of Excise Duty on Inventory	18,770	-403,083
Other Manufacturing Expenses	5,721,953	7,583,479
Total in ₹ (a)	320,897,141	279,047,808

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
b Selling & Distribution Expenses		
Selling Expenses	6,589,705	4,891,463
Sales Tax	51,289,285	43,905,792
Commission on Sale	7,934,450	5,426,668
Total in ₹ (b)	65,813,440	54,223,923
c Administrative & General Expenses		
Audit Fees	446,050	423,950
Consultancy Fees	2,124,935	1,166,335
Provisions for Doubtful Advances	0	500,000
Foreign Exchange Flucation Expenses	0	551,337
Miscellaneous Expenses	5,600,352	4,745,902
Professional Charges	590,236	459,750
Rates and Taxes	468,504	372,443
Repairs and Maintenance (Others)	3,590,853	3,132,371
Security Charges	2,728,893	2,556,016
Travelling Expenses	1,347,862	2,250,381
Vehicle Expenses	1,389,057	1,103,331
Windmill Expenses	4,919,352	1,991,346
Total in ₹	23,206,094	19,253,162
Less: Expenditure Capitalised	0	896,703
Total in ₹ (c)	23,206,094	18,356,459
Total in ₹ (a + b + c)	409,916,675	351,628,191

26.1 Details of Stores & Consumables Consumed

Particulars	2012-2013		2011-2012	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of Stores & Consumables				
Imported	6,580,240	26.80	4,003,112	17.33
Indigenous	17,975,082	73.20	19,099,099	82.67
Total	24,555,323	100.00	23,102,211	100.00

26.2 Payment to Auditors as :

Particulars	₹ 2012-2013	₹ 2011-2012
Statutory Audit Fees	120,000	120,000
Tax Audit Fees	30,000	30,000
Cost Audit Fees	71,050	48,950
Internal Audit Fees	225,000	225,000

Note : 27 Exceptional and Extraordinary Items

Exceptional Items on 31/03/2013 amounting ₹ 475620 being refund received from DGVCL and interest. Extraordinary Items on 31/03/2013 ₹ 1633 on account of Permanent diminution in value of Investment.

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
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Note : 28 Value of Imports on CIF basis in respect of

Raw Materials	252,475,857	198,509,362
Less: Import Raw Material claim received	1,038,139	90,251
Stores, Spare parts & Consumables	9,474,283	4,777,723
Capital Goods	19,883,488	11,990,961

Note : 29 Expenditure in Foreign Currency

Travelling Expenditure	271,130	983,659
Technical fees paid	0	443,025

Note : 30 Earning Per Share

1 Net Profit after tax as per statement of profit and loss but before Extra Ordinary/ Exceptional items attributable to equity share holder	140,383,954	76,571,688
2 Net Profit after tax Extra Ordinary and Exceptional items as per statement of profit and loss attributable to equity share holder	140,857,941	76,876,983
3 Weighted average number of equity share used as denominator for calculating EPS	5,356,700	5,347,137
4 Earning (Including extraordinary/exceptional items) per equity share Basic & Diluted	26.30	14.38
5 Earning (Excluding extraordinary/exceptional items) per equity share Basic & Diluted	26.21	14.32
6 Face value per equity share	10.00	10.00

Note: 31 Segment Information - Segment Revenues, Results and other information:

Particulars	Paper		Wind Mill		Other/Unallocable		Total	Total
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
REVENUE								
Net Sales	1768793773	1533065471	0	0	2899953	2110456	1771693726	1535175927
Inter Segment Revenue	0	0	23457745	15953062	0	0	23457745	15953062
Net Sales/Income from Operation	1768793773	1533065471	23457745	15953062	2899953	2110456	1795151471	1551128989
RESULTS								
Profit/loss before Tax, Dep & Interest	1495437694	1352314982	4919352	1989378	-20005287	-13921872	1520362333	1368226232
Less: Depreciation	29022391	27872340	8192429	4753736	1862103	1495206	39076923	34121282
Profit after Depreciation	244333688	152878149	10345964	9209948	-18967437	-13306622	235712215	148781475
Less: Interest							36047026	37489340
Profit before Extra Ordinary Items							199665189	111292135
Less: Extra Ordinary Items							473987	305295
Less: Provision for Taxation							59281235	34720447
Net Profit							140857941	76876983
OTHER INFORMATION								
Segment Assets	956104046	842623544	139409161	146576806	60116700	64085743	1155629906	1053286093
Segment Liabilities	119619166	163084369	1967810	0	462456767	456339967	584043743	619424336
Capital Expenditure (Incl. Capital WIP)	81113722	23788828	0	0	3937831	0	85051553	23788828
Depreciation	29022391	27872340	8192429	4753736	1862103	1495206	39076923	34121282
Non Cash Expenses other than Dep.	0	0	0	0	0	0	0	0

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note : 32 Movement in Provisions

Particulars of Disclosures	₹				
	Opening Balance 01/04/12	Additional Provision	Provision Used	Provision Reversed	Closing Balance 31/03/13
Gratuity	3088059	634748	0	0	3722807
Leave Encashment	3645940	1215652	0	0	4861592
Bonus	583568	614814	583568	0	614814
Income Tax (Net of advance)	-15751515	-2011876	-15751515	0	-2011876
FBT(Net of advance)	-109681	0	-109681	0	0
Wealth Tax	8274	5901	8274	0	5901

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

Note : 33 Related Party Disclosure

33.1 List of related parties where control exists and related parties with whom transactions have taken place and relationships:

a) Enterprises Owned by Directors or Major Shareholders

Ajit Steel Centre, Twinkle Investment, Paras Industries, Piyush Export, Ratilal Ujamlal, Kashinda, Shree Samrat Pulp & Paper Pvt Ltd, Shree Samarpan Pulp & Paper Pvt. Ltd

b) Key managerial Personnel

Shri Gautam D Shah, Shri Piyush R Shah

c) Relatives of Key Management Personnel

Narmada Sales Corporation

d) Subsidiary Company

Shree Samrudhi Industrial Papers Pvt Ltd

33.2 Transactions with related Parties during the year

Nature of Transactions	₹	
	2012-2013	2011-2012
Payment to Key Managerial Personnel	10,664,246	6,936,438

SHREE AJIT PULP AND PAPER LIMITED



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
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Note : 34 Interest in Joint Venture :

The company hold 50 % interest in Shree Samrat Pulp & Paper Pvt Ltd and Shree Samarpan Pulp & Paper Pvt. Ltd, a jointly controlled entity which is involved in manufacturing activity. First Joint Venture has taken over a running unit for manufacturing of kraft paper during the year. The second one has not started any activity till the end of the year under consideration.

The company's share of assets, liabilities, income and expenses in the jointly controlled entities for the year ended 31 st March are as follows :

Current Assets	20,358,298	293,131
Non -Current Assets	58,943,720	7,263,394
Current Liabilities	-33,590,163	-24,508
Non Current Liabilities	-25,000,000	0
Equity	20,711,855	7,532,016
Revenue	0	0
Other Expenses	752,542	213,511
Profit before tax	-752,542	-213,511
Income tax expense	0	0
Profit after tax	-752,542	-213,511

Note : 35 Contingent Liabilities and Commitment

Contingent liabilities		
Counter claims by supplier against the company not acknowledged as debt	2,836,620	2,836,620
Bank Guarantee	4,387,718	537,718
Commitments		
Estimate amount of contracts remaining to be executed on capital account and not provided for In respect of Joint Venture	0	60,750,000
In respect of others	88,738,707	33,553,475
Estimate amount of contracts remaining to be executed on other then capital account and not provided for Share of Commitments	98,927,980	86,217,862

SHREE AJIT PULP AND PAPER LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Pursuant to clause 32 of listing agreement with Stock Exchange)

Particulars	31-March-2013 ₹	31-March-2012 ₹
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	200139176	111597430
<u>Adjustments for:</u>		
Depreciation and amortisation	39076924	34121282
Provision for impairment of fixed assets and intangibles	0	0
(Profit) / loss on sale / write off of assets	649429	23094
Finance costs	36047026	37489340
Interest income	-2205758	-1951610
Dividend income	-16335.5	-16315
Prior Period Adjustments	1633	93102
Prior Period Adjustments	-1633	-93102
Operating profit / (loss) before working capital changes	273690462	181263221
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	-5462082	-38031368
Trade receivables	-48568365	-24637805
Short-term loans and advances	6577281	11228821
Long-term loans and advances	19517187	-4490588
Other current assets	-120299	-683766
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	-43905104	38093381
Other current liabilities	2768560	-507598
Short-term provisions	251512	386536
Long-term provisions	1630134	1151867
Cash generated from operations	-67311176	-17490520
Net income tax (paid) / refunds	-32597823	-23883542
Net cash flow from / (used in) operating activities (A)	173781463	139889159
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	-125236451	-113799888
Proceeds from sale of fixed assets	5614120	30000
Purchase of long-term investments in Joint Venture	-12198367	-6753318
Interest received	2205758	1951610
Dividend received	16336	16315
Net cash flow from / (used in) investing activities (B)	-129598605	-118555281
C. Cash flow from financing activities		
Proceeds from issue of equity shares	0	202328
Proceeds from long-term borrowings	67746235	63491420
Repayment of long-term borrowings	-84737675	-83977999
Short-term borrowings(Net)	-9114934	27028128
Finance cost	-36047026	-37489340
Dividends paid	-1339175	-1366442
Tax on dividend	-217248	-226949
Net cash flow from / (used in) financing activities (C)	-63709823	-32338854
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	-19526967	-11004983
Cash and cash equivalents at the beginning of the year	36555245	47560228
Cash and cash equivalents at the end of the year	17028278	36555245
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	17028278	36555245

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

Note 2- Capital Expenditure of fixed assets includes movement of capital work in progress during the year.

AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR H.P.SHAH ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.: 109588 W

FOR AND ON BEHALF OF THE BOARD

H.P.SHAH
Proprietor
Membership No. : 39093
Vapi, 25th May, 2013

GAUTAM D SHAH
Managing Director

DHANSUKHLAL G SHAH
Director

Vapi, 25th May, 2013

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

TO THE BOARD OF DIRECTOR
Shree Ajit Pulp and Paper Limited

Auditor's Report on Consolidated Financial Statements 2012-2013

We have audited the accompanying consolidated financial statements of Shree Ajit Pulp and Paper Limited, its subsidiary and joint ventures (herein after called Shree Ajit Group) as at March 31, 2013 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor on the financial statements / financial information of the subsidiary and joint ventures referred to below in the Other Matter paragraph, the aforesaid **subject to non consolidation of interest in Joint Ventures, the details of which are given in the separate Annexure 1 attached to the report which has the effect of Increase in Liabilities by ₹ 585.90 lacs, Increase in Assets by ₹ 592.02 lacs and Increase in Expenses by ₹ 7.53 lacs in consolidated financial statements that 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 Group as at March 31, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statement / financial information of subsidiary and joint ventures in whose financial statements / financial information reflect company's share of net assets of ₹ 842.89 Lacs as at March 31, 2013, total revenues of ₹ 3.78 Lacs, total expenses of ₹ 8.06 Lacs and net cash inflow amounting to ₹ 8.05 Lacs for the year ended on that date. These financial statements / financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amount and disclosures included in respect of this subsidiary and joint ventures, is based solely on the reports of the other auditor.

Our opinion is not qualified in respect of this matter.

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

H.P.SHAH
PROPRIETOR
Membership No. 39093

Place : Vapi
Date : 25th May, 2013

SHREE AJIT PULP AND PAPER LIMITED



Annexure -1

Particulars	Particulars	AMOUNT AS REPORTED BY COMPANY IN CONSOLIDATED	SHARE IN JOINT VENTURE	AMOUNT IN CONSOLIDATED BALANCE SHEET AS PER AUDITOR
Shareholders Fund	Share Capital	53567000	0	53567000
	Reserve and Surplus	517987826	611855	518599681
Non Current Liabilities	Long Term Borrowings	122767899	25000000	147767899
	Deferred Tax Liabilities	106261298	0	106261298
	Long Term Provisions	6943853	0	6943853
Current Liabilities	Short Term Borrowings	116970603	0	116970603
	Trade payable	110348505	2495345	112843850
	Other Current Liabilities	115233403	30773884	146007287
	Short Term Provisions	8458011	320935	8778946
Total	Total Equity and Liability	1158538398	59202018	1217740416
Non Current Assets	Fixed Assets	692238335	58074970	750313305
	Non Current Investment	20171571	-20100000	71571
	Long Term Loans and Advances	37926664	868750	38795414
Current Assets	Inventories	145892079	6338073	152230152
	Trade Receivables	224583924	10421625	235005549
	Cash and Bank Balance	19522440	3343156	22865596
	Short term loans and advances	16723452	255446	16978898
	Other current assets	1479933	0	1479933
Total	Total Assets	1158538398	59202018	1217740416

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	NOTE NO.	As At 31-March-2013 ₹	As At 31-March-2012 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	53,567,000	53,567,000
(b) Reserves and Surplus	3	517,987,826	380,043,746
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	122,767,899	162,199,826
(b) Deferred Tax Liabilities (Net)	5	106,261,298	93,424,833
(c) Long Term Provisions	6	6,943,853	5,313,719
(3) Current Liabilities			
(a) Short-Term Borrowings	7	116,970,603	126,085,537
(b) Trade Payables	8	110,348,505	154,228,639
(c) Other Current Liabilities	9	115,233,403	90,024,356
(d) Short-Term Provisions	10	8,458,011	3,560,271
TOTAL		1,158,538,398	1,068,447,927
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	604,546,290	606,536,416
(ii) Intangible Assets	11	2,640,492	2,790,492
(iii) Capital Work in Progress	11	85,051,553	23,788,828
(b) Non-current investments	12	20,171,571	7,973,204
(c) Long term loans and advances	13	37,926,664	45,016,203
(2) Current Assets			
(a) Inventories	14	145,892,079	140,429,997
(b) Trade receivables	15	224,583,924	176,015,559
(c) Cash and Bank Balance	16	19,522,440	41,294,419
(d) Short-term loans and advances	17	16,723,452	23,300,733
(e) Other current assets	18	1,479,933	1,302,076
TOTAL		1,158,538,398	1,068,447,927

SIGNIFICANT ACCOUNTING POLICES
NOTES ON FINANCIAL STATEMENT
AS PER OUR REPORT OF EVEN DATE

1
2 to 35

FOR H.P.SHAH ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.: 109588 W

FOR AND ON BEHALF OF THE BOARD

H.P.SHAH
Proprietor
Membership No. : 39093
Vapi, 25th May, 2013

GAUTAM D SHAH
Managing Director

DHANSUKHLAL G SHAH
Director

Vapi, 25th May, 2013

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2013

	NOTE NO.	2012-2013 ₹	2011-2012 ₹
INCOME			
I Revenue from operations	19	1,792,251,517	1,549,018,533
II Other Income	20	3,278,151	2,134,535
III Total Revenue (I + II)		1,795,529,669	1,551,153,068
IV EXPENDITURE			
Cost of materials consumed	21	1,038,505,427	948,766,620
Changes in inventories of finished goods and work-in-progress.	22	(470,883)	10,665,936
Employee Benefit Expense	23	72,411,113	57,165,485
Financial Costs	24	36,047,026	37,489,340
Depreciation and Amortization Expense	25	39,076,924	34,121,282
Other Expenses	26	409,970,497	351,689,087
V Total Expenses (IV)		1,595,540,103	1,439,897,750
VI Profit before exceptional and extraordinary items and tax (III - V)		199,989,565	111,255,318
VII Add: Exceptional Items	27	475,620	398,397
VIII Profit before extraordinary items and tax (VI + VII)		200,465,185	111,653,715
IX Less: Extraordinary Items	27	1,633	93,102
X Profit before tax (VIII - IX)		200,463,552	111,560,613
XI Tax expense			
Current tax		50,491,702	22,679,469
Mat Credit Entitlement		0	2,171,351
Deferred tax		12,836,465	14,212,329
Excess Provision of Income Tax of Earlier years		-3,942,232	0
XII Profit for the year from continuing operations (X-XI)		141,077,617	76,840,166
Earning (Including extraordinary/exceptional items) per equity share of face value of ₹ 10 each Basic & Diluted		26.34	14.37
XIII Earning (Excluding extraordinary/exceptional item) per equity share of face value of ₹ 10 each Basic & Diluted		26.25	14.31

SIGNIFICANT ACCOUNTING POLICES
NOTES ON FINANCIAL STATEMENT
AS PER OUR REPORT OF EVEN DATE

1
2 to 35

FOR H.P.SHAH ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.: 109588 W

FOR AND ON BEHALF OF THE BOARD

H.P.SHAH
Proprietor
Membership No. : 39093
Vapi, 25th May, 2013

GAUTAM D SHAH
Managing Director

DHANSUKHLAL G SHAH
Director

Vapi, 25th May, 2013

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**Note 1 : 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.

(b) Investment other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investment".

(c) Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" Note 1 as given in the Company's separate financial statement.

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
-------------	-------------------------	-------------------------

Note : 2 Share Capital

AUTHORIZED CAPITAL 15,000,000 (15,000,000) Equity Shares of ₹ 10 each.	150,000,000	150,000,000
	150,000,000	150,000,000
ISSUED SHARE CAPITAL 5,356,700 (5,356,700) Equity Shares of ₹ 10 each	53,567,000	53,567,000
SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL Subscribed and Fully paid up Share capital 5,356,700 (5,356,700) Equity Shares of ₹ 10 each	53,567,000	53,567,000
Total in ₹	53,567,000	53,567,000

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**2.1 Reconciliation of Number of shares fully paid up outstanding at the beginning and at the end of the year**

Particulars	31-Mar-13		31-Mar-12	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
No. of Shares at the beginning of the year	5,356,700	53,567,000	5,331,300	53,313,000
Add: Shares fully paid up during the year	0	0	25,400	254,000
No. of Shares at the end of the year	5,356,700	53,567,000	5,356,700	53,567,000

2.2 Reconciliation of Number of partly paid up shares outstanding at the beginning and at the end of the year

Particulars	31-Mar-13		31-Mar-12	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Calls in Arrears at the beginning of the year	0	0	420,300	2,858,335
Less: Dividend adjusted	0	0	0	31,537
Add: Shares fully paid up during the year	0	0	25,400	170,791
Balance of Calls in Arrears	0	0	394,900	2,656,007
Less: Share forfeiture during the year	0	0	394,900	3,949,000
Amount Received on forfeiture of shares transferred to Capital Reserve	0	0	0	1,292,993
No. of Partly paid up Shares outstanding at the end of the year	0	0	0	0

2.3 Details of Shareholder holding more than 5 % shares

Name of the Share Holders	31-Mar-13		31-Mar-12	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Gautam D Shah	1,064,500	19.87%	1,064,500	19.87%
Sureshbhai C Shah	454,000	8.48%	454,000	8.48%
Jayantilal M Shah	435,000	8.12%	435,000	8.12%
Bela G Shah	385,540	7.20%	385,540	7.20%
Varun Shah	305,300	5.70%	304,300	5.68%
Bharat Mafatlal Shah	270,900	5.06%	270,900	5.06%

2.4 Terms and Rights attached to Equity Shares :

The company has only one class of equity shares having a par value of ₹ 10 per share. Each Shareholder of equity share is entitled to one vote per share. The company declare and pay dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of preferential amount. The distribution will be in proportion of number of equity shares held by the shareholder.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Note : 3 Reserve & Surplus		
Capital Reserve		
Opening balance as per last balance sheet	1,292,993	0
Add: Additional during the year on account of forfeiture of shares	0	1,292,993
Total Capital Reserve	1,292,993	1,292,993
Surplus (Profit & Loss Account)		
Balance brought forward from previous year	378,750,752	303,467,009
Add: Profit for the period	141,077,617	76,840,166
Less: Appropriation		
Proposed Dividend on Equity Share of ₹ 10 each	2,678,350	1,339,175
Dividend per Share ₹ 0.50 (Previous Year ₹ 0.25)		
Tax on Proposed Dividend	455,186	217,248
Total Surplus (Profit & Loss Account)	516,694,833	378,750,752
Total in ₹	517,987,826	380,043,746

Note : 4 Long Term Borrowings

Term Loan- Secured		
From Banks	121,757,814	160,039,510
Other Loan- Secured		
From Others	1,010,085	2,160,316
Total in ₹	122,767,899	162,199,826

4.1 Secured Term Loan from Banks

- 1 Term Loan outstanding of ₹ NIL (30000000) from Nationalised Bank and carrying rate of Interest base rate plus 2.4% per annum and repayable in 60 Installments starting from April 2009 of ₹ 25,00,000 each along with interest.
- 2 Term Loan outstanding of ₹ 4950947 (34146947) from Nationalised Bank and carrying rate of Interest base rate plus 2.4% per annum and repayable in 60 Installments starting from Nov. 2009 of ₹ 24,33,000 each along with interest.
- 3 Term Loan outstanding of ₹ 5679187 (7533086) from Nationalised Bank and carrying rate of Interest base rate plus 2.4% per annum and repayable in 60 Installments starting from July 2011 of ₹ 6,25,000 each along with interest.
- 4 Term Loan outstanding of ₹ 41811555 (₹ 1357500) from Nationalised Bank and carrying rate of Interest base rate plus 2.65% per annum and repayable in 60 Installments starting from Sep 2013 of ₹ 13,75,000 each along with interest.
- 5 Term Loan outstanding of ₹ 3657982 (NIL) from Nationalised Bank and carrying rate of Interest base rate plus 2.5% per annum and repayable in 60 monthly Installments starting from December 2013 of ₹ 8,60,000 each along with interest.
- 6 Term Loan outstanding of ₹ 2479421 (NIL) from Nationalised Bank and carrying rate of Interest base rate plus 3.15% per annum and repayable in 60 Installments starting from December 2013 of ₹ 5,73,333 each along with interest.
All above loans are Secured by Plant & Machinery and Equitable Mortgage on Immovable property and Hypothecation of stocks, book debts, furniture, fixture & fitting, office equipment situated at Vapi of the company.
- 7 Term Loan outstanding of ₹ 23817990 (36819772) from Nationalised Bank is Secured by way of first charge on Plant & Machinery and Equitable Mortgage on Immovable property situated at Vapi of the company, Secured by Hypothecation of Plant & Machinery for the Windmill situated on lease land at Village Bagasara, Dist Rajkot. Term loan is Carrying rate of Interest base rate plus 2.4% per annum and repayable in 60 Installments starting from Feb 2011 of ₹ 1083334 each along with interest.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- 8 Term Loan outstanding of ₹ 39065941 (48702045) from Nationalised Bank is Secured by way of first charge on Plant & Machinery and Equitable Mortgage on Immovable property situated at Vapi of the company, Secured by Hypothecation of Plant & Machinery for the Windmill situated on lease land at Village Murvel, Dist Jamnagar. Term loan is Carrying rate of Interest base rate plus 2.9 % per annum and repayable in 60 Installments starting from March 2013 of ₹ 820000 each along with interest.
- 9 Vehicle Loan of ₹ NIL (267033) from Nationalised Bank is Secured by way of Hypothecation of Vehicle. The loan is repayable in 36 EMI starting from March 2011 of ₹ 21942 each.
- 10 Forklift Loan of ₹ 294791 (1213127) from Private Bank is Secured by way of Hypothecation of Forklift. The loan is repayable in 31 MI starting from May 2012 . 14 monthly installments of ₹ 105000 each, 12 monthly installments of ₹ 78000 each and 5 monthly installments of ₹ 14000 each.

4.2 Secured Term Loan from Other

Vehicle Loan of ₹ 1010085 (2160316) from NBFC is Secured by way of Hypothecation of Vehicle. The loan is repayable in 36 EMI starting from Jan 2012 of ₹ 113108 each.

All above secured term loans from Nationalised Bank and from other are secured by way of personal guarantee of Managing Director of the company.

4.3 Maturity Profile of Secured Term Loans are as set out below :-

	Maturity Profile				₹
	1-2 Years	2-3 Years	3-4 years	Beyond 4 years	
Term Loan from Banks	57412421	37157982	18651555	9545941	

Particulars	As At	As At
	31-Mar-13	31-Mar-12
	₹	₹

Note : 5 Deferred Tax Liability (Net)

The break-up of major component of net deferred tax liability is as under.		
Deferred Tax Liability		
Related to Fixed Assets	109,500,263	95,930,565
Differed Tax Assets		
Disallowances under the Income Tax Act 1961	-3,238,965	-2,505,732
Total in ₹	106,261,298	93,424,833

Note : 6 Long Term Provisions

Provision for Gratuity	3,191,158	2,556,295
Provision for Leave Encashment	3,752,695	2,757,424
Total in ₹	6,943,853	5,313,719

Note : 7 Short Term Borrowings

Secured		
Cash Credit from Banks	116,970,603	126,085,537
Total in ₹	116,970,603	126,085,537

- 7.1 Cash Credit is Secured by Hypothecation of stocks, book debts, furniture, fixture & fitting, office equipment and Plant and Machinery and equitable mortgage of immovable properties and personal guarantee of Managing Director of the Company. The Cash Credit is repayable on demand and carries interest base rate plus 0.5% to 2.5%.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
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Note : 8 Trades Payables

Due to Micro, Small and Medium Enterprises	3,464,275	3,628,623
Others	106,884,230	150,600,016
Total in ₹	110,348,505	154,228,639

8.1 The details of amount outstanding to Micro, Small and Medium Enterprises based on available information's with the company is as under :-

Principal amount due and remaining unpaid	0	62,745
Interest due on above and the unpaid interest	0	3,628
Amount of interest due and payable for the year (where the principal amount has been paid but the interest not paid)	9,362	54,606
Interest paid during the year	0	0
Payment made beyond the appointed day during the year	3,116,187	3,788,218
Interest due and payable for the period of delay	9,362	58,234
Interest accrued and remaining unpaid	9,362	58,234
Amount of further interest remaining due and payable in succeeding years	0	1,157

Note : 9 Other Current Liabilities

Current maturities of long-term debt (Refer note 4)	107,194,795	84,754,308
Other Payable		
Advances From Customers	0	121,714
TDS Payable	3,372,963	1,486,372
Central Sales Tax Payable	2,797,788	2,347,012
Vat Tax Payable	583,232	329,487
Service Tax Payable	300,059	0
Contributions Payable	401,523	354,437
Unclaimed Dividend	583,043	631,026
Total in ₹	115,233,403	90,024,356

9.1 Unclaimed Dividend includes amount due to be credited to Investor Education and Protection Fund of ₹ 118875 on or before 28th October 2013.

Note : 10 Short Term Provisions

Provision for Gratuity	531,649	531,764
Provision for Leave Encashment	1,108,897	888,516
Provision for Bonus	614,814	583,568
Other Provisions		
Proposed Dividend	2,678,350	1,339,175
Provision for Tax on Proposed Dividend	455,186	217,248
Provision for taxation (Net of Advance Tax)	3,069,115	0
Total in ₹	8,458,011	3,560,271

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note : 11 FIXED ASSETS

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Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	As on 01/04/2012	Addition during the year	Deduction during the year	As on 31/03/2013	As on 01/04/2012	Addition during the year	Deduction during the year	As on 31/03/2013	As on 31/03/2012
Tangible Assets									
Land- Free Hold	8,501,634	0	0	8,501,634	0	0	0	8,501,634	8,501,634
Building	87,683,598	1,664,596	0	89,348,194	14,850,120	2,696,100	0	17,546,220	72,833,478
Plant and Machinery	446,615,530	32,707,636	10,149,882	469,173,284	113,355,536	23,929,581	4,339,637	132,945,480	333,259,994
Windmill	152,318,740	0	0	152,318,740	9,406,509	8,042,429	0	17,448,938	142,912,231
Electrical Installations	43,111,460	6,984,463	0	50,095,923	8,592,994	2,288,558	0	10,881,552	34,518,466
Furniture & Fixtures	3,313,697	102,632	0	3,416,329	1,209,345	178,297	0	1,387,642	2,104,352
Vehicles	11,527,189	51,995	1,933,541	9,645,643	2,780,341	1,093,335	1,551,064	2,322,612	8,746,848
Office Equipment	7,493,943	1,580,872	894,170	8,180,645	3,834,530	590,472	823,343	3,601,659	3,659,413
SUB TOTAL (A)	760,565,791	43,092,194	12,977,593	790,680,392	154,029,375	38,818,771	6,714,044	186,134,102	606,536,416
Intangible Assets									
Exp. On Leasehold Land	3,000,000	0	0	3,000,000	209,508	150,000	0	359,508	2,790,492
Software	0	108,153	0	108,153	0	108,153	0	108,153	0
SUB TOTAL (B)	3,000,000	108,153	0	3,108,153	209,508	258,153	0	467,661	2,790,492
Capital Work in Progress	0	0	0	0	0	0	0	0	23,788,828
SUB TOTAL (C)	0	0	0	0	0	0	0	0	23,788,828
Total [A + B + C]	763,565,791	43,200,347	12,977,593	793,788,545	154,238,883	39,076,924	6,714,044	186,601,763	633,115,736
Previous Year	657,439,504	106,197,287	71,000	763,565,791	120,106,492	34,150,298	17,906	154,238,884	555,319,989

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31-Mar-13	31-Mar-12
11.1 Project Development Expenditure		
Opening Balance	0	0
Add: Transferred from Profit and Loss A/c		
Insurance Capitalised	0	1,968
Interest Capitalised	44,836	345,689
Travelling Expenses	0	894,735
Depreciation/Amortisation Capitalised	0	29,016
Less: Project Development Expenditure Capitalised during the year	44,836	376,673
Closing Balance	44,836	894,735

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
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Note : 12 Non Current Investments

(LONG TERM) - OTHER THAN TRADE		
Quoted - Fully Paid-up Equity Instrument		
2300 (2300) Equity Shares of Gujarat State Financial Corporation of ₹ 10 each at a premium of ₹ 10 per share, fully paid up plus interest of ₹ 6386. (Market Value ₹ 4071)	52,386	52,386
Less: Provision for Diminution in value of investments	48,315	46,682
400 (400) Equity Shares of Punjab National Bank of ₹ 10 each, at a premium of ₹ 21 per share, fully paid up (Market Value ₹ 287000)	12,400	12,400
Unquoted - Fully Paid-up Equity Instrument		
In Equity Shares of Joint Venture-Unquoted, fully paid up		
20,00,000(7,80,000) Shares of Shree Samrat Pulp and Paper Pvt.Ltd.of ₹ 10, each fully paid up. (out of the above 10 equity shares of ₹ 10 each are held in the name of a nominee of the company.)	20,000,000	7,800,000
10,000 (10,000) Shares of Shree Samarpan Pulp and Paper Pvt. Ltd.of ₹ 10 each fully paid up. (out of the above 10 equity shares of ₹ 10 each are held in the name of a nominee of the company.)	100,000	100,000
Other Unquoted - Fully Paid-up Equity Instrument		
501 (501) Shares of Sardar Bhiladwala Pardi Peoples Co.Op.Bank Ltd. of ₹ 100 each fully paid up .	50,100	50,100
1 (One) Share of Shri Damanganga Sahakari Khand Udyog Mandali Limited of ₹ 2000, each fully paid up	2,000	2,000
300 (300) Shares of Wel-Treat Enviro Management Organisation of ₹10 each fully paid up	3,000	3,000
Total in ₹	20,171,571	7,973,204

12.1 Aggregate amount of quoted investments	16,471	18,104
Market value of quoted investments	291,071	376,124
Aggregate amount of un quoted investments	20,155,100	7,955,100
Aggregate Provision for Diminution in value of investments	48,315	46,682

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
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Note : 13 Long Term Loans and Advances

Unsecured, Considered Good :		
Capital Advances	26,958,145	6,184,766
Security Deposit	1,157,921	20,675,107
Unsecured, Considered Doubtful :		
Security Deposit	500,000	500,000
Less: Provision for Doubtful Security Deposit	500,000	500,000
Other Loans & Advances		
Advance Income Tax (Net of Provision for taxation)	5,009,598	15,855,330
Other Long term Loans & Advances	4,801,000	2,301,000
Total in ₹	37,926,664	45,016,203

Note : 14 Inventories

(As certified and valued by the Management)		
Raw Material	109,897,050	83,133,365
Fuel	1,269,247	8,850,532
Packing Material Stock	327,269	197,974
Work-in-Progress	154,580	0
Finished Goods	14,628,475	14,312,172
Stores & Spares	17,687,392	17,672,444
Goods-in-transit	1,928,066	16,263,510
Total in ₹	145,892,079	140,429,997

Note : 15 Trade Receivables

Unsecured, Considered Good		
Outstanding for more than six months	341,477	1,525,314
Others	224,242,447	174,490,245
Total in ₹	224,583,924	176,015,559

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
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Note : 16 Cash & Bank Balance

Cash & Cash Equivalent		
Bank Balance with Current Account		
With Scheduled Bank	7,610,390	8,067,257
With Nationalised Bank	2,541,617	254,207
Deposit with original maturity of less than 3 months	0	20,000,000
Unclaimed Dividend Bank Accounts	583,043	631,026
Other Bank Balances		
Margin Money given for Letter of Credit	4,000,000	7,000,000
Margin Money given for Guarantee	4,387,718	542,956
Other Bank Balances	0	4,700,000
Sub Total (A)	19,122,767	41,195,446
Cash-in-Hand		
Cash Balance	399,673	98,973
Sub Total (B)	399,673	98,973
Total in ₹ [A + B]	19,522,440	41,294,419

16.1 Fixed Deposit with Nationalised Banks

Margin money Deposits with respective carrying amount are subject to first charge to Secure the respective credit facilities.

16.2 Unclaimed Dividend Bank Accounts includes amount due to be credited to Investor Education and Protection Fund of ₹ 118875 on or before 28th Oct 2013.

16.3 Cash and Cash Equivalents as of March 31, 2013 and March 31, 2012 includes restricted cash and Bank balances of ₹ 8387718 and ₹ 7542956 respectively. Other Bank balances maintained by the company with banks comprise of time deposits, which can be withdrawn by the company at any point of time without prior notice or penalty on the principal.

Note :17 Short Terms Loans and Advances

Unsecured and considered Goods		
Advance to Suppliers	4,876,828	13,449,365
Balance With Government Authorities	8,785,757	6,114,384
Prepaid Expenses	2,822,477	2,100,185
Loan to Staff	126,500	350,100
Custom Duty Advance	111,890	886,698
Loan to Contractor	0	400,000
Total in ₹	16,723,452	23,300,733

Note :18 Other Current Assets

Interest Receivable	349,024	420,653
Interest on GEB Deposit Receivable	1,130,909	881,423
Total in ₹	1,479,933	1,302,076

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
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Note : 19 Revenue from Operations

Sale of Products	1,881,802,690	1,615,791,492
Less : Excise Duty	113,008,917	82,726,021
Net Sales	1,768,793,773	1,533,065,471
Income from Windmill	23,457,745	15,953,062
Total in ₹	1,792,251,517	1,549,018,533

19.1 Details of Product Sold

Multilayer Testliner & Testliner Paper	1,881,802,690	1,615,791,492
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Note : 20 Other Income

Interest Income	2,583,956	1,975,689
Other Receipts	694,196	158,846
Total in ₹	3,278,151	2,134,535

Note : 21 Cost of Material Consumed

Consumption of Raw Material Imported		
Imported Waste paper	457,037,411	607,019,786
Indigenous		
Indian Waste Paper	445,493,492	244,385,994
Colour & Chemical	135,974,524	97,360,841
Total in ₹	1,038,505,427	948,766,620

21.1 Details of Raw Material Consumed

Particulars	2012-2013		2011-2012	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of Raw Material Imported				
Imported Waste paper	457,037,411	44.01	607,019,786	63.98
Indigenous				
Indian Waste Paper	445,493,492		244,385,994	
Colour & Chemical	135,974,524		97,360,841	
Total of Indigenous	581,468,016	55.99	341,746,835	36.02
Total	1,038,505,427	100.00	948,766,620	100.00

Note : 22 Change in Inventories of Finished Goods and Stock in process

Inventories at Close		
Finished Goods	14,628,475	14,312,172
Stock in process	154,580	0
Total in ₹	14,783,055	14,312,172
Opening Stock of Finished Goods	14,312,172	24,978,108
Total in ₹	(470,883)	10,665,936

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
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Note : 23 Employment Benefit Expenses

Salaries & Wages	53,403,851	42,809,409
Staff Welfare	1,270,685	1,171,037
Bonus Expenses	614,814	597,771
Provident Fund and E.S.I.C.	2,151,012	1,895,295
Gratuity Expenses	552,997	622,007
Leave Encashment Expenses	3,201,508	2,581,529
House Rent Expenses	552,000	552,000
Directors Remuneration	10,664,246	6,936,438
Total in ₹	72,411,113	57,165,485

23.1 Employment Benefit Expenses

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

Particulars	2012-2013		2011-2012	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A Expenses recognized in the statement of profit & Loss Account for the period ended	Non Funded		Non Funded	
Current Service Cost	270345	661095	340334	521374
Interest Cost	179273	167119	144235	134485
Expected Return on Planned Assets	0	0	0	0
Net Actuarial (Gain) /Loss recognized during the year	28924	2062075	-2189	1326853
Settlement costs/others	74455	311219	139626	598816
Total Expenses	552997	3201508	622006	2581528
B Net Assets / (Liability) recognized in the Balance Sheet				
Present value of the obligation	2247425	2605710	1788094	1909931
Fair value of Planned Assets	0	0	0	0
Funded status (surplus/deficit)	0	0	0	0
Net Assets / (Liability) recognized in the Balance Sheet	2247425	2605710	1788094	1909931
Add.: Provision for separated employees /others	1475382	2255882	1299965	1736009
Total provision (Refer Note 6 and 10)	3722807	4861592	3088059	3645940
C Change in present value of obligation				
Present value of obligation as on 01-04-2012	1788094	1909931	1510231	1630120
Current service cost	270345	661095	340334	521374
Interest Cost	179273	167119	144235	134485
Benefit paid	-19211	-2194510	-204517	-1702901
Net Actuarial (Gain) /Loss recognized during the year	28924	2062075	-2189	1326853
Present value of obligation as per actuarial Valuation as at 31-03-2013	2247425	2605710	1788094	1909931
Add.: Provision for separated employees /others	1475382	2255882	1299965	1736009
Total provision (Refer Note 6 and 10)	3722807	4861592	3088059	3645940

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
D Actuarial assumptions		
Discount Rate	8.75%	8.25%
Salary Escalation over a long term	5.00%	5.00%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate

The above information's is certified by the Actuary.

Note : 24 Financial Cost

Interest Expenses	34,113,183	37,472,429
Less: Interest Capitalised	44,836	345,689
Net Interest Expenses	34,068,347	37,126,740
Other Borrowing Cost	1,978,679	362,600
Total in ₹	36,047,026	37,489,340

24.1 Other Borrowing cost includes renewal charges of Cash Credit limit, Guarantee charges and mortgage charges etc.

Note : 25 Depreciation & Amortisation Cost

Depreciation	38,818,771	34,060,790
Amortisation of Intangible Assets	258,153	89,508
Less : Depreciation Capitalised (Refer Note 11)	0	29,016
Total in ₹	39,076,924	34,121,282

Note : 26 Other Expenses

a Manufacturing Expenses		
Stores & Consumables Consumed		
Indigenous	17,975,082	19,099,099
Imported	6,580,240	4,003,112
Fuel and Power Consumed	256,824,839	219,289,397
Packing Material Consumed	13,924,444	10,280,986
Unloading Charges	9,501,645	7,885,193
Insurance Charges	3,446,584	2,946,051
Repairs and Maintenance- Plant & Machinery	6,232,656	7,403,842
Repairs and Maintenance- Building	670,927	959,732
Increase/(Decrease) of Excise Duty on Inventory	18,770	-403,083
Other Manufacturing Expenses	5,721,953	7,583,479
Total in ₹ (a)	320,897,141	279,047,808

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
b Selling & Distribution Expenses		
Selling Expenses	6,589,705	4,891,463
Sales Tax	51,289,285	43,905,792
Commission on Sale	7,934,450	5,426,668
Total in ₹ (b)	65,813,440	54,223,923
c Administrative & General Expenses		
Audit Fees	457,286	435,186
Consultancy Fees	2,124,935	1,166,335
Provisions for Doubtful Advances	0	500,000
Foreign Exchange Flucation Expenses	0	551,337
Miscellaneous Expenses	5,637,938	4,785,562
Professional Charges	595,236	464,750
Rates and Taxes	468,504	372,443
Repairs and Maintenance (Others)	3,590,853	3,132,371
Security Charges	2,728,893	2,556,016
Stamp Duty	0	5,000
Travelling Expenses	1,347,862	2,250,381
Vehicle Expenses	1,389,057	1,103,331
Windmill Expenses	4,919,352	1,991,346
Total in ₹	23,259,916	19,314,058
Less: Expenditure Capitalised	0	896,703
Total in ₹ (c)	23,259,916	18,417,355
Total in ₹ (a + b + c)	409,970,497	351,689,087

26.1 Details of Stores & Consumables Consumed

Particulars	2012-2013		2011-2012	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of Stores & Consumables				
Imported	6,580,240	26.80	4,003,112	17.33
Indigenous	17,975,082	73.20	19,099,099	82.67
Total	24,555,323	100.00	23,102,211	100.00

26.2 Payment to Auditors as :

Particulars	₹ 2012-2013	₹ 2011-2012
Statutory Audit Fees	131,236	131,236
Tax Audit Fees	30,000	30,000
Cost Audit Fees	71,050	48,950
Internal Audit Fees	225,000	225,000

Note : 27 Exceptional and Extraordinary Items

Exceptional Items on 31/03/2013 amounting ₹ 475620 being refund received from DGVCL and interest.
Extraordinary Items on 31/03/2013 ₹ 1633 on account of Permanent diminution in value of Investment.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
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Note : 28 Value of Imports on CIF basis in respect of

Raw Materials	252,475,857	198,509,362
Less: Import Raw Material claim received	1,038,139	90,251
Stores, Spare parts & Consumables	9,474,283	4,777,723
Capital Goods	19,883,488	11,990,961

Note : 29 Expenditure in Foreign Currency

Travelling Expenditure	271,130	983,659
Technical fees paid	0	443,025

Note : 30 Earning Per Share

1 Net Profit after tax as per statement of profit and loss but before Extra Ordinary/ Exceptional Items attributable to equity share holder	140,603,630	76,534,871
2 Net Profit after tax and Extra Ordinary and Exceptional as per statement of profit and loss attributable for equity share holder	141,077,617	76,840,166
3 Weighted average number of equity share used as denominator for calculating EPS	5,356,700	5,347,137
4 Earning (Including extraordinary/exceptional items) per equity share Basic & Diluted	26.34	14.37
5 Earning (Excluding extraordinary/exceptional items) per equity share Basic & Diluted	26.25	14.31
6 Face value per equity share	10.00	10.00

Note: 31 Segment Information - Segment Revenues, Results and other information:

Particulars	₹							
	Paper		Wind Mill		Other/Unallocable		Total	Total
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
REVENUE								
Net Sales	1768793773	1533065471	0	0	3278151	2134535	1772071924	1535200006
Inter Segment Revenue	0	0	23457745	15953062	0	0	23457745	15953062
Net Sales/Income from Operation	1768793773	1533065471	23457745	15953062	3278151	2134535	1795529669	1551153068
RESULTS								
Profit before Tax, Dep & Interest	1495437694	1352314982	4919352	1989378	-20059109	-13982768	1520416155	1368287128
Less: Depreciation	29022391	27872340	8192429	4753736	1862103	1495206	39076923	34121282
Profit after Depreciation	244333688	152878149	10345964	9209948	-18643061	-13343439	236036591	148744658
Less: Interest							36047026	37489340
Profit before Extra Ordinary Items							199989564	111255318
Less: Extra Ordinary Items							473987	305295
Less: Provision for Taxation							59385935	34720447
Net Profit							141077617	76840166
OTHER INFORMATION								
Segment Assets	958578547	842732623	139409161	146576806	57610862	63824917	1155598570	1053134346
Segment Liabilities	119619166	163183635	1967810	0	462456767	456339967	584043743	619523602
Capital Expenditure (Incl. Capital WIP)	81113722	23788828	0	0	3937831	0	85051553	23788828
Depreciation	29022391	27872340	8192429	4753736	1862103	1495206	39076923	34121282
Non Cash Expenses other than Dep.	0	0	0	0	0	0	0	0

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**Note : 32 Movement in Provisions**

Particulars of Disclosures	Opening Balance 01/04/12	Additional Provision	Provision Used	Provision Reversed	₹
					Closing Balance 31/03/13
Gratuity	3088059	634748	0	0	3722807
Leave Encashment	3645940	1215652	0	0	4861592
Bonus	583568	614814	583568	0	614814
Income Tax (Net of advance)	-15855330	-1946384	-15855330	0	-1946384
FBT(Net of advance)	-109681	0	-109681	0	0
Wealth Tax	8274	5901	8274	0	5901

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

Note : 33 Related Party Disclosure

33.1 List of related parties where control exists and related parties with whom transactions have taken place and relationships :

a) Enterprises Owned by Directors or Major Shareholders

Ajit Steel Centre, Twinkle Investment, Paras Industries, Piyush Export, Ratilal Ujamlal, Kashinda, Shree Samrat Pulp & Paper Pvt Ltd, Shree Samarpan Pulp & Paper Pvt. Ltd

b) Key managerial Personnel

Shri Gautam D Shah, Shri Piyush R Shah

c) Relatives of Key Management Personnel

Narmada Sales Corporation

d) Subsidiary Company

Shree Samrudhi Industrial Papers Pvt Ltd

33.2 Transactions with related Parties during the year

Nature of Transactions	₹	₹
	2012-2013	2011-2012
Payment to key Managerial Personnel	10,664,246	6,936,438

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
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Note : 34 Interest in Joint Venture :

The company hold 50 % interest in Shree Samrat Pulp & Paper Pvt Ltd and Shree Samarpan Pulp & Paper Pvt. Ltd, a jointly controlled entity which is involved in manufacturing activity. First Joint Venture has taken over a running unit for manufacturing of kraft paper during the year. The second one has not started any activity till the end of the year under consideration.

The company's share of assets, liabilities, income and expenses in the jointly controlled entities for the year ended 31 st March are as follows :

Current Assets	20,358,298	293,131
Non -Current Assets	58,943,720	7,263,394
Current Liabilities	-33,590,163	-24,508
Non Current Liabilities	-25,000,000	0
Equity	20,711,855	7,532,016
Revenue	0	0
Other Expenses	752,542	213,511
Profit before tax	-752,542	-213,511
Income tax expense	0	0
Profit after tax	-752,542	-213,511

Note : 35 Contingent Liabilities and Commitment

Contingent liabilities		
Counter claims by supplier against the company not acknowledged as debt	2,836,620	2,836,620
Bank Guarantee	4,387,718	537,718
Commitments		
Estimate amount of contracts remaining to be executed on capital account and not provided for In respect of Joint Venture	0	60,750,000
In respect of others	88,738,707	33,553,475
Estimate amount of contracts remaining to be executed on other then capital account and not provided for Share of Commitments	98,927,980	86,217,862

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013
 (Pursuant to clause 32 of listing agreement with Stock Exchange)

Particulars	₹ 31-Mar-13	₹ 31-Mar-12
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	200463552	111560613
<u>Adjustments for:</u>		
Depreciation and amortisation	39076924	34121282
Provision for impairment of fixed assets and intangibles	0	0
(Profit) / loss on sale / write off of assets	649429	23094
Finance costs	36047026	37489340
Interest income	-2583956	-1975689
Dividend income	-16335.5	-16315
Prior Period Adjustments	1633	93102
Prior Period Adjustments	-1633	-93102
Operating profit / (loss) before working capital changes	273636640	181202325
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	-5462082	-38031368
Trade receivables	-48568365	-24637805
Short-term loans and advances	6577281	11228821
Long-term loans and advances	19517187	-4490588
Other current assets	-2677857	4045195
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	-43880134	38120617
Other current liabilities	2768560	-507598
Short-term provisions	251512	386536
Long-term provisions	1630134	1151867
Cash generated from operations	-69843764	-12734323
Net income tax (paid) / refunds	-32634623	-23883542
Net cash flow from / (used in) operating activities (A)	171158253	144584460
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	-125236451	-113799888
Proceeds from sale of fixed assets	5614120	30000
Purchase of long-term investments in Joint Venture	-12198367	-6753318
Interest received	2583956	1975689
Dividend received	16336	16315
Net cash flow from / (used in) investing activities (B)	-129220407	-118531202
C. Cash flow from financing activities		
Proceeds from issue of equity shares	0	202328
Proceeds from long-term borrowings	67746235	63491420
Repayment of long-term borrowings	-84737675	-83977999
Short-term borrowings(Net)	-9114934	27028128
Finance cost	-36047026	-37489340
Dividends paid	-1339175	-1366442
Tax on dividend	-217248	-226949
Net cash flow from / (used in) financing activities (C)	-63709823	-32338854
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	-21771979	-6285603
Cash and cash equivalents at the beginning of the year	41294419	47580022
Cash and cash equivalents at the end of the year	19522440	41294419
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	19522440	41294419

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

Note 2- Capital Expenditure of fixed assets includes movement of capital work in progress during the year.

AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR H.P.SHAH ASSOCIATES
CHARTERED ACCOUNTANTS
 Firm Reg. No.: 109588 W

FOR AND ON BEHALF OF THE BOARD

H.P.SHAH
 Proprietor
 Membership No. : 39093
 Vapi, 25th May, 2013

GAUTAM D SHAH
 Managing Director

DHANSUKHLAL G SHAH
 Director

Vapi, 25th May, 2013

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the **THIRD ANNUAL GENERAL MEETING**, of the Members of the Company will be held at the registered office of the Company at Office No.34, 2nd Floor, Sahara Market, Silvassa Road, Vapi on Friday, 2nd August, 2013 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, 2013 and the Reports of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Dhansukhlal G. Shah who retires by rotation and being eligible, offers himself for reappointment.
- 3) To appoint auditors to hold office from the conclusion of the Third Annual General Meeting till the conclusion of the next 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 : 21st May, 2013
Place : Vapi

GAUTAM D.SHAH
Director

NOTES

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING OF THE COMPANY MAY APPOINT ANOTHER MEMBER AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF BUT A NON MEMBER SHALL NOT BE SO APPOINTED AND PROVISIONS OF SECTION 176 (2) SHALL NOT APPLY TO 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 of
SHREE SAMRUDHI INDUSTRIAL PAPERS PVT LTD
VAPI

Your Directors have pleasure in presenting their Third Annual Report, and the Audited financial statement for the year ended on 31st March, 2013.

FINANCIAL RESULT

The Company has not commenced any business during the year. The profit and loss account only reflects Interest income of ₹ 3.78 lacs, expenses and current tax of ₹ 1.58 lacs and net profit after tax of ₹ 2.20 lacs 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.

DIRECTORS

There has been no change in the Board of Directors of the Company during the year under report. Shri Dhansukhlal G. Shah retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

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 for the year 2013-14 and to fix their remuneration.

STATUTORY INFORMATION:

- 1 As the Company has not commenced any business till date, the information under section 217 (1) (e) is NIL.
- 2 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.
- 3 Information under section 217(2AA) of the Companies Act, 1956- Directors Responsibility Statement
The Directors confirm 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 31st March, 2013 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.

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 : 21st May, 2013
Place : Vapi

GAUTAM D.SHAH
Director

Dhansukhlal G. Shah
Director

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

AUDITOR'S REPORT

To the Members of
SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED**, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- in the case of the Statement of Profit and Loss, the **Profit** of the Company for the year ended on that date.
- in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 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 (Auditor's 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 matter specified in paragraphs 4 & 5 of the said Companies (Auditors Report) Order 2004 are not enclosed.
- As required by Section 227(3) of the Act, we report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

GIRIRAJ LADDHA
Partner
Membership No. 108558

Place : Vapi
Date : 21st May, 2013

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

BALANCE SHEET AS AT 31ST MARCH, 2013

	NOTE NO.	As At 31-March-2013 ₹	As At 31-March-2012 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	5,000,000	5,000,000
(b) Reserves and Surplus	3	-31,337	-251,013
(2) Non-Current Liabilities			
(a) Long-Term Borrowings		0	0
(b) Deferred Tax Liabilities (Net)		0	0
(c) Other Long Term Liabilities		0	0
(d) Long Term Provisions		0	0
(3) Current Liabilities			
(a) Short-Term Borrowings		0	0
(b) Trade Payables	4	124,236	99,266
(c) Other Current Liabilities		0	0
(d) Short-Term Provisions	5	67,900	0
Total Equity & Liabilities		5,160,799	4,848,253
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets		0	0
(ii) Intangible Assets		0	0
(iii) Capital Work in Progress		0	0
(b) Non-current investments		0	0
(c) Deferred tax assets (net)		0	0
(d) Long term loans and advances	6	2,587,408	87,408
(e) Other non-current assets		0	0
(2) Current Assets			
(a) Current investments		0	0
(b) Inventories		0	0
(c) Trade receivables		0	0
(d) Cash and cash equivalents	7	2,494,162	4,739,174
(e) Short-term loans and advances		0	0
(f) Other current assets	8	79,229	21,671
Total Assets		5,160,799	4,848,253

SIGNIFICANT ACCOUNTING POLICES
Notes on financial statements
AS PER OUR REPORT OF EVEN DATE

1
2 to 16

FOR G. B. LADDHA & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No.: 120352 W

FOR AND ON BEHALF OF THE BOARD

Giriraj B. Laddha
Partner
Membership No. : 108558
Vapi, 21st May, 2013

Gautam D. Shah
Director

Dhansukhlal G. Shah
Director

Vapi, 21st May, 2013

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2013

	NOTE NO.	2012-2013 ₹	2011-2012 ₹
INCOME			
I Revenue from operations		0	0
II Other Income	9	378,198	24,079
III III. Total Revenue (I+II)		378,198	24,079
IV Expenses:			
Cost of materials consumed		0	0
Purchase of Stock-in-Trade		0	0
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		0	0
Employee Benefit Expense		0	0
Financial Costs		0	0
Depreciation and Amortization Expense		0	0
Other Administrative Expenses	10	53,822	60,896
Total Expenses (IV)		53,822	60,896
V Profit before exceptional and extraordinary items and tax	(III - IV)	324,376	-36,817
VI Exceptional Items		0	0
VII Profit before extraordinary items and tax (V - VI)		324,376	-36,817
VIII Extraordinary Items		0	0
IX Profit before tax (VII - VIII)		324,376	-36,817
X Tax expense:			
(1) Current tax		104,700	0
(2) Deferred tax		0	0
XI Profit(Loss) from the period from continuing operations	(IX-X)	219,676	-36,817
XII Profit/(Loss) for the period		219,676	-36,817
XIII Earning per Equity Shares:			
Earning (Including extraordinary / exceptional items) per Equity Shares of face value of ₹ 10/-each Basic & Diluted		0.44	-0.07
Earning (Excluding extraordinary / exceptional items) per Equity Shares of face value of ₹ 10/-each Basic & Diluted		0.44	-0.07

SIGNIFICANT ACCOUNTING POLICES
Notes on financial statements
AS PER OUR REPORT OF EVEN DATE

1
2 to 16

FOR G. B. LADDHA & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No.: 120352 W

FOR AND ON BEHALF OF THE BOARD

Giriraj B. Laddha
Partner
Membership No. : 108558

Gautam D. Shah
Director

Dhansukhlal G. Shah
Director

Vapi, 21st May, 2013

Vapi, 21st May, 2013

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note 1 : SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, unless otherwise specified.

(b) Tangible 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 Tangible and Intangible 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, which are readily realizable and intended to be held for not more than one year from the date on which such investment are made, are classified as current investments. All other investments are classified as long term 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 whichever 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.

(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.

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(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 as per the provisions of Payment of Gratuity Act on the basis of 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.

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
-------------	-------------------------	-------------------------

Note : 2 Share Capital

AUTHORIZED CAPITAL		
5,00,000 (5,00,000) Equity Shares of ₹ 10/-each.	5,000,000	5,000,000
	5,000,000	5,000,000
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
Paid up Share capital		
5,00,000 (5,00,000) Equity Shares of ₹ 10/- each, Fully paid up	5,000,000	5,000,000
Total in ₹	5,000,000	5,000,000

2.1 Reconciliation of Number of shares fully paid up outstanding at the beginning and at the end of the Year

Particulars	31-Mar-13		31-Mar-12	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
No. of Share at the beginning of the year	500,000	5,000,000	500,000	5,000,000
No. of Shares at the end of the year	500,000	5,000,000	500,000	5,000,000

2.2 Rights , Preferences and Restrictions attached to Equity Shares

The company has one class of Equity shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share held. In the event of Liquidation , the Equity Shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

2.3 Details of Shareholding holding more than 5 % shares in the Co.

Particulars	31-Mar-13		31-Mar-12	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Shree Ajit Pulp And Paper Limited	499,980	99.99%	499,980	99.99%

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
-------------	-------------------------	-------------------------

Note : 3 Reserve & Surplus

Surplus (Profit & Loss Account)		
Balance brought forward from previous year	-251,013	-214,196
Add/Less: Profit / Loss for the period	219,676	-36,817
Total in ₹	-31,337	-251,013

Note : 4 Trades Payable

Trades Payable		
Due to Micro, Small and Medium Enterprises	0	0
Others	124,236	99,266
Total in ₹	124,236	99,266

Note : 5 Short Term Provisions

Current Income Taxes (Net)	67,900	0
Total in ₹	67,900	0

Note : 6 Long term loans and advances

Investment in NSC- Earmarked with Sales Tax Dept.	60,000	60,000
Vat Deposit	25,000	25,000
TDS Receivable	2,408	2,408
Deposit	2,500,000	0
Total in ₹	2,587,408	87,408

Note : 7 Cash & Cash Equivalent

Bank Balance		
With Nationalised Bank A/c	2,491,752	38,234
Cash-in-Hand		
Cash Balance	2,410	940
Other Bank Balance		
Deposit with originally maturity for more than 3 months but less than 12 months	0	4,700,000
Total in ₹	2,494,162	4,739,174

Note : 8 Other Current Assets

Interest on F. D. Receivable	0	21,671
Interest Accrued on NSC	10,188	0
Interest Receivable	69,041	0
Total in ₹	79,229	21,671

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 ₹	2011-2012 ₹
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Note : 9 Other Income

Interest Income	378198	24,079
Total in ₹	378198	24,079

Note : 10 Other Administrative Expenses

Bank Charges	56	0
Audit Fees	11,236	11,236
Professional Charges	5,000	5,000
Office Rent	36,000	36,000
Printing & Stationery	0	600
Filling Fees	1,530	3,060
Stamp Duty	0	5,000
Total in ₹	53,822	60,896

10.1 Payment to Auditor

Audit Fees	10,000	10,000
Services Tax	1,236	1,236
Total in ₹	11,236	11,236

Note : 11 Earning Per Share

Profit available for appropriation	219,676	(36,817)
Weighted average number of shares	500,000	500,000
Earning per share (Basic)	0.44	(0.07)
Face value per share	10	10

Notes 12: The company has not undertaken any transactions during the year as it is still in the process of setting up its business.

Notes 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) Arham Enterprises
- (3) Shree Samrat Pulp & Paper Pvt.Ltd (4) Shree Samarpan Pulp & Paper Pvt. Ltd
- (b) Key Management Personnel
- Shri Gautam D. Shah, & Shri Dhansukhlal G. Shah
- (c) Relatives of Key Management Personnel
- Narmada Sales Corporation (Brother of Director is partner)
- (d) Holding Company: Shree Ajit Pulp & Paper Ltd

Note: In respect of above parties, there is no provision for doubtful debts as on 31st March, 2013 and no amount has been written off or written back during the year in respect of debts due from/to them.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(ii) Transactions with related Parties

(Amount in ₹)

Type of Related Party	Description of the nature of the transactions	Volume of transactions during 2012-13	Amount outstanding as on 31.03.2013	
			Receivable	Payable
Where control exists	Nil	Nil	Nil	Nil
Key Management Personnel	Nil	Nil	Nil	Nil
Relative of Key Management Personnel	Nil	Nil	Nil	Nil

Notes 14: 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.

Notes 15: Expenditure on employees in receipt of remuneration of not less than ₹ 6,000,000 per annum or at the rate of not less than ₹ 500,000 per month is Nil.

Notes 16: The Previous Year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

AS PER OUR REPORT OF EVEN DATE

**FOR G. B. LADDHA & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No.: 120352 W**

**Giriraj B. Laddha
Partner
Membership No. : 108558
Vapi, 21st May, 2013**

FOR AND ON BEHALF OF THE BOARD

**Gautam D. Shah
Director**

**Dhansukhlal G. Shah
Director**

Vapi, 21st May, 2013

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31-March-13 ₹	31-March-12 ₹
Cash flow from Operating Activities		
Net profit/(loss) before tax	324,376	-36,817
Add: Depreciation	0	0
Add: Interest Payment	0	0
Less: Interest Received	378,198	24,079
Less: Dividend Income	0	0
Operating Profit before working Capital Changes	-53,822	-60,896
Add: Decrease in Sundry Debtors	0	0
Add: Increase in Sundry Creditors	24,970	27,236
Add: Increase in Other Current Liabilities	0	0
Add: Decrease in Other Current Assets	-2,557,558	4,728,961
Add: Decrease in inventory	0	0
Cash generated from Operation	-2,586,410	4,695,301
Less: Income Tax paid 36,800	0	0
Cash flow before extraordinary item	-2,623,210	4,695,301
Add/Less: Extraordinary item		
Net Cash From Operating Activities (A)	-2,623,210	4,695,301
Cash Flow from Investing Activities		
Less: Purchase of Fixed Assets	0	0
Less: Investments made during the year	0	0
Add: Sale Of Investment	0	0
Add: Interest Received	378,198	24,079
Add: Proceeds from sale of Fixed Assets	0	0
Add: Dividend Received	0	0
Net Cash From Investing Activities (B)	378,198	24,079
Cash Flow from Financing Activities		
Add: Proceeds from Issue of Share Capital	0	0
Add: Proceeds from Long Term Borrowings	0	0
Less: Repayment of Long Term Borrowings	0	0
Less: Interest Paid	0	0
Less: Dividend Paid	0	0
Less: Dividend Tax Paid	0	0
Net Cash From Financing Activities (C)	0	0
Net increase/ Decrease In Cash and Cash Equivalents (A+B+C)	-2,245,012	4,719,380
Cash and Cash Equivalents at beginning of the year	4,739,174	19,794
Cash and Cash Equivalents at end of the year	2,494,162	4,739,174

As per report of even date attached
For G. B. LADDHA & Co.
Chartered Accountants
FRN 120352 W

SHREE SAMRUDHI INDUSTRIAL PAPERS PVT LTD

Giriraj B. Laddha
Partner
Membership No. 108558

Gautam D. Shah
Director

Dhansukhlal G. Shah
Director

Vapi, 21st May, 2013

Vapi, 21st May, 2013

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 31-03-2013		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 31-03-2013	Not Dealt with in the accounts of the Company for the year ended 31-03-2013	Dealt with in the accounts of the Company for the year ended 31-03-2013	Not Dealt with in the accounts of the Company for the year ended 31-03-2013
Shree Samrudhi Industrial Papers Pvt. Ltd.	31-03-2013	500,000 Shares of ₹ 10/- each fully paid up	100	₹ NIL	₹ 219676	₹ NIL	₹ (31337)

FOR AND ON BEHALF OF THE BOARD

GAUTAM D. SHAH **DHANSUKHLAL G. SHAH**
MANAGING DIRECTOR **DIRECTOR**

Place : VAPI
Date : 25th MAY, 2013



SHREE AJIT PULP AND PAPER LIMITED

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

18TH ANNUAL GENERAL MEETING ON 05th AUGUST, 2013

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 18th Annual General Meeting to be held at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi-396 191. Gujarat on 05th August, 2013 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.

18TH ANNUAL GENERAL MEETING ON 05th AUGUST, 2013

PROXY FORM

FOLIO No. :

DP ID No :

CLIENT No. :

I/We of

I/We being a Member/Members of above named

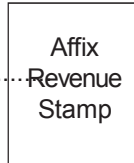
Company, hereby appointof

or failing him I/Weof.....

as my / our proxy to vote for me/us on/our behalf at the 18th Annual General Meeting to be held at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi-396 191. Gujarat on 05th August, 2013 at 11:00 a.m. and at any adjournment thereof.

Signed this day of2013.

Signature



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 Salvay,

Vapi - 396 191. Gujarat.

FORM B

1	Name of the Company	SHREE AJIT PULP AND PAPER LIMITED
2	Annual financial statements for the year ended	31 st March, 2013
3	Type of Audit qualification	<p>Qualification No.1:- In Auditors' Certificate on Corporate Governance- 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.</p> <p>Qualification No.2:- In Independent Auditor's Report on Consolidated Financial Statements 2012-2013-Opinion Para-subject to non consolidation of interest in Joint Ventures, the details of which are given in the separate Annexure 1 attached to the report which has the effect of Increase in Liabilities by ₹. 585.90 lacs, Increase in Assets by ₹ 592.02 lacs and Increase in Expenses by ₹ 7.53 lacs in consolidated financial statements that give a true and fair view in conformity with the accounting principles generally accepted in India.</p>
4	Frequency of qualification	<p>Qualification No. 1 :- Repetitive Third Time, Since F.Y. 2010-11</p> <p>Qualification No. 2:- Appeared 1st time</p>
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>For qualification no. 1:- The Board consists of five Directors. There are two independent Directors, two executive Directors and one Director is relative of the Managing Director. The Board is in the process of appointing one independent director to fill the vacancy and hope to complete the appointment shortly. <i>(Refer Page No. 2 of Annual Report Attached)</i></p> <p>For qualification no.2:- The Directors have taken note of Auditor's remarks on consolidated financial statement with regards to consolidation of Company's interest in Joint Ventures and will take appropriate action while preparing consolidated financial statement for the year 2013-14 and onwards. <i>(Refer Page No. 3 of Annual Report Attached)</i></p>
6	Additional comments from the board/audit committee chair:	No
7	Signed by	
	CEO/Managing Director	<i>[Signature]</i>
	CFO	<i>[Signature]</i>
	Auditor of the Company	<i>[Signature]</i>
	Audit Committee chairman	<i>[Signature]</i>

