



19TH ANNUAL REPORT

2013-2014

CHALLENGING OURSELVES TO ALWAYS DO BETTER



ajit

SHREE AJIT PULP AND PAPER LIMITED

MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

"Strength and Growth come only through continuous efforts & struggles"

- Napoleon Hill

Dear Shareholders,

It was another good year. We produced more paper and with aggressive marketing, saw revenues touching a new high. We achieved success in our existing markets, while identifying high potential growth opportunities in newer ones. Over the past 12 months, SAPPL continued to build on the foundation that was laid in recent years. We improved our operating processes and have become a far stronger organization with a robust business model. The fundamentals that we have put in place are paying off in solid progress.

It was a year when we have produced 68145 MT. Paper the highest ever, approximately 5.72% over the previous year. The Total revenues were up by 8.8 %. The EBITA margin witnessed some pressure primarily on account of escalated raw material cost as a percentage of Revenue which could not be passed on to the customers fully due to prevailing market conditions. Hence, the EBITDA were lower by 7.22 %.

SAPPL has been awarded as INDIA'S TOP 500 fastest growing companies 2013 "Rated at 112" by Inc. India Previously "Rated at 250" in 2012.

In promoting Green Power the company have already two wind power projects having capacity of 2.75 MW which generated electricity of 41,48,015 units during the year as compared to previous year 39,52,926 units (i.e. 4.94 % higher as compared to previous year) In addition to further reduce the power cost company had also installed and successfully commenced its Co Generation Power Plant in October 2013. The full effect of the saving of power cost will reflect in coming years.

OPERATION AND MANUFACTURING PROCESS

We made strategic investments in production, technology and upgraded environmental facilities. SAPPL has always promoted the latest modernize paper technology in the paper machine for improving paper quality. We undertook a maintenance outage during 2013-14 and made investments to improve the reliability

and performance of the paper machines and the waste water treatment system.

We have commissioned three nos. of Poly Disc Filters which meets the Paper making needs at Forming Section. These State of the Art Disc Filters are designed to thicken the low & medium consistency pulp and have optimum dewatering characteristics with cleanest filtrated water and highest outlet consistency of pulp. In this system, we get super clear filtrate water in which the solid contents will be < 50 ppm. We can reuse this clear filtrate water in the process to reduce the Fresh Water Consumption. This is Environment friendly Equipment with the advance features which reduces the generation of waste water in the process, as well as the load on ETP.

These changes will support us for better asset performance, a key earnings driver in the long term.

SAPPL launched several projects for productivity and cost reduction. We enhanced productivity of key paper machines, improved the pulp mill performance. We managed to control and leverage several moving parts; improve the yield to reduce the impact of high cost of fiber, optimize on use of specialty chemicals, increase production efficiencies, step up capacity utilization, consciously raise productivity and manage funds better in an environment of rising interest costs.

SAFETY

Safety is a core value in the Company; simply stated, priorities must shift over time as the challenges and circumstances dictate, but VALUES NEVER CHANGE! Our team members are keenly aware that their safety and the safety of the team is our utmost requirement and is everyone's responsibility.

OUTLOOK

The financial year ahead will see us pursue our corporate goals to be the most reliable manufacturer as well as reciprocate the trust of the industry.

A India Rating report estimates India's per

capita paper consumption at 9 kg, against 22 kg in Indonesia, 25 kg in Malaysia and 42 kg in china. The global average stands at 58 kg. "This indicates there is a lot of headroom for growth in India". From demand point of view, every one kg incremental per capita consumption result in additional demand of more than one MT a year.

The paper industry in India has been growing at a rapid phase as domestic demand is on the rise. Increasing population, literacy rate, change in lifestyle of individuals and strong growth in consumer oriented sector such as fast moving consumer goods (FMCG) the demand of paper to grow around 7% to 8% on a year on year (YoY) basis in the FY 2014-15. During the year the company has taken all the required permission for enhancing installed capacity from 66000 MT to 90000 MT per annum. Your company is ready to grab this opportunity. However the company will take up the expansion project work in financial year 2014-15.

We shall invest our resources, time and effort towards growing the Company's revenues while keeping our focus on the bottom line. Each aspect of the business is being addressed to make a difference to our tomorrow. In SAPPL, we have the ability to maximum utilization of available resources and deliver the best results.

We have been working for sustainability on a long term basis. My vision for the future is for SAPPL to be successful, trusted and respected in domestic and global markets as a leading paper manufacturing company.

I would like to extend my gratitude to all our stakeholders including the staff members, Bankers and customers for their ample support in shaping the performance of the Company.

Sd/-

Gautam D Shah
Chairman & Managing Director

VISION

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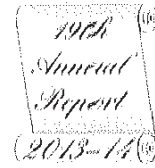
SHREE AJIT PULP AND PAPER LIMITED

Our vision and commitment to excellence is the driving force that seamlessly powers our success. Ever since our inception as a company, we have been sailing our way charting great distances an amassing vast experiences and wisdom. We have ridden the waves of change, braved challenging headwinds achieving improvement and success on our journey. Standing proud at the horizon of tomorrow, we embrace the challenges and opportunities to come knowing that our team will deliver a brighter future for our customers and shareholders. With core values that make us responsible corporate citizens, we are committed to doing the business the Right Way, while making a sustainable, measurable difference to the world in which we work and live.

MISSION

Our goal is to achieve "QUALITY" rather than QUANTITY".
" Excellence is a way of culture which leads to the innovation of our organization "
We motivate our people to enhance the efficiency above global standards and evolve strong professional work ethics to ensure consistency in quality & service to our customers.

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 Laxminarayan J. Garg	Director - Independent
Shri Mitesh M. Mehta	Director - Independent

REGISTERED OFFICE

Survey No. 239, Near Morai Rly. Crossing, Village Salvav, Via - Vapi-396 191. Gujarat.
CIN: L21010GJ1995PLC025135, Tel: 0260 2437059, Fax: 0260 2437090,
Email: investors@shreeajit.com, Website: www.shreeajit.com

BANKERS

Indian Overseas Bank
State Bank of India
HDFC Bank Limited

SHARE TRANSFER AGENT

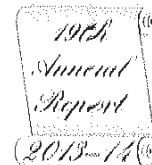
LINK INTIME INDIA PVT. LTD.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078.

AUDITORS

DELOITTE HASKINS & SELLS LLP, Chartered Accountants, Mumbai.

CONTENTS	PAGE
1. Notice & Explanatory Statement.....	1
2. Directors' Report	6
3. Independent Auditors' Report.....	16
4. Balance Sheet	19
5. Profit & Loss Account	20
6. Cash Flow Statement pursuant to Clause 32 of Listing Agreement ..	21
7. Notes 1 to 36	22
8. Independent Auditors Report on Consolidated financial statement...	42
9. Consolidated Financial Statement.....	43
10. Subsidiary Company Shree Samrudhi Industrial Paper Pvt. Ltd.....	67
11. Statement Pursuant to Section 212.....	79

SHREE AJIT PULP AND PAPER LIMITED



NOTICE

Notice is hereby given that the Nineteenth 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 Morni Railway Crossing, Village Salva, Via- Vapi - 396 191 on Monday 29th September 2014 at 11:00 A.M., to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt
 - the audited financial statement of the Company for the year ended 31st March 2014, the auditors' report thereon and the report of the Board of Directors and
 - the audited consolidated financial statement of the Company for the year ended 31st March 2014 and the auditors' report thereon.
- To declare a dividend for the year 2013-2014.
- To appoint a Director in place of Mr. Dhansukhtai G. Shah who retires by rotation and being eligible offers himself for re-appointment.
- To appoint a Director in place of Mr. Piyush R. Shah who retires by rotation and being eligible offers himself for re-appointment.
- To appoint Auditors to hold office from the conclusion of the 19th Annual General Meeting till the conclusion of the 20th Annual General Meeting and to fix their remuneration.
M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration Number-117366W/W-100018) the retiring Auditor's being eligible, have offered themselves for re-appointment.

SPECIAL BUSINESS:

- To re-appoint Shri Piyush R. Shah (DIN: 00377954) as Marketing Director and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Piyush R. Shah as Marketing Director of the Company for a period of 5 (five) years with effect from 1st April 2014 made by the Board on 28th May 2014, on the remuneration of ₹ 25000/- per month inclusive of all allowances and perquisites, if any.
FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to alter and vary the remuneration of Shri Piyush R. Shah from time to time within the limits specified under schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.
FURTHER RESOLVED THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.
- To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-
"RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mitesh M. Mehta, Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.
RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".
- To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-
"RESOLVED THAT Mr. Lamxinarayan J. Garg who was appointed as a Director by the Board of Directors of the Company with effect from 15th October, 2013, in the casual vacancy caused by the resignation of Mr. Dhansukhtai H. Shah and who in terms of section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) holds office up to the date of this Annual General Meeting and, in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019
RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".
- To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-
"RESOLVED THAT Mr. Darshak B. Shah who was appointed as an Additional Director by the Board of Directors of the Company with effect from 11th July, 2014, pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.
RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

SHREE AJIT PULP AND PAPER LIMITED



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

"RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company for the financial year ending 31st March, 2015 be paid the remuneration of ₹ 75000/- plus applicable taxes and out of pocket expenses incurred in connection with audit work.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

For and on behalf of the Board of Directors

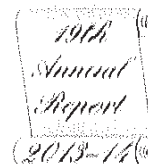
Gautam D. Shah
Chairman and Managing Director

Date: 11th July, 2014
Registered Office:
Survey No. 239, Near Morai Railway Crossing,
Village Salvav, Via-Vapi- 396 191.
CIN: L21010GJ1995PLC025135
Tel: 0260 2437059, Fax: 0260 2437090
Email: investors@shreeajit.com
Website: www.shreeajit.com

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. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. MEMBERS/PROXIES SHOULD BRING THEIR ATTENDANCE SLIP ATTACHED HEREWITH DULY FILLED AND SIGNED, IN ACCORDANCE WITH SPECIMEN SIGNATURES REGISTERED WITH THE COMPANY TO ATTEND THE MEETING.
A proxy form is sent herewith. Proxies submitted on behalf of the Companies, societies, etc, must be supported by an appropriate resolution/ authority, as applicable. A person can act as proxy on behalf of members not exceeding 50(fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital 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 15/09/2014 to 29/09/2014 (both days inclusive), for the purpose of payment of dividend to those members whose names stand on the Register of Members as on 29/09/2014. 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 13/09/2014 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 19/10/2014.
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 and the Members holding securities in physical form are requested to send a written request duly signed by the member to the Registrar and Transfer Agent i.e. Link Intime India Private Limited or the Company Secretary of the Company, 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. Pursuant to Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in Form No. SH-13 in duplicate (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.

SHREE AJIT PULP AND PAPER LIMITED



11. Members wishing to claim dividend, which remain unclaimed, are requested to correspond with the Registrar and Transfer Agent i.e. M/s Link Intime India Private Limited or the Company Secretary of the Company. Members are requested to note that dividends not claimed within a period of seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per the Section 205C of the Companies Act, 1956, be transferred to Investor Education and Protection Fund. Members who have neither received nor encashed their dividend warrant(s) for the financial years ended March 31, 2007 upto March 31, 2013, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).

12. Voting through electronic means:-

In compliance with the provisions of Section 107 and 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in further pursuance to the revised Clause 35B of the Listing Agreement effective with immediate effect vide Circular No. CFD/ Policy Coll/ 2/ 2014 dated 17th April, 2014 issued by the Securities and Exchange Board of India, the Company is pleased to provide members facility to exercise their right to vote at the 19th Annual General Meeting by electronic means and business may be transacted through E-Voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the E-voting facility and a member may avail of the facility at his/her discretion, subject to compliance with the instruction for E-Voting given below.

In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company may order a poll on his own motion in terms of Section 109 of the Companies Act, 2013 for the businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting.

1. The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) The voting period begins on 23rd September, 2014 (9.00 AM) and ends on 24th September, 2014 (6.00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "Shree Ajit Pulp and Paper Limited" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID For CDSL: 16 Digits beneficiary ID, For NSDL: 8 Character DP ID Followed by 8 Digit Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification Code as displayed and Click Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "Shree Ajit Pulp and Paper Limited".
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

SHREE AJIT PULP AND PAPER LIMITED



- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions details.
(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
(xviii) Note for Institutional shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- The voting period begins on 23rd September, 2014 (9.00 AM) and ends on 24th September, 2014 (6.00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
 - In case you have any queries or issues regarding E-voting, you may refer the frequently asked questions ("FAQs") and E-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd August, 2014.
 - Mr. Venilal C. Khambhata, Practicing Company Secretary (CP No. 6177), has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - The scrutinizer shall within a period not exceeding 3 (three) working days from the date of conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Annual General Meeting.
 - The result declared along with the scrutinizer's report shall be placed on the Company's website and on the website of CDSL within 2 business days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges, where the shares of the Company are listed.
 - Notice of the Meeting is also displayed at www.shreeajit.com.

Statement Pursuant to Section 102 (1) of the Companies Act, 2013.

The following statement sets out all material facts relating to the special business mentioned in the accompanying notice.

Item 6:

At the meeting held on 28th May, 2014, the Board of Directors of the Company have reappointed Shri Piyush R. Shah as Marketing Director for a period of five years with effect from 01/04/2014 upon the terms and conditions set out in the resolution at item no. 6 of the notice. The appointment and payment of remuneration are approved by the Remuneration committee of the Board and are in accordance with Schedule V of the Companies Act, 2013.

Shri Piyush R. Shah has wide experience in marketing. The Directors believe that the appointment will be in the interest of the Company and accordingly, recommend the resolution for approval of members.

No other Director of the Company except Shri Piyush R. Shah is concerned or interested in this resolution.

Item 7:

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Shri Mitesh M. Mehta as Independent Director of the Company up to 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from the Director proposing his appointment as Independent Director.

Mr. Mitesh M. Mehta (DIN: 01064272), has joined the Board on 01/03/2003. He is not holding any share in the share capital of the Company. He is a Chartered Accountant. He has wide expertise in the field of finance, accounts and auditing.

The Board of Directors believe that the association of Mr. Mehta as Independent Director with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Shri Mitesh M. Mehta as Independent Director as set out in Item No. 7 for the approval of the shareholders at the ensuing Annual General Meeting

In the opinion of the Board, the Independent Director fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Director is independent of the management. Further, Shri Mitesh M. Mehta Independent Director has given a declaration to the Board of Directors to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

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No other Director of the Company except Shri Mitosh M. Mohla is concerned or interested in this resolution.

Item 8:

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Shri Laxminarayan J. Garg as Independent Director of the Company up to 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from the Director proposing his appointment as Independent Director.

Mr. Laxminarayan J. Garg (DIN: 00706976), has joined the Board on 15/10/2013. He is not holding any share in the share capital of the Company. He has wide entrepreneurial skills ranging over a period spanning twenty five years and expertise in the field of finance, Management and Administration.

The Board of Directors believe that the association of Mr. Garg as Independent Director with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Shri Laxminarayan J. Garg as Independent Director as set out in Item No. 8 for the approval of the shareholders at the ensuing Annual General Meeting.

In the opinion of the Board, the Independent Director fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Director is independent of the management. Further, Shri Laxminarayan J. Garg Independent Director has given a declaration to the Board of Directors to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

No other Director of the Company except Shri Laxminarayan J. Garg is concerned or interested in this resolution.

Item 9:

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Shri Darshak B. Shah as Independent Director of the Company up to 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from a member proposing the appointment of aforesaid Independent Director.

The Board of Directors at its meeting held on 11/07/2014 have appointed Mr. Darshak B. Shah as an additional Director on the Board of Directors of the Company. He has wide entrepreneurial skills ranging over a period spanning Eight years and expertise in the field of finance, Management and Administration. The Board believe that the association of the Mr. Shah as Independent Director of the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Shri Darshak B. Shah as Independent Director as set out in Item No. 9 for the approval of the shareholders at the ensuing Annual General Meeting.

In the opinion of the Board, the Independent Director fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Director is independent of the management. Further, Shri Darshak B. Shah Independent Director has given a declaration to the Board of Directors to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

No other Director of the Company except Shri Darshak B. Shah is concerned or interested in this resolution.

Item 10:

The Board has, on the recommendation of the Audit committee, approved the appointment and remuneration of M/s Kiril Mehta & Associates, Cost Accountants as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015. In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out in item no. 7 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

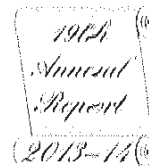
None of the Directors / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at item no 10 of the notice. The Board commends the said ordinary resolution for approval by the members.

For and on behalf of the Board of Directors

Gautam D. Shah
Chairman and Managing Director

Date: 11th July, 2014
Registered Office:
Survey No. 239, Near Morai Railway Crossing,
Village Salvav, Via-Vapi- 396 191.
CIN: L21010GJ1995PLC025135
Tel: 0260 2437059, Fax: 0260 2437090
Email: investors@shreeajit.com
Website: www.shreeajit.com

SHREE AJIT PULP AND PAPER LIMITED



DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting their Nineteenth Annual Report and the Audited Statement of Accounts, for the year ended on 31st March 2014, together with the Auditors' Report thereon.

Financial Results :

	₹ In Lacs	
	Current Year Ended 31-03-2014	Previous Year Ended 31-03-2013
Gross Sales/ Income from operations (Including Excise Duty and Sales Tax)	20746.75	19052.61
Other Income	5.52	33.75
Total Expenditure	(18198.52)	(16333.70)
Interest	(311.56)	(360.47)
Gross Profit after interest but before depreciation and taxation	2242.19	2392.11
Depreciation	(453.01)	(390.77)
Provision for Taxation	(319.08)	(464.39)
Deferred Tax Provision	(252.44)	(126.37)
Net Profit	1217.66	1400.58
Balance brought forward from previous year	5180.19	3002.95
Amount Available for Appropriation	6397.85	5211.53
Appropriations:		
Proposed Dividend (Including Tax)	31.34	31.34
Balance carried to Balance Sheet	6366.51	5180.19

Dividend:

Your Directors have pleasure in recommending a modest dividend of 5%, i.e. ₹ 0.50 per Equity Share on 5356700 Equity Shares of ₹ 10/- each for the year 2013-2014.

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 practicing Company Secretary 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 seized of the matter and is actively considering ways to fully comply with the requirement and take appropriate decision soon.

Finance:

The Company has continued drawing the amounts out of term loans sanctioned previously for setting up Co-Generation plant and modernization 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.

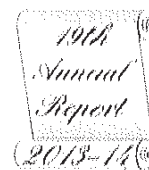
Statutory Information:

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, 2014.

Name, Age and Qualification	Designation	Gross Remuneration	Experience	Date of Joining	Previous Employment	Period
Gautam D. Shah, 49 years, BE Civil	Managing Director	₹ 9463485/-	25 years	1-7-05	-	01-4-13 to 31-3-14

● 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 2014 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, 1956 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 any business. As required by section 212 (1) of the Companies Act, 1956 a copy of the balance sheet as at 31st March 2014 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 have been prepared in accordance with the relevant accounting standards as prescribed under section 211 (3C) of the Companies Act, 1956. The consolidated financial statements of the Company for the year ended on 31st March, 2014 and the Auditors report there on are attached.

Directors:

Mr. Dhansukhlal G Shah and Mr. Piyush R. Shah retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Mr. Dhansukh H. Shah resigned as an independent Director of the Company with effect from 15th, October, 2013. The Board places on record its appreciation of the valuable services rendered by him during his tenure as Independent Director of the Company.

The Board appointed Mr. Laxminarayan J. Garg as an Independent Director of the Company with effect from 15th, October, 2013 to fill the casual vacancy caused by resignation of Mr. Dhansukh H. Shah and the necessary resolution for approval of his appointment under section 160 of the Companies Act 2013 for a period up to 31st March, 2019 is being placed at the ensuing Annual General Meeting for your consideration.

Mr. Mitesh M. Mehta is an Independent Director of the Company since 01/03/2003 and the necessary resolution for approval of his appointment under section 160 of The Companies Act 2013 for a period up to 31st March, 2019 is being placed at the ensuing Annual General Meeting for your consideration.

Your Directors have reappointed Shri Piyush R. Shah as Director Marketing for a period of five years with effect from 1st April, 2014 and necessary resolution for approval of re-appointment and payment of remuneration to him is being placed before the Annual General Meeting for your consideration.

Auditors:

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

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Firm Registration Number-117366W/W-100018), the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible; have offered themselves for reappointment for the year 2014-2015. You are requested to appoint them as Auditors of the Company for the year 2014-2015 and to fix their remuneration.

Cost Auditors:

The Central Government had directed an audit of the Cost Accounts maintained by the Company. The Board has appointed M/s Kiril Mehta & Associates, Cost Accountants for conducting the Cost Audit of the Company for the financial year ending 31st March 2015 at a remuneration set out in notice convening the ensuing Annual General Meeting. You are requested to approve the remuneration payable to them.

Acknowledgement:

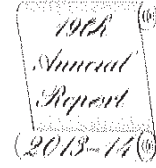
The Board wishes to express its appreciation to the Bankers, Shareholders, Customers, Suppliers and Employees of the Company for their support during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Vapi, 28th May 2014

Gautam D. Shah Dhansukhlal G. Shah
Managing Director Director

SHREE AJIT PULP AND PAPER LIMITED



ANNEXURE TO DIRECTORS' REPORT

Form A

Conservation of Energy

A. POWER AND FUEL CONSUMPTION

Form for disclosure of particulars with respect to Conservation of energy

	2013-14	Previous Year 2012-13
1 (a) Electricity Purchases		
Unit (KWH) *	20405250	22476750
Total Amount (₹ In Lacs)	1411.44	1600.00
Rate per unit (₹)	6.92	7.12
*Includes 3732213 units (Previous year 3557632) Generated by Wind Power Projects of the Company		
(b) Own Generation through Steam Turbine		
Unit (KWH)	2484400	0
Total Amount (₹ In Lacs)	98.63	0
Rate per unit (₹)	3.97	0
(c) Total Unit (KWH) (a+b)	22889650	22476750
Total Amount (₹ In Lacs)	1510.07	1600.00
Rate per unit (₹)	6.60	7.12
2 Coal & Lignite (Used in Boiler)		
Quantity (Kgs)	23183275	20475460
Total Amount (₹ In Lacs)	1087.36	968.17
Rate per Kg (₹)	4.69	4.73
3 Other/ Internal Generation/ Wind Power Projects (KWH in Unit)	4148015	3952926

B. CONSUMPTION PER UNIT OF PRODUCTION

Products Multilayer Testliner & Testliner Paper / Unit of Production - MT		
1. Electricity KWH	336	349
2. Steam Coal - Kg	340	318

Form 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 done one export business transaction.
- Foreign Exchange earned:- (₹ In Lacs) > 96.41 from Export Business including advance for Export Business and 32.62 against Imported Raw Material claim.
- Foreign Exchange used:
 - C.I.F. Value of import of Raw material and components, Capital Goods and Advance against capital goods (₹ In Lacs) > 3741.14
 - Others - For expenses (₹ In Lacs) > 5.45

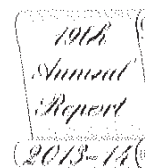
FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Gautam D. Shah
Managing Director

Dhansukhlal G. Shah
Director

Vapi, 28th May 2014

SHREE AJIT PULP AND PAPER LIMITED



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company manufactures Multilayer Testliner and Testliner Paper from 70 to 300 GSM and 16 to 35 BF. This product is mainly used for making Corrugated Boxes, Duplex Cartons, Corrugated small e-fluct etc. as packaging material.

2. AN OVERVIEW:

The overall performance of the Company during the year under report has been satisfactory in line with general economic conditions in the country. The total income of the Company has increased by 8.89 % to ₹ 20746.75 Lacs during the year from ₹ 19052.61 Lacs in the previous year. The Profit before Tax has decreased to ₹ 1789.17 Lacs from ₹ 2001.33 Lacs and the Profit after Tax at ₹ 1217.66 Lacs as compared to ₹ 1408.58 Lacs of the previous year. The profit before tax has decreased by 10.60% and profit after tax has decreased by 13.56%.

3. OVERALL PRODUCTION AND SALES PERFORMANCE:

NAME OF PRODUCT	PRODUCTION (MT)			SALES (MT)		
	2013-14	2012-13	INCREASE %	2013-14	2012-13	INCREASE %
Multilayer Testliner & Testliner Paper	68145	64455	5.72	67424	64419	4.66

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 has been commissioned in October 2013 and is working satisfactorily. The wholly owned subsidiary of the Company, namely Shree Samrudhi Industrial Papers Pvt Ltd has not yet commenced business.

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 8.89 % to ₹ 20746.75 Lacs from ₹ 19052.61 lacs in the previous year. The sales in terms of volume increased by 4.66% compared to previous year. However the profit before tax has declined by 10.60% on account of increase in input costs, which could not be passed on to the customers fully due to prevailing market conditions.

b) DEBT:

As at 31st March, 2014, the Company's total debt including Term Loans and Working Capital Facilities was ₹ 3781.75 lacs as compared to ₹ 3469.33 lacs in the previous year. The finance cost has decreased to ₹ 311.56 lacs during the year under report from ₹ 360.47 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 ₹ 1217.66 lacs as compared to ₹ 1408.58 lacs in the previous year. The EPS has decreased to ₹ 22.73 against ₹ 26.30 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.

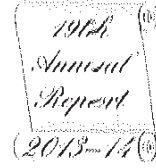
8. INCREASE IN SHAREHOLDER VALUE:

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 29 competent and highly motivated technical and management staff. It has 72 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

- 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.
- Composition and Category of Directors, Relationship of Directors with each other and Directorship held in other Companies by the Directors of the Company.**

Name of the Director	Category	Relationship with each other	Directorship in other Companies**	No. of Membership(s) / Chairmanship (s) of Board Committee in other Companies
Gautam D. Shah	Managing Director/ Promoter	Son of Dhansukhlal	Nil	Nil
Piyush R. Shah	Marketing Director/ Promoter	-----	Nil	Nil
Dhansukhlal G. Shah	Non-Executive/ Promoter	Father of Gautam Shah	Nil	Nil
Dhansukh H. Shah *	Non-Executive/ Independent	-----	Nil	Nil
Laxminarayan J. Garg **	Non-Executive/ Independent	-----	Nil	Nil
Mitesh M. Mehta	Non-Executive/ Independent	-----	Nil	Nil

Notes:

- * Mr. Dhansukh H. Shah ceased to be a Director w.e.f. 15th October, 2013.
- ** Mr. Laxminarayan J. Garg was appointed as a Director in Casual Vacancy w.e.f. 15th October, 2013.
- *** The Directorships, held by the Directors as mentioned above, do not include private limited Companies.

Details of Directors seeking reappointment at the Annual General Meeting:

Particulars	Mr. Dhansukhlal G. Shah	Mr. Piyush R. Shah
Date of Birth	10/05/1936	26/10/1962
Date of Appointment	23/03/1995	01/03/1996
Qualifications	Intermediate	B.Com.
Expertise in specific functional area	Specializing in Management of Business Undertaking	Specializing in Marketing Management
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	190000

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

S N.	NAME OF DIRECTOR	ATTENDANCE PARTICULARS	
		NO. OF BOARD MEETING	LAST AGM
1	Mr. Gautam D. Shah	8	Yes
2	Mr. Dhansukhlal G. Shah	8	Yes
3	Mr. Piyush R. Shah	4	No
4	Mr. Dhansukh H. Shah (upto 15/10/2013)	5	Yes
5	Mr. Mitesh M.Mehta	6	Yes
6	Mr. Laxminarayan J. Garg (from 15/10/2013)	2	No

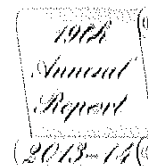
NO. OF BOARD OF DIRECTORS MEETINGS HELD, DATES ON WHICH HELD

Eight (8) Board Meetings were held during the year as against the minimum requirement of Four (4) meetings. The dates on which the meetings were held are as follows:

- | | | | |
|-----------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| (1) 15 th April, 2013 | (2) 25 th May, 2013 | (3) 4 th July, 2013 | (4) 12 th August, 2013 |
| (5) 2 nd October, 2013 | (6) 15 th October, 2013 | (7) 31 st October, 2013 | (8) 14 th February, 2014 |

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.

SHREE AJIT PULP AND PAPER LIMITED



INFORMATION PLACED BEFORE THE BOARD:

All the relevant and necessary information and details are placed before the Board at its meetings, such as production, 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, financial statements of subsidiary and joint ventures 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 2014. 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:

i. AUDIT COMMITTEE:

The Audit Committee of the company comprises of Three Directors, of which Two are independent directors, namely, Mr. Dhansukh H. Shah – Chairman (upto 15/10/2013), Mr. Laxminarayan J. Garg – Chairman from 15/10/2013, Mr. Mitesh M. Mehta, member and 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 5 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 (upto 15/10/2013)	3
2	Mr. Laxminarayan J. Garg (from 15/10/2013)	2
3	Mr. Mitesh M. Mehta	5
4	Mr. Gautam D. Shah	5

ii. REMUNERATION COMMITTEE:

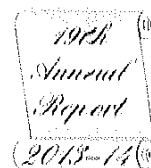
The Board has constituted the Remuneration Committee, comprising of three Directors, (1) Chairman Mr. Mitesh M. Mehta, Independent Director, (2) Mr. Dhansukh H. Shah (upto 15/10/2013), Laxminarayan J. Garg (from 15/10/2013), member, Independent Director, and (3) Mr. Dhansukh H. G. Shah, member, Non Executive Director. The committee recommends remuneration payable to Executive Director 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:

NAME OF DIRECTOR	Salary, Perquisites & Commissions (₹ in Lacs)
Mr. Gautam D. Shah -Managing Director	94.63 #
Mr. Piyush R. Shah- Director Marketing	0.96

includes provision for gratuity, Leave encashment and commission.

SHREE AJIT PULP AND PAPER LIMITED



iii. SHARE HOLDERS' GRIEVANCE COMMITTEE:

The Shareholders' Grievance Committee comprises of Mr. Dhansukh H. Shah – Chairman (upto 18/10/2013), Mr. Laxmharayan J. Gung – Chairman (from 15/10/2013), and Mr. Dhansukhlal G. Shah, and Mr. Gautam D. Shah, members.

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, GM Commercial as the Compliance officer of the Company.

NO. OF COMPLAINTS RECEIVED DURING THE YEAR NIL	NO. OF COMPLAINTS RESOLVED DURING THE YEAR NIL	NO. OF COMPLAINTS OUTSTANDING AT THE END OF THE YEAR NIL
NO. OF TRANSFERS RECEIVED DURING THE YEAR (IN PHYSICAL FORM) 2	NO. OF TRANSFERS ATTENDED DURING THE YEAR 2	NO. OF TRANSFERS OUTSTANDING AT THE END OF THE YEAR NIL
NO. OF DEMAT / REMAT REQUESTS RECEIVED DURING THE YEAR 4	NO. OF DEMAT / REMAT REQUESTS ATTENDED DURING THE YEAR 4	NO. OF DEMAT / REMAT REQUESTS OUTSTANDING AT THE END OF THE YEAR NIL

4. ANNUAL GENERAL MEETING:

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

YEAR	LOCATION	DATE	TIME
2010-2011	At Regd. Office at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi- 396191	29/09/2011	11 A.M.
2011-2012	-do-	29/09/2012	11 A.M.
2012-2013	-do-	05/08/2013	11 A.M.

During the year ended 31st March 2014, 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:

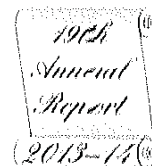
The Managing Director who has been designated by the Board as CEO and CFO has certified to the Board Compliance in respect of all matters specified in sub clause V of Clause 49 of the Listing Agreement.

- 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 2013, 30th September 2013 and 31st December 2013 and audited results for the year ended 31st March 2014 were published in Indian Express (English) Baroda Edition, Financial Express (Gujarati) Ahmedabad Edition and Free Press Journal (English) Mumbai Edition and the said results are available at the Company's web site www.shreeajit.com.

SHREE AJIT PULP AND PAPER LIMITED



9. GENERAL SHARE HOLDERS' INFORMATION:

a) ANNUAL GENERAL MEETING:

Date and Time - Monday, 29th September, 2014 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, 2014 - Second week of August 2014
Results for the quarter / half year ending Sept. 30, 2014 - Second week of November 2014
Results for the quarter ending December 31, 2014 - Second week of February 2015
Results for the year ending March 31, 2015 - Last week of May 2015
Annual General Meeting - Last week of September 2015.

c) Book Closure Date:

Monday, 15th September 2014 to Monday, 29th September 2014 (both days inclusive) for Annual General Meeting and payment of dividend.

d) Dividend Payment Date - 19/10/2014

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 Indonexl Segment)-Mumbai
Annual Listing Fees for the year 2014-15 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. (Indonexl Segment) - 590058

(b) Demat ISIN Nos.

- In NSDL and CDSL - INE185C01017

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

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

Months	High		Low	
	Shree Ajit Pulp and Paper Ltd. Price (₹)	BSE Sensex	Shree Ajit Pulp and Paper Ltd. Price (₹)	BSE Sensex
April 2013	44.80	19622.68	33.70	18144.22
May 2013	52.50	20443.62	40.35	19451.26
June 2013	49.95	19860.19	46.00	18467.16
July 2013	46.00	20351.06	43.75	19126.82
Aug. 2013	44.20	19569.20	38.20	17448.71
Sept 2013	41.95	20739.69	37.55	18166.17
Oct. 2013	41.40	21205.44	36.50	19264.72
Nov. 2013	43.20	21321.53	37.30	20137.67
Dec. 2013	48.25	21483.74	41.45	20568.70
January 2014	59.40	21409.66	46.00	20343.78
February 2014	54.00	21140.51	43.75	19963.12
March 2014	51.00	22467.21	35.60	20920.98

h) Registrar and Transfer Agents:

Link Intime India Pvt. Ltd., C-13, Pannafal 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

1956
Annual
Report
(2013-14)

j) DISTRIBUTION OF SHARE HOLDING AS ON 31/03/2014:

NO. OF EQUITY SHARES	NO. OF SHARES HELD	% TO TOTAL SHARES	NO. OF SHAREHOLDERS	% TO TOTAL SHAREHOLDERS
1 TO 500	345775	6.46	1004	76.94
501 TO 1000	126650	2.36	152	11.65
1001 TO 5000	233732	4.36	103	7.89
5001 TO 10000	77120	1.44	11	0.84
10001 AND ABOVE	4573415	85.38	35	2.68
TOTAL	5356700	100.00	1305	100.00

SR. NO.	CATEGORY	NO. OF SHAREHOLDERS	NO. OF SHARES HELD	% TO TOTAL SHARES
1	PROMOTERS	13	2904290	54.22
2	PUBLIC FINANCIAL INSTITUTIONS	0	0	0.00
3	BODIES CORPORATE	31	18272	0.34
4	CLEARING MEMBER /MARKET MAKER	11	20632	0.39
5	NRI	3	7522	0.14
6	RESIDENT INDIVIDUALS/HUF	1247	2405904	44.91
TOTAL		1305	5356700	100.00

k) Dematerialization of Shares:

As on 31st March, 2014, 667 Shareholders were holding 4452540 Equity Shares in Demat form, which constitutes 83.12% of the total share capital of the Company.

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

- l) Plant Location: Survey No. 239, Village Salvav, Survey No. 105/P, 106 /107 & 108/P Morai, Near Morai Rly. Crossing, Via-Vapi - 396 191
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 Pannatal 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.

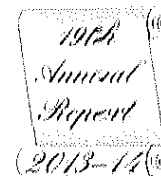
Shree Ajit Pulp And Paper Limited, Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via- Vapi --396191.

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

- o) Unclaimed Dividend: In terms of section 205 C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, to the Investor Education and Protection Fund (IEPF). Till the unpaid amount is transferred to IEPF, a shareholder can claim the amount of dividend from the Company. The position of unclaimed dividend is as under:

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend from Company
31/03/2007	29/09/2007	28/09/2014
31/03/2008	29/09/2008	28/09/2015
31/03/2009	29/09/2009	28/09/2016
31/03/2010	17/08/2010	16/08/2017
31/03/2011	29/09/2011	28/09/2018
31/03/2012	29/09/2012	28/09/2019
31/03/2013	05/08/2013	04/08/2020

SHREE AJIT PULP AND PAPER LIMITED



CEO / CFO Certificate under Clause 49 (V)

To,
The Board of Directors,
Shree Ajit Pulp and Paper Limited

- We have reviewed financial statements and the cash flow statement of Shree Ajit Pulp and Paper Limited for the year ended 31st March, 2014 and to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- We have indicated to the Auditors and the Audit Committee:
 - that there are no significant changes in internal control over financial reporting during the year;
 - that there are no significant changes in accounting policies during the year; and
 - that there are no instances of significant fraud of which we have become aware.

Vapi, May 28, 2014

Gautam D Shah
Chief Financial Officer /Managing Director

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 2014.

Vapi, 28th MAY, 2014

Gautam D. Shah
Managing Director

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 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination 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.**

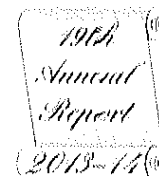
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

V. C. KHAMBHATA
PRACTICING COMPANY SECRETARY

C. P. No. 6177

Place : Vapi
Date : 28th May, 2014

SHREE AJIT PULP AND PAPER LIMITED



INDEPENDENT AUDITORS' 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** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, 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, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the 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 aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) 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

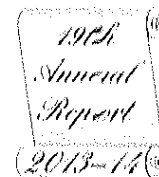
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Rupen K. Bhatt)
(Partner)
(Membership No. 46930)

Place : Vapi
Date : 28th May, 2014

SHREE AJIT PULP AND PAPER LIMITED

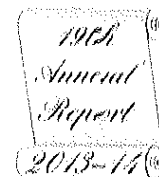


ANNEXURE

Annexure to the Independent Auditors' Report of Shree Ajit Pulp and Paper Limited for the year ended 31st March, 2014 (Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date).

- (i) Having regard to the nature of the Company's business / activities/ results during the year, clause (xiii) and (xiv) of CARO are not applicable.*
- (ii) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.*
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.*
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.*
- (iii) (a) As explained to us, the inventories were physically verified by the management during the year at reasonable intervals.*
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.*
 - (b) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.*
- (iv) The Company has neither 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. Accordingly, paragraphs (iii) (b), (c), (d), (f) and (g) of the Order are not applicable to the Company.*
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.*
- (vi) In our opinion and as explained to us there are no transactions which need to be entered into a register in pursuance of section 301 of the Act.*
- (vii) According to the information and explanations given to us, the Company has not accepted deposits from public during the year. Accordingly, paragraph (vi) of the Order is not applicable to the Company.*
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.*
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.*
- (x) According to the information and explanations given to us, in respect of statutory dues:*
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.*
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.*
 - (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.*

SHREE AJIT PULP AND PAPER LIMITED



- (xi) The Company does not have accumulated losses as at 31st March, 2014 and has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xvi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xvii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xviii) According to the information and explanations given to us, as the company has not issued any debentures during the year, paragraph (xix) of the Order is not applicable to the Company.
- (xix) The Company has not raised any money by public issue during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Rupen K. Bhatt)
(Partner)
(Membership No. 46930)

Place : Vapi
Date : 28th May, 2014

SHREE AJIT PULP AND PAPER LIMITED

1972
Annual
Report
2013-14

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	₹ As At 31-March-2014	₹ As At 31-March-2013
A. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	53,567,000	53,567,000
(b) Reserves and Surplus	3	636,651,472	518,019,163
		690,218,472	571,586,163
(2) Non-current Liabilities			
(a) Long-term Borrowings	4	134,726,123	122,201,192
(b) Deferred Tax Liabilities (Net)	5	131,504,817	106,261,298
(c) Long-term Provisions	6	4,276,874	6,062,122
		270,507,814	234,524,612
(3) Current Liabilities			
(a) Short-term Borrowings	7	171,969,349	116,970,603
(b) Trade Payables	8	96,898,959	100,141,140
(c) Other Current Liabilities	9	113,531,396	127,385,685
(d) Short-term Provisions	10	14,385,585	7,769,396
		396,785,289	352,266,824
TOTAL		1,357,511,575	1,158,377,599
B. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	826,137,884	607,186,782
(ii) Intangible Assets	11	277,359	-
(iii) Capital Work-in-progress	11	26,117,300	85,051,553
		852,532,543	692,238,335
(b) Non-current Investments	12	34,167,500	25,171,571
(c) Long-term Loans and Advances	13	25,221,136	35,339,256
		59,388,636	60,510,827
(2) Current Assets			
(a) Inventories	14	144,649,004	145,892,079
(b) Trade Receivables	15	258,803,705	224,583,924
(c) Cash and Bank Balances	16	11,381,641	17,028,278
(d) Short-term Loans and Advances	17	28,168,454	16,723,452
(e) Other Current Assets	18	2,587,592	1,400,704
		445,590,396	405,628,437
TOTAL		1,357,511,575	1,158,377,599

See accompanying notes forming part of the financial statement

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Place : Vapi
Date : 28th May, 2014

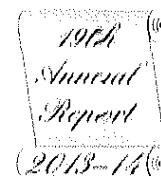
For and on behalf of the Board of Directors

Gautam D Shah
Managing Director

Dhansukhlal G Shah
Director

Place : Vapi
Date : 28th May, 2014

SHREE AJIT PULP AND PAPER LIMITED



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

Particulars	Note No.	₹	
		For the year ended 31 March 2014	For the year ended 31 March 2013
INCOME			
1 Revenue from Operations (Gross)	19	2,020,853,927	1,853,971,150
Less: Excise Duty		(123,111,892)	(113,008,917)
Revenue from Operation (Net)		1,897,742,035	1,740,962,233
2 Other Income	20	552,172	3,375,574
3 Total Revenue (1+2)		1,898,294,207	1,744,337,807
4 EXPENSES			
a) Cost of Materials Consumed	21	1,211,234,425	1,038,505,427
b) Changes in Inventories of Finished Goods and Work-in-progress	22	(22,413,398)	(470,883)
c) Employee Benefits Expense	23	82,338,995	72,411,113
d) Finance Costs	24	31,156,178	36,047,026
e) Depreciation and Amortisation Expense	11	45,301,405	39,076,925
f) Other Expenses	25	371,759,268	358,634,924
Total Expenses (a+b+c+d+e+f)		1,719,376,873	1,544,204,532
5 Profit Before Tax (3-4)		178,917,334	200,133,275
6 Tax Expense/(Benefit)			
a) Current Tax Expense		37,596,142	50,381,101
b) Less : Mat Credit		(11,487,457)	-
c) Tax Adjustments for Prior Years		5,799,285	(3,942,232)
Net Current Tax Expenses		31,907,970	46,438,869
d) Deferred Tax			
i) Current year		38,257,099	12,836,465
ii) Prior year (Refer Note 5.1)		(13,013,580)	-
Net Deferred Tax		25,243,519	12,836,465
Net Tax Expense		57,151,489	59,275,334
7 Profit for the year (5-6)		121,765,845	140,857,941
7.1 Earning per share of ₹ 10/- each (Basic and Diluted)	29	22.73	26.30

See accompanying notes forming part of the financial statement

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Place : Vapi
Date : 28th May, 2014

For and on behalf of the Board of Directors

Gautam D Shah
Managing Director

Dhansukhlal G Shah
Director

Place : Vapi
Date : 28th May, 2014

SHREE AJIT PULP AND PAPER LIMITED

1974 (up)
Annual
Report
2013-14 (up)

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

Particulars	₹ For the year ended 31 March, 2014	₹ For the year ended 31 March, 2013
A. Cash flow from operating activities		
Profit before tax as per statement of profit and loss	178,917,334	200,133,275
Adjustments for:		
Depreciation and amortisation	45,301,405	39,076,925
(Profit) / loss on sale of assets (net)	367,133	649,429
Finance costs	31,156,178	36,047,026
Interest income	(440,055)	(2,205,758)
Dividend income	(22,315)	(16,330)
Provision for diminution in value of long-term investment	4,071	1,633
Operating profit / (loss) before working capital changes	255,283,751	273,686,194
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	1,243,075	(5,462,082)
Trade receivables	(34,219,781)	(48,568,365)
Short-term loans and advances	(11,445,002)	6,577,201
Long-term loans and advances	(1,257,238)	19,517,187
Other current assets	(1,839,164)	(120,299)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(3,242,181)	(43,905,104)
Other current liabilities	3,775,076	2,774,450
Short-term provisions	77,759	251,512
Long-term provisions	(1,785,248)	1,630,134
Cash generated from operations	206,591,048	206,380,908
Net income tax (paid) / refunds	(36,537,533)	(32,597,823)
Net cash flow from operating activities (A)	170,053,515	173,783,085
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(165,281,675)	(125,236,443)
Proceeds from sale of fixed assets	480,725	5,614,120
Purchase of long-term investments in Joint Venture	(9,000,000)	(12,200,000)
Bank balance not considered as cash and cash equivalents	4,016,388	(796,779)
Interest received	1,326,295	2,205,758
Dividend received	22,315	16,336
Net cash flow (used in) investing activities (B)	(168,435,952)	(130,397,008)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	82,061,458	67,746,235
Repayment of long-term borrowings	(105,911,733)	(84,737,675)
Proceeds/ (Repayment) Short-term borrowings (net)	54,998,746	(9,114,934)
Finance cost	(31,297,215)	(36,047,026)
Dividends paid	(2,643,881)	(1,339,175)
Tax on dividend	(455,186)	(217,248)
Net cash flow (used in) financing activities (C)	(3,247,811)	(63,709,823)
Net (decrease) in Cash and cash equivalents (A+B+C)	(1,630,248)	(20,323,746)
Cash and cash equivalents at the beginning of the year	8,057,517	28,381,263
Cash and cash equivalents at the end of the year *	6,427,268	8,057,517
* Comprises: @		
(a) Cash on hand	123,350	397,263
(b) Balances with banks In current accounts	6,303,918	7,660,254
Total Cash and cash equivalents	6,427,268	8,057,517

Note-1- Cash flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 "Cash Flow Statement".

See accompanying notes forming part of the financial statement
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Rupen K Bhatt
Partner

Gautam D Shah
Managing Director

Dhansukhlal G Shah
Director

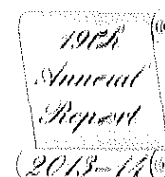
Place : Vapi

Place : Vapi

Date : 28th May, 2014

Date : 28th May, 2014

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the Financial Statements

Note 1 :

A: CORPORATE INFORMATION:

Shree Ajit Pulp And Paper Ltd is a Kraft Paper manufacturing company established in 1995 is listed on BSE, VSE and ASE have a modern manufacturing facility at Morai, Vapi, GUJARAT State, approximately 170 KM from Mumbai.

We are engaged in the manufacturing of TESTLINER / MULTILAYER TESTLINER which is mainly used for manufacturing corrugated boxes. Within a short span of time the product has found its own place in the markets all over the country.

We are now recognized as one of the leading Kraft Manufacturing Unit in India for our quality and reliable products. We have a Strong Nationwide Dealers Network Covering the entire country for Sales & Service.

B. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

c) Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

d) Depreciation and amortization

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Cellular handsets – 4 years

Waste paper godown – 5 years

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalization.

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

Intangible assets are amortised over their estimated useful life.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

e) Revenue recognition

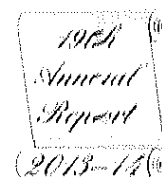
Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income from electricity units generated by windmills is accounted as income from wind mills at landed cost and has been shown as such in the Statement of Profit and Loss.

f) Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the Financial Statements

g) Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

h) Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

i) Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

j) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(ii) in case of non-accumulating compensated absences, when the absences occur.

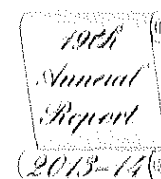
Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

k) Borrowing costs

Borrowing costs include interest, and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the Financial Statements

l) Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

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.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

m) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

n) Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

o) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

SHREE AJIT PULP AND PAPER LIMITED

19th
Annual
Report
(2013-14)

Notes forming part of the Financial Statements

Note : 2 Share Capital

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
a) AUTHORISED 15,000,000 (15,000,000) Equity Shares of ₹ 10 each with voting rights	150,000,000	150,000,000
b) ISSUED 5,356,700 (5,356,700) Equity Shares of ₹ 10 each with voting rights	53,567,000	53,567,000
c) SUBSCRIBED AND FULLY PAID UP 5,356,700 (5,356,700) Equity Shares of ₹ 10 each with voting rights	53,567,000	53,567,000
Total in ₹	53,567,000	53,567,000

2.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year.

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Equity Shares at the beginning and at the end of the year	5,356,700	53,567,000	5,356,700	53,567,000

2.2 Details of Shares held by each shareholder holding more than 5 % shares :

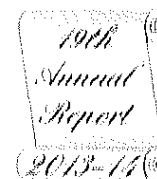
Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of Shares held	% Holding	Number of Shares held	% Holding
Gautam D Shah	1,064,750	19.88%	1,064,500	19.87%
Sureshbhai C Shah	454,000	8.48%	454,000	8.48%
Jayantilal M Shah	435,000	8.12%	435,000	8.12%
Bela G Shah	385,540	7.20%	385,540	7.20%
Varun Shah	305,300	5.70%	305,300	5.70%
Bharat Mafatlal Shah	270,900	5.06%	270,900	5.06%

2.3 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 declares and pays 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. Further, the Board of Director may also announce an interim dividend.

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 all preferential amounts in proportion to their shareholdings.

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the Financial Statements

Note : 3 Reserve and Surplus

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
a) Capital Reserve		
Opening and closing balance	1,292,993	1,292,993
b) Surplus in Statement of Profit and Loss		
Opening balance	516,726,170	379,001,765
Add: Profit for the year	121,765,845	140,857,941
Less:		
Dividends proposed to be distributed to equity shareholders ₹ 0.50 per share (Previous Year ₹ 0.50 per share)	2,678,350	2,678,350
Tax on Proposed Dividend	455,186	455,186
Closing Balance	635,358,479	516,726,170
Total in ₹	636,651,472	518,019,163

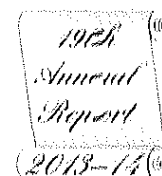
Note : 4 Long-term Borrowings

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Secured		
a) Term loans from banks	134,726,123	121,191,107
b) Other loans	-	1,010,085
Total in ₹	134,726,123	122,201,192

4.1 Details of terms of repayment and securities provided

Sr.No.	Particulars	Balance as at 31 March, 2014 ₹	Start date of loan repayment	Repayment of installments ₹	Number of installments sanctioned (Monthly)	End date of loan repayment
1	Term loan -from bank (Refer note 1)	4,950,947	November, 2009	2,433,000	55	May, 2014
2	-from bank (Refer note 1)	5,679,187	July, 2011	625,000	60	January, 2015
3	-from bank (Refer note 1)	30,758,604	January, 2014	860,000	60	March, 2017
4	-from bank (Refer note 1)	20,515,733	January, 2014	573,333	60	March, 2017
5	-from bank (Refer note 2)	23,818,000	February, 2011	1,083,334	60	January, 2016
6	-from bank (Refer note 3)	38,540,000	March, 2013	820,000	60	February, 2018
7	-from bank (Refer note 4)	74,250,000	October, 2013	1,375,000	60	September, 2018
8	-from bank (Refer note 5)	294,792	March, 2011	Note 5	31	November, 2014
9	-from Bank (Refer note 6)	5,764,752	August, 2013	236,355	35	June, 2016
10	-from NBFC (Refer note 7)	973,700	January, 2012	113,108	36	December, 2014
	TOTAL	205,545,715				

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the Financial Statements

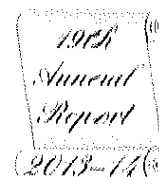
- Note 1. Term loans are secured by plant and machinery and equitable mortgage on immovable property and hypothecation of stocks, book debts, furniture, fixture and fitting, office equipment situated at Vapi of the company on pari passu basis.
- Note 2. Term loan is secured by way of exclusive charge on plant and machinery and building of windmill situated at village Bagasara district Rajkot and equitable mortgage on immovable property situated at Vapi of the company, further secured by hypothecation of stocks, book debts, furniture, fixture and fitting, office equipment situated at Vapi of the company on pari passu basis.
- Note 3. Term loan is secured by way of exclusive charge on plant and machinery and building of windmill situated at village Murvel district Jamnagar and equitable mortgage on immovable property situated at Vapi of the company, further secured by hypothecation of stocks, book debts, furniture, fixture and fitting, office equipment situated at Vapi of the company on pari passu basis.
- Note 4. Term loan is secured by way of exclusive charge on plant and machinery and building of co generation power plant situated at Vapi of the company and equitable mortgage on immovable property situated at Vapi of the company, further secured by hypothecation of stocks, book debts, furniture, fixture and fitting, office equipment situated at Vapi of the company on pari passu basis.
- Note 5. Vehicle loan is secured by way of hypothecation of vehicle. The loan is repayable in 31 installments, with 14 EMI of ₹ 105,000, 12 EMI of ₹ 78,000 and 5 EMI of ₹ 14,000.
- Note 6. Vehicle loan is secured by way of hypothecation of vehicle.
- Note 7. Vehicle loan is from NBFC and secured by way of hypothecation of vehicle.
- All term loan above from banks and from others are further secured by way of personal guarantee of Mr. Gautam D Shah Managing Director of the company.
- Note 8. Term loan balance as on 31.03.2014 of ₹ 205,545,715 includes current maturities of long term borrowings of ₹ 70,819,592 as disclosed in note 9.

Note : 5 Deferred Tax Liabilities (Net)

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	134,398,928	109,500,263
Deferred Tax Liability (DTL)	134,398,928	109,500,263
Tax effect of items constituting deferred tax assets		
Provision for compensated absences and gratuity	(2,442,700)	(2,761,110)
Disallowances under Section 43B of the Income Tax Act, 1961	(220,619)	(199,476)
Others	(230,792)	(278,379)
Deferred Tax Assets (DTA)	(2,894,111)	(3,238,965)
Net Deferred Tax Liability in ₹	131,504,817	106,261,298

- 5.1 Deferred tax - Prior year for the year ended 31st March, 2014 amounting ₹ 13,013,580 represents reversal of deferred tax liability created in earlier years in respect of timing differences which reversed during the tax holiday period.

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the Financial Statements

Note : 6 Long-term Provisions

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Provision for employee benefits		
i) Provision for gratuity (refer note 10 and 23.2)	2,071,949	2,888,273
ii) Provision for compensated absences (refer note 10 and 23.2)	2,204,925	3,173,849
Total in ₹	4,276,874	6,062,122

Note : 7 Short-term Borrowings

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Secured		
Loan repayable on demand from banks	171,969,349	116,970,603
Total in ₹	171,969,349	116,970,603

7.1 Cash Credit is secured by way of hypothecation of stocks, book debts, furniture, fixture and fitting, office equipment and plant and machinery and equitable mortgage of immovable properties on pari passu basis 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%.

Note : 8 Trade Payables

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Trade payables	96,898,959	100,141,140
Total in ₹	96,898,959	100,141,140

8.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	1,901,831	3,464,275
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
(iv) The amount of interest due and payable for the year.	-	9,362
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	9,362
(vi) The amount of further interest due and payable even in the succeeding year, Until such date when the interest dues as above are actually paid.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

SHREE AJIT PULP AND PAPER LIMITED

1976
Annual
Report
2013-14

Notes forming part of the Financial Statements

Note : 9 Other Current Liabilities

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
(a) Current maturities of long-term borrowings (refer note 4 and 9.1)	70,819,592	107,194,795
(b) Interest accrued but not due on borrowings	659,634	566,707
(c) Unclaimed dividend	617,511	583,043
(d) Other Payables		
i) Advances from customers	4,827,019	2,982
ii) Security deposits received	3,099,000	3,061,645
iii) Payables on purchase of fixed assets	27,133,493	8,515,047
iv) Statutory remittances		
TDS payable	2,389,476	3,372,963
Central sales tax payable	2,748,254	2,797,788
Others (VAT, Excise, Service tax, Provident Fund, etc)	1,237,417	1,290,715
Total in ₹	113,531,396	127,385,685

9.1 Current maturities of long-term borrowings consist of :

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
a) Term Loans from banks (Secured)	69,845,892	106,041,885
b) Other loans (Secured)	973,700	1,152,910
Total in ₹	70,819,592	107,194,795

Note : 10 Short Term Provisions

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
a) Provision For Employee Benefits		
Provision for gratuity (refer note 6 and 23.2)	366,913	531,649
Provision for compensated absences (refer note 6 and 23.2)	1,351,392	1,108,897
b) Provisions- others		
Provision for proposed equity dividend	2,678,350	2,678,350
Provision for tax on proposed dividend	455,186	455,186
Provision for tax (Net of advance tax of ₹ 33,542,243) (Previous year ₹ 37,708,216)	9,533,744	2,995,314
Total in ₹	14,385,585	7,769,396

SHREE AJIT PULP AND PAPER LIMITED

1968
Annual
Report
(2013-14)

Notes forming part of the Financial Statements

Note : 11 FIXED ASSETS

Particulars	Gross Block			Accumulated depreciation and amortisation				Net Block	
	Balance as at 1 April, 2013	Additions	Deductions /Disposal	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation /amortisation expenses for the year	Deductions /Disposal for the year	Balance as at 31 March, 2014	Balance as at 31 March, 2013
Tangible Assets									
Land - Freehold	8,501,634	-	-	8,501,634	-	-	-	8,501,634	8,501,634
Land - Leasehold	8,501,634	-	-	8,501,634	359,508	150,000	-	8,501,634	8,501,634
Buildings	3,000,000	4,522,193	-	3,000,000	208,508	150,000	-	2,490,492	2,490,492
Plant and Equipments	89,348,194	1,664,596	1,046,750	93,870,387	17,546,220	2,786,316	-	73,537,851	71,801,974
Windmills	87,683,598	236,515,951	10,149,882	89,348,194	14,850,120	2,596,100	-	71,801,974	71,801,974
Electrical Installations	469,173,284	32,707,636	-	704,642,485	132,945,480	29,060,238	290,424	542,927,191	336,227,804
Furniture & Fixtures	446,615,530	-	-	469,173,284	173,355,536	23,929,581	4,399,637	336,227,804	126,827,373
Vehicles	152,318,740	-	-	152,318,740	17,448,938	8,042,429	-	126,827,373	126,827,373
Office Equipment	50,095,923	8,750,484	-	58,846,407	9,406,509	8,042,429	-	126,827,373	126,827,373
	43,111,460	6,984,463	-	50,095,923	10,881,552	2,547,225	-	45,417,630	39,214,371
	3,416,329	3,579,842	-	6,996,171	8,592,994	2,288,556	-	10,881,552	10,881,552
	3,313,697	102,632	-	3,416,329	1,387,642	394,934	-	1,782,576	2,028,667
	9,645,643	8,424,358	668,286	17,401,715	2,322,612	1,516,438	576,754	14,139,419	7,323,031
	11,527,189	51,995	1,933,547	9,645,643	2,780,341	1,063,335	1,557,064	7,323,031	7,323,031
	8,180,645	3,257,056	-	11,437,701	3,601,659	753,343	-	7,082,699	4,579,966
	7,493,943	1,580,872	894,170	8,180,645	3,834,530	590,472	823,343	4,579,966	4,579,966
SUB TOTAL (A)	793,680,392	265,049,884	1,715,036	1,057,015,240	186,493,611	45,250,923	867,178	826,137,884	607,168,752
	763,665,791	43,092,194	12,977,593	793,680,392	154,238,883	39,968,772	6,714,044	607,168,752	607,168,752
Intangible Assets									
Software	108,153	327,841	-	435,994	108,153	50,482	-	277,359	-
	-	108,153	-	108,153	-	108,153	-	-	-
SUB TOTAL (B)	108,153	327,841	-	435,994	108,153	50,482	-	277,359	-
Capital Work in Progress	-	108,153	-	108,153	-	108,153	-	-	-
SUB TOTAL (C)									
Total [A + B + C]	793,788,545	265,377,725	1,715,036	1,057,451,234	186,601,764	45,301,405	867,178	826,532,943	607,168,752
Previous Year	763,665,791	43,200,347	12,977,593	793,788,545	154,238,883	39,976,925	6,714,044	607,168,752	607,168,752

SHREE AJIT PULP AND PAPER LIMITED

1975
Annual
Report
(2013-14)

Notes forming part of the Financial Statements

- 11.1 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 having gross block value ₹ 962,884 depreciation calculated @ 25 % included in office equipments and Waste Paper Godown having Gross block value ₹ 1,880,581 depreciation calculated @ 20 % on SLM basis included in buildings. Depreciation on additions to assets during the year is provided on pro-rata basis.
- 11.2 Addition during the year includes ₹ 8,365,994 (Previous year ₹ 44,836) on account of interest capitalised on Plant and equipment and ₹ 7,852 (Previous year ₹ Nil) on Building and ₹ 1,794,445 (Previous year ₹ Nil) on account of foreign exchange fluctuation capitalised on Plant and Equipments.
- 11.3 *Previous year figures are shown in Italics.*

Note : 12 Non-current Investments

(At cost, unless otherwise stated)

Particulars	₹ As At 31 March 2014	₹ As At 31 March 2013
A Trade (Unquoted)		
a) In Equity Shares of Subsidiary Company 500,000 (Previous year 500,000) shares of Shree Samrudhi Industrial Papers Private Limited 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
b) In Equity Shares of Joint Ventures- 2,900,000 (Previous year 2,000,000) shares of Shree Samrat Pulp and Paper Private Limited 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)	29,000,000	20,000,000
10,000 (Previous year 10,000) shares of Shree Samarpan Pulp and Paper Private Limited 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
c) Others 501 (Previous year 501) shares of Sardar Bhiladwala Pardi Peoples Co Operative Bank Limited of ₹ 100 each fully paid up.	50,100	50,100
1 (Previous year 1) share of Shri Damanganga Sahakari Khand Udyog Mandali Limited of ₹ 2000, each fully paid up.	2,000	2,000
300 (Previous year 300) shares of Wel-Treat Enviro Management Organisation of ₹ 10, each fully paid up.	3,000	3,000
B Other Investments (Quoted) 2,300 (Previous year 2,300) equity shares of Gujarat State Financial Corporation of ₹ 10 each, at a premium of ₹ 10 per share, fully paid up plus interest of ₹ 6,386. (Market Value ₹ 3,335)	52,386	52,386
Less: Provision for diminution in value of investments	(52,386)	(48,315)
400 (Previous 400) equity shares of Punjab National Bank of ₹ 10 each, at a premium of ₹ 21 per share, fully paid up (Market Value ₹ 297,640)	12,400	12,400
Total in ₹	34,167,500	25,171,571
12.1 Aggregate amount of quoted investments	64,786	64,786
Aggregate Market value of listed and quoted investments	300,975	291,071
Aggregate amount of unquoted investments	34,155,100	25,155,100

SHREE AJIT PULP AND PAPER LIMITED

1975
Annual
Report
(2013-14)

Notes forming part of the Financial Statements

Note : 13 Long - term Loans and Advances

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Unsecured considered good (Unless otherwise stated)		
a) Capital advances	4,414,794	26,958,145
b) Security deposits		
Considered good	1,572,721	1,072,921
Doubtful	500,000	500,000
	2,072,721	1,572,921
Less: Provision for doubtful deposit	500,000	500,000
	1,572,721	1,072,921
c) Prepaid Expenses	757,438	
d) Advance income tax (Net of provision for tax of ₹ 22,661,534 (Previous year ₹ 48,507,114))	32,622	515,539
e) Mat credit entitlement	16,142,561	4,491,651
f) Other loans and advances	2,301,000	2,301,000
Total in ₹	25,221,136	35,339,256

Note : 14 Inventories

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
a) Raw materials	71,243,950	109,897,050
b) Work-in-progress (Refer note 14.1)	371,414	154,580
c) Finished goods	36,825,039	14,628,475
d) Stores and spares	27,907,217	17,687,392
e) Consumables	1,425,116	1,269,247
f) Goods -in-transit- Consumables	6,708,034	1,928,068
g) Packing material stock	168,234	327,269
Total in ₹	144,649,004	145,892,079

14.1 Details of inventory of work- in- progress

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Multilayer Testliner & Testliner Paper	371,414	154,580

Note : 15 Trade Receivables

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	889,693	341,477
Others Trade receivables	257,914,012	224,242,447
Total in ₹	258,803,705	224,583,924

SHREE AJIT PULP AND PAPER LIMITED

19th^(th)
Annual
Report
(2013-14)^(th)

Notes forming part of the Financial Statements

Note : 16 Cash and bank balances

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
A) Cash and cash equivalents		
(a) Cash on hand	123,350	397,263
(b) Balances with banks		
i) In current accounts	6,303,918	7,660,254
Total Cash and cash equivalents (A)	6,427,268	8,057,517
B) Other bank balances		
In earmarked accounts		
- In deposit accounts	45,000	4,000,000
- Balances held as margin money	4,291,862	4,387,710
- Unclaimed dividend accounts	617,511	583,043
Total Other bank balances (B)	4,954,373	8,970,761
Total Cash and bank balances (A+B) in ₹	11,381,641	17,028,278
Other bank balances include deposit with remaining maturity of more than 12 months from the balance sheet date	45,000	-
	45,000	-

Note :17 Short Terms Loans and Advances

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Unsecured and considered good		
a) Loans and advances to employees	216,300	126,500
b) Prepaid expenses	2,420,516	2,822,477
c) Balances with government authorities		
Cenvat credit receivable	17,222,353	8,785,757
Custom duty advance	111,890	111,890
Export incentives receivable	207,948	-
VAT credit receivable	207	-
d) Advance to vendors	7,989,240	4,876,828
Total in ₹	28,168,454	16,723,452

Note :18 Other Current Assets

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Ancillary borrowing costs	233,964	-
Interest accrued on fixed deposits, margin money deposits etc.	514,464	1,400,704
Insurance claims	1,839,164	-
Total in ₹	2,587,592	1,400,704

SHREE AJIT PULP AND PAPER LIMITED

1964 (10)
Annual
Report
2013-14 (10)

Notes forming part of the Financial Statements

Note : 19 Revenue from operations

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of products (Refer note 19.1)	1,995,687,481	1,830,513,405
Income from windmills	24,958,498	23,457,745
Total in ₹	2,020,645,979	1,853,971,150
Other operating revenue		
Export incentive	207,948	-
Revenue from Operation (Gross)	2,020,853,927	1,853,971,150
Less : Excise duty	(123,111,892)	(113,008,917)
Revenue from operations (net) Total in ₹	1,897,742,035	1,740,962,233

19.1 Informations relating to products sold

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Multilayer Testliner and Testliner Paper	1,995,687,481	1,830,513,405
Total in ₹	1,995,687,481	1,830,513,405

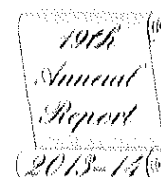
Note : 20 Other Income

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest income on fixed deposits, margin money deposits etc.	440,055	2,205,758
Dividend income from other long-term investments	22,315	16,336
Miscellaneous income	89,802	1,153,480
Total in ₹	552,172	3,375,574

Note : 21 Cost of materials consumed

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Opening stock	109,897,050	95,602,743
Add: Purchases	1,172,581,325	1,052,799,734
	1,282,478,375	1,148,402,477
Less: Closing stock	71,243,950	109,897,050
Total in ₹	1,211,234,425	1,038,505,427

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the Financial Statements

21.1 Materials consumed comprise

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of raw material Imported				
Imported waste paper	335,251,135		457,037,411	
Colour and chemical	84,466,313		-	
Total of Imported	419,717,448	34.65	457,037,411	44.01
Indigenous				
Indian waste paper	676,015,626		445,493,492	
Colour and chemical	115,501,351		135,974,524	
Total of Indigenous	791,516,977	65.35	581,468,016	55.99
Total	1,211,234,425	100.00	1,038,505,427	100.00

Note : 22 Changes in Inventories of Finished Goods and work-in-progress

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Inventories at the end of the year		
Finished goods	36,825,039	14,628,475
Work-in-progress	371,414	154,580
Total in ₹	37,196,453	14,783,055
Inventories at the beginning of the year		
Finished goods	14,628,475	14,312,172
Work-in-progress	154,580	-
Total in ₹	14,783,055	14,312,172
Total in ₹	(22,413,398)	(470,883)

Note : 23 Employee Benefits Expense

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Salaries and wages	79,571,994	68,433,149
Contribution to provident fund and pension scheme (Refer note 23.1)	1,130,781	1,065,361
Gratuity expenses (Refer Note 23.2)	(949,733)	552,997
Staff welfare expenses	2,585,953	2,359,606
Total in ₹	82,338,995	72,411,113

23.1 Defined contribution plans

Contribution to defined contribution plans, recognised as expenses for the year as under

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Employer's contribution to provident fund	515,013	476,886
Employer's contribution to pension scheme	615,768	588,475
Total in ₹	1,130,781	1,065,361

SHREE AJIT PULP AND PAPER LIMITED

1926 (46)
Annual
Report
2013-14 (46)

Notes forming part of the Financial Statements

23.2 Employment Benefits Expense

Disclosure relating to Employee benefits expense is as under:-

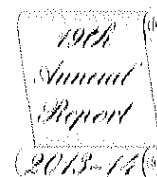
Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	₹	₹	₹	₹
	Gratuity	Compensated absences	Gratuity	Compensated absences
A Components of employer's expense	Non Funded		Non Funded	
Current service cost	298,130	782,708	270,345	661,095
Interest cost	208,715	214,971	179,273	167,110
Expected return on plan assets	-	-	-	-
Actuarial losses/(gains)	(284,081)	2,834,275	103,379	2,373,204
Other adjustments *	(1,172,497)	(1,677,036)	-	-
Total Expenses	(949,733)	2,154,918	552,997	3,201,500
B Net Liability recognized in the Balance Sheet				
Present value of defined benefit obligation	2,438,862	3,556,317	2,247,425	2,605,710
Fair value of plan assets	-	-	-	-
Net Liability recognized in the Balance sheet	2,438,862	3,556,317	2,247,425	2,605,710
Add.: Provision for separated employees /others	-	-	1,172,497	1,677,036
Total provision (Refer Note 6 and 10)	2,438,862	3,556,317	3,419,922	4,282,746
C Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	2,247,425	2,605,710	1,788,094	1,909,931
Current service cost	298,130	782,708	270,345	661,095
Interest cost	208,716	214,971	179,273	167,110
Actuarial losses/(gains)	(284,081)	2,834,275	28,924	2,062,075
Benefits paid	(31,328)	(2,881,347)	(19,211)	(2,194,510)
Present value of DBO at the end of the year	2,438,862	3,556,317	2,247,425	2,605,710
Add.: Other adjustment	-	-	1,172,497	1,677,036
Total provision (Refer note 6 and 10)	2,438,862	3,556,317	3,419,922	4,282,746
D Actuarial assumptions:				
Discount rate	9.31%	9.31%	8.75%	8.75%
Salary escalation	5.00%	5.00%	5.00%	5.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Experience adjustments Gratuity	2013-14	2012-13	2011-12	2010-11
Present value of DBO	2,438,862	3,419,922	1,788,094	1,510,231
Fair value of plan assets	-	-	-	-
Funded status [Surplus / (Deficit)]	-	-	-	-
Experience gain / (loss) adjustments on plan liabilities	(27,464)	(53,515)	69,335	(78,634)
Experience gain / (loss) adjustments on plan assets	-	-	-	-
Compensated absences				
Present value of DBO	3,556,317	4,282,746	1,909,931	1,630,120
Fair value of plan assets	-	-	-	-
Funded status [Surplus / (Deficit)]	-	-	-	-
Experience gain / (loss) adjustments on plan liabilities	3,116,684	1,961,855	1,403,250	1,031,789
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

* Excess provision written back.

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the Financial Statements

Note : 24 Finance Costs

Particulars	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
a) Interest expense on		
i) Borrowings	38,092,259	34,113,183
Less: Interest capitalised	(8,373,846)	(44,836)
ii) Interest on short fall of advance tax	352,548	-
b) Other borrowing costs	1,085,217	1,973,679
Total in ₹	31,156,178	36,047,026

Note : 25 Other Expenses

Particulars	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
Consumption of stores and spare parts (Refer note 25.1)	22,647,576	24,555,323
Power and fuel	251,246,549	256,824,839
Packing material consumed	18,133,610	13,924,444
Unloading charges	9,908,200	9,501,645
Insurance	4,049,819	3,446,584
Repairs and maintenance- Machinery	6,357,192	6,232,656
Repairs and maintenance- Building	378,400	670,927
Repairs and maintenance (others)	4,120,215	3,590,853
Increase/(decrease) of excise duty on inventory	1,317,225	18,770
Other manufacturing expenses	6,106,251	5,721,953
Selling expenses	7,465,039	6,589,705
Commission on sale	13,715,736	7,934,450
Audit fees (Refer note 25.2)	1,765,000	221,050
Consultancy fees	788,136	2,124,935
Foreign exchange fluctuation expenses	2,114,780	-
Provision for diminution in value of long term investment	4,071	1,633
Professional charges	2,148,830	815,236
Rates and taxes	379,987	474,405
Security charges	3,155,192	2,728,893
Travelling expenses	1,261,132	1,347,862
Vehicle expenses	1,492,438	1,389,057
Windmill expenses	5,196,838	4,919,352
Miscellaneous expenses	8,007,052	5,600,352
Total in ₹	371,759,268	358,634,924

25.1 Details of consumption of stores and spares

Particulars	For the year ended 31 March 2014		For the year ended 31 March 2013	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of stores and spares				
Imported	6,167,772	27.23	6,580,240	26.80
Indigenous	16,479,804	72.77	17,975,083	73.20
Total	22,647,576	100.00	24,555,323	100.00

SHREE AJIT PULP AND PAPER LIMITED

1976
Annual
Report
(2013-14)

Notes forming part of the Financial Statements

25.2 Payment to Auditors as

Particulars	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
Payment to the auditors comprise (not of service tax input credit, where applicable)		
a) To statutory auditors		
For audit	1,300,000	120,000
Tax Audit Fees	100,000	30,000
For other services	300,000	-
b) Cost auditor for cost audit	65,000	71,050
Total in ₹	1,765,000	221,050

Note : 26 Value of Imports on CIF basis

Particulars	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
Raw materials	339,005,562	251,437,718
Stores and spares	14,320,215	9,474,283
Capital Goods	17,526,787	19,883,488

Note : 27 Expenditure in Foreign Currency

Particulars	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
Travelling expenses	544,738	271,130

Note : 28 Earning in Foreign Exchange

Particulars	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
FOB value of Export	9,610,935	-

Note : 29 Earning Per Share

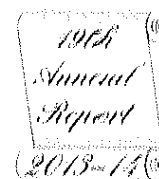
Particulars	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
Profit for the year	121,765,845	140,857,941
Weighted average number of equity shares	5,356,700	5,356,700
Earnings per share (Basic and Diluted)	22.73	26.30
Nominal value per share	10.00	10.00

Note :30 Related Party disclosure

30.1 Details of related parties:

Description of relationship	Names of related parties
(i) Subsidiary	Shree Samrudhi Industrial Papers Private Limited
(ii) Jointly Controlled Entities (JCE)	Shree Samrat Pulp and Paper Private Limited Shree Samarpan Pulp and Paper Private Limited
(iii) Key Management Personnel	Mr. Gautam D Shah, Mr. Piyush R Shah

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the Financial Statements

30.2 Transactions with related parties during the year

Transactions with the related parties	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
i) Managerial Remuneration paid to Key Management Personnel		
Shri Gautam D Shah	9,463,485	10,563,246
Shri Piyush R Shah	96,000	93,000
ii) Investment in share capital of Shree Samrat Pulp and Paper Private Limited	9,000,000	12,200,000

Note : 31 Interest in Joint Venture :

The company holds 50 % interest in Shree Samrat Pulp and Paper Private Limited and in Shree Samarpan Pulp and Paper Private Limited, jointly controlled entities which are involved in manufacturing activity. However, Shree Samarpan Pulp and Paper Private Limited has not started any activity till 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 31st March as per their audited financial statements are as follows :

Particulars	₹ As at 31 March 2014	₹ As at 31 March 2013
Reserves and Surplus	(3,904,923)	611,855
Non-Current Liabilities		
Long-Term Borrowings	30,218,416	25,000,000
Deferred Tax Liabilities (Net)	648,335	-
Current Liabilities		
Short-Term Borrowings	13,242,744	-
Trade Payables	12,556,943	2,495,345
Other Current Liabilities	9,077,580	30,773,884
Short-Term Provisions	231,423	320,935
Non-Current Assets		
Fixed Assets		
Tangible Assets	59,334,712	57,417,060
Capital work-in-progress	639,524	657,910
Long-term loans and advances	1,905,916	868,750
Current Assets		
Inventories	6,161,356	6,338,073
Trade receivables	19,162,227	10,421,625
Cash and Bank Balance	31,111	3,343,155
Short-term loans and advances	3,807,146	255,446
Other current assets	128,526	-
Capital commitments	1,804,538	-

SHREE AJIT PULP AND PAPER LIMITED

1972
Annual
Report
(2013-14)

Notes forming part of the Financial Statements

Transactions with the related parties	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
Income		
Revenue from Operations (Gross)	159,203,249	-
Less:-Excise Duty	(9,742,779)	-
Revenue from Operations (Net)	149,460,470	-
Other Income	167,403	-
Total Revenue	149,627,873	-
Expenditure		
Cost of materials consumed	102,634,769	-
Changes in Inventories of Finished Goods and Work-in-progress	(1,690,878)	-
Employee Benefits Expense	5,303,649	-
Finance Costs	5,609,989	495,963
Depreciation and Amortisation Expense	1,757,735	-
Other Expenses	39,881,053	256,579
Tax expense / (Benefit)	648,335	-
Total Expenses	154,144,652	752,542

Note 32 Segment Information

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. Accordingly, the Company has identified two primary business segments viz Paper and Windmills.

Primary Segment Information :

Particulars	For the year ended 31 March, 2014			
	Business segments		Eliminations	Total
	Paper ₹	Windmills ₹		
Revenue	1,872,575,589	24,958,498	-	1,897,534,087
	1,717,504,488	23,457,745	-	1,740,962,233
Inter-segment revenue	-	-	-	-
Total	1,872,575,589	24,958,498	-	1,897,534,087
	1,717,504,488	23,457,745	-	1,740,962,233
Segment result	222,442,300	11,569,230	-	234,011,530
	244,370,047	10,345,964	-	254,716,011
Unallocable expenses (net)				55,646,368
				57,958,310
Operating income				178,365,162
				196,757,701
Other income (net)				552,172
				3,375,574
Profit before tax				178,917,334
				200,133,275
Tax expense				57,151,489
				59,275,334
Profit for the year				121,765,845
				140,857,941

SHREE AJIT PULP AND PAPER LIMITED

195th
Annual
Report
(2013-14)

Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2014		
	Business segments		Total
	Paper ₹	Windmills ₹	₹
Segment assets	1,139,090,325	129,512,785	1,268,603,110
	<i>958,006,359</i>	<i>137,510,294</i>	<i>1,095,516,653</i>
Unallocable assets			88,908,465
			<i>62,860,946</i>
Total assets			1,357,511,575
			<i>1,158,377,599</i>
Segment liabilities	138,289,760	657,938	138,947,698
	<i>121,928,528</i>	<i>1,761,117</i>	<i>123,689,645</i>
Unallocable liabilities			528,345,405
			<i>463,107,791</i>
Total liabilities			667,293,103
			<i>586,797,436</i>
Other information			
Capital expenditure (allocable)	191,182,216	-	191,182,216
Capital expenditure (unallocable)			15,261,256
Depreciation and amortisation (allocable)	34,444,261	8,192,429	42,636,690
	<i>29,022,392</i>	<i>8,192,429</i>	<i>37,214,821</i>
Depreciation and amortisation (unallocable)			2,664,715
			<i>1,862,104</i>

Previous year figures are shown in italics.

Note : 33 Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	₹	₹
	For the year ended 31 March 2014	For the year ended 31 March 2013
Contingent liabilities		
Claims against the company not acknowledged as debt	2,836,620	2,836,620
Commitments		
Estimate amount of contracts remaining to be executed on capital account and not provided for	1,246,688	88,738,707

Note : 34 Derivative Instruments

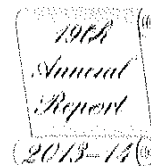
The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	For the year ended 31 March 2014		For the year ended 31 March 2013	
	₹	Forex (USD)	₹	Forex (USD)
	1 Import of Goods and Services	327,704	5,308	-

Note : 35 Sales and other expenses are net off VAT paid/payable.

Note : 36 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)



INDEPENDENT AUDITORS' REPORT

TO
THE BOARD OF DIRECTOR
Shree Ajit Pulp and Paper Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SHREE AJIT PULP AND PAPER LIMITED** (the "Company"), its subsidiary and jointly controlled entities (the Company, its subsidiary and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated 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 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. 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 judgment, 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 reports of the other auditors on the financial statements of the subsidiary and jointly controlled entities referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) 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
- (c) 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 statements of a subsidiary and two jointly controlled entities, whose financial statements reflect total assets (net) of ₹ 96,481,135/- as at 31st March, 2014, total revenues of ₹ 149,460,471/- and net cash out flows amounting to ₹ 722,758/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and jointly controlled entities, is based solely on the reports of the other auditors.

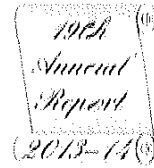
Our opinion is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Rupen K. Bhatt)
(Partner)
(Membership No. 46930)

Place : Vapi
Date : 28th May, 2014

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	₹ As At 31-March-2014	₹ As At 31-March-2013
A EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	53,567,000	53,567,000
(b) Reserves and Surplus	3	632,857,544	517,987,825
		686,424,544	571,554,825
(2) Non-current Liabilities			
(a) Long-term Borrowings	4	164,944,539	122,201,192
(b) Deferred Tax Liabilities (Net)	5	132,153,151	106,261,298
(c) Long-term Provisions	6	4,276,874	6,062,122
		301,374,564	234,524,612
(3) Current Liabilities			
(a) Short-term Borrowings	7	185,212,093	116,970,603
(b) Trade Payables	8	109,616,138	100,265,376
(c) Other Current Liabilities	9	122,608,978	127,385,685
(d) Short-term Provisions	10	14,656,397	7,837,296
		432,093,606	352,458,960
TOTAL		1,419,892,714	1,158,538,397
B ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	885,472,597	607,186,781
(ii) Intangible Assets	11	277,359	-
(iii) Capital Work-in-progress	11	26,756,824	85,051,553
		912,506,780	692,238,334
(b) Non-current Investments	12	67,500	20,171,571
(c) Long-term Loans and Advances	13	27,214,460	37,926,664
		27,281,960	58,098,235
(2) Current Assets			
(a) Inventories	14	150,810,361	145,892,079
(b) Trade Receivables	15	277,965,932	224,583,924
(c) Cash and Bank Balances	16	16,496,200	19,522,440
(d) Short-term Loans and Advances	17	31,975,601	16,723,452
(e) Other Current Assets	18	2,855,880	1,479,933
		480,103,974	408,201,828
TOTAL		1,419,892,714	1,158,538,397

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Place : Vapi
Date : 28th May, 2014

For and on behalf of the Board of Directors

Gautam D Shah
Managing Director

Dhansukhlal G Shah
Director

Place : Vapi
Date : 28th May, 2014

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)



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

Particulars	Note No.	₹	
		For the year ended 31 March 2014	For the year ended 31 March 2013
INCOME			
1 Revenue from Operations (Gross)	19	2,180,057,176	1,853,971,150
Less: Excise Duty		132,854,671	113,008,917
Revenue from Operation (Net)		2,047,202,505	1,740,962,233
2 Other Income	20	956,803	3,753,772
3 Total Revenue (1+2)		2,048,159,308	1,744,716,005
4 EXPENSES			
a) Cost of Materials Consumed	21	1,313,869,195	1,038,505,427
b) Changes in Inventories of Finished Goods and Work-in-progress	22	(24,104,276)	(470,883)
c) Employee Benefits Expense	23	87,642,645	72,411,113
d) Finance Costs	24	36,766,167	36,047,026
e) Depreciation and Amortisation Expense	11	47,059,140	39,076,925
f) Other Expenses	25	411,667,891	358,668,748
Total Expenses (a+b+c+d+e+f)		1,872,900,762	1,544,258,356
5 Profit Before Tax (3-4)		175,258,546	200,457,649
6 Tax Expense/ (Benefit)			
a) Current Tax Expense		37,660,924	50,485,801
b) Less : Mat Credit		(11,487,457)	-
c) Tax Adjustments for Prior Years		5,801,825	(3,942,232)
Net Current Tax Expenses		31,975,292	46,543,569
d) Deferred Tax			
i) Current year		38,905,433	12,836,465
ii) Prior year (Refer Note 5.1)		(13,013,580)	-
Net Deferred Tax		25,891,853	12,836,465
Net Tax Expense		57,867,145	59,380,034
7 Profit for the year (5-6)		117,391,401	141,077,615
7.1 Earning per share of ₹ 10/- each (Basic and Diluted)	30	21.91	26.34

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Place : Vapi
Date : 28th May, 2014

For and on behalf of the Board of Directors

Gautam D Shah Dhansukhlal G Shah
Managing Director Director

Place : Vapi
Date : 28th May, 2014

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

1978
Annual
Report
(2013-14)

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

Particulars	₹ For the year ended 31 March, 2014	₹ For the year ended 31 March, 2013
A. Cash flow from operating activities		
Profit before tax as per statement of profit and loss	175,258,546	200,457,649
<i>Adjustments for:</i>		
Depreciation and amortisation	47,059,140	39,076,925
(Profit) / loss on sale of assets (net)	367,135	649,434
Finance costs	36,766,167	36,047,026
Interest income	(833,027)	(2,583,956)
Dividend income	(22,315)	(16,336)
Provision for diminution in value of long term investment	4,071	1,633
Operating profit before working capital changes	258,599,717	273,632,375
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	1,419,791	(5,462,002)
Trade receivables	(42,960,383)	(48,568,366)
Short-term loans and advances	(14,996,703)	6,577,201
Long-term loans and advances	399,762	19,517,187
Other current assets	(1,839,164)	(2,677,857)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	6,855,417	(43,880,134)
Other current liabilities	(26,969,686)	2,763,554
Short-term provisions	(11,753)	251,512
Long-term provisions	(1,785,248)	1,630,134
Cash generated from operations	178,741,750	203,788,605
Net income tax (paid) / refunds	(36,633,366)	(32,628,722)
Net cash flow from operating activities (A)	142,078,384	171,159,883
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(168,921,585)	(125,236,461)
Proceeds from sale of fixed assets	480,725	5,614,120
Purchase of long-term investments in Joint Venture	-	(12,200,000)
Interest received	1,530,208	2,583,956
Dividend received	22,315	16,336
Bank balance not considered as cash and cash equivalents	1,516,388	(8,970,761)
Proportionate share of Cash and bank balance in Joint venture entities as on 31st March, 2013 (Refer Note 35)	3,343,156	-
Net cash flow (used in) investing activities (B)	(162,028,793)	(138,192,000)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	17,743,347	67,746,235
Repayment of long-term borrowings	(28,125,203)	(84,737,675)
Short-term borrowings(Net)	68,421,825	(9,114,934)
Finance cost	(36,500,343)	(36,047,026)
Dividends paid	(2,643,882)	(1,339,175)
Tax on dividend	(455,186)	(217,248)
Net cash flow from financing activities (C)	18,440,558	(63,709,823)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(1,509,852)	(30,742,740)
Cash and cash equivalents at the beginning of the year	10,551,679	41,294,419
Cash and cash equivalents at the end of the year*	9,041,827	10,551,679
* Comprises: @		
(a) Cash on hand	142,187	399,673
(b) Balances with banks in current accounts	8,899,640	10,152,006
Total Cash and cash equivalents	9,041,827	10,551,679

Note1- Cash flow Statement has been prepared under the indirect method as set out in Accounting Standards-3 "Cash Flow Statement"
See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Rupen K Bhatt
Partner

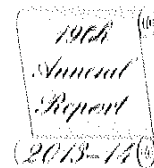
Gautam D Shah
Managing Director

Dhansukhlal G Shah
Director

Place : Vapi
Date : 28th May, 2014

Place : Vapi
Date : 28th May, 2014

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)



Notes forming part of the consolidated financial statements

Note 1 Basis of consolidation and significant accounting policies

I. Basis of consolidation:

The consolidated financial statements relate to Shree Ajit Pulp and Paper Limited (the Company), its subsidiary company and joint venture entities. The Company and its subsidiary constitute the Group.

a) Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiary and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

(b) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(c) Principles of consolidation:

The consolidated financial statements relate to Shree Ajit Pulp and Paper Limited (the Company), its subsidiary company and jointly controlled entities. The Company and its subsidiary constitute the Group. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the subsidiary company / joint venture entities used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2014.
- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
- Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity. Jointly controlled entities that are considered subsidiaries under AS 21 Consolidated Financial Statements are consolidated similar to the manner of consolidating subsidiaries (Refer (ii) above) and the share of interest of the other venturers in such entities is included as part of minority interest.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(d) The following subsidiary company and jointly controlled entities are considered in the consolidated financial statements:

Sr. No.	Name of the joint venture company	Relationship	Country of incorporation	% of holding as at 31 st March, 2014	% of holding as at 31 st March, 2013
1.	Samrudhi Industrial Papers Private Limited	Subsidiary Company	India	100%	100%
2.	Shree Samrat Pulp and Paper Private Limited	Jointly controlled entity	India	50%	50%
3.	Shree Samarpan Pulp and Paper Private Limited	Jointly controlled entity	India	50%	50%

Notes forming part of the consolidated financial statements
II. SIGNIFICANT ACCOUNTING POLICIES:
a) Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and excise duty where applicable.

b) Depreciation and amortization

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Cellular handsets – 4 years

Waste paper godown – 5 years

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalization.

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

Intangible assets are amortised over their estimated useful life.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

c) Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income from electricity units generated by windmills is accounted as income from wind mills at landed cost and has been shown as such in the Consolidated Statement of Profit and Loss.

d) Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

e) Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

f) Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Consolidated Statement of Profit and Loss.

g) Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. A cost of investments includes acquisition charges such as brokerage, fees and duties.

h) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Notes forming part of the consolidated financial statements**Defined benefit plans**

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (ii) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

i) Borrowing costs

Borrowing costs include interest, and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs are suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

j) Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

Under the primary segment there are two reportable segments viz., Paper and Power generation by Windmill. These were identified considering the nature of the products, the different risks and return.

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

k) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Notes forming part of the consolidated financial statements

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

l) Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, except in case of revalued assets.

m) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the consolidated financial statements.

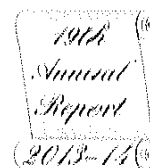
Note : 2 Share Capital

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
a) AUTHORISED 15,000,000 (15,000,000) Equity Shares of ₹ 10 each with voting rights	150,000,000	150,000,000
b) ISSUED 5,356,700 (5,356,700) Equity Shares of ₹ 10 each with voting rights	53,567,000	53,567,000
c) SUBSCRIBED AND FULLY PAID UP 5,356,700 (5,356,700) Equity Shares of ₹ 10 each with voting rights	53,567,000	53,567,000
Total in ₹	53,567,000	53,567,000

2.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year.

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Equity Shares at the beginning and at the end of the year	5,356,700	53,567,000	5,356,700	53,567,000

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)



Notes forming part of the consolidated financial statements

2.2 Details of Shares held by each shareholder holding more than 5 % shares

Name of the Shareholders	As at 31 March, 2014		As at 31 March, 2013	
	Number of Shares held	% Holding	Number of Shares held	% Holding
Gautam D Shah	1,064,750	19.88%	1,064,500	19.87%
Sureshbhai C Shah	454,000	8.48%	454,000	8.48%
Jayanilal 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%	305,300	5.70%
Bharat Mafatlal Shah	270,900	5.06%	270,900	5.06%

2.3 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 declares and pays 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. Further, the Board of Directors may also announce interim dividend.

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 all preferential amounts in proportion to their shareholdings.

Note : 3 Reserves and Surplus

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
a) Capital Reserve		
Opening balance	1,292,993	1,292,993
Proportionate share of balance in Joint venture entities as on 31st March, 2013 (Refer Note 35)	1,732,381	-
Closing Balance	3,025,374	1,292,993
b) Surplus in Consolidated Statement of Profit and Loss		
Opening balance	516,694,832	378,750,753
Proportionate share of balance in Joint venture entities as on 31st March, 2013 (Refer Note 35)	(1,120,527)	-
Add: Profit for the year	117,391,401	141,077,615
Less:		
Dividends proposed to be distributed to equity shareholders ₹ 0.50 per share (Previous Year ₹ 0.50 per share)	2,678,350	2,678,350
Tax on Proposed Dividend	455,186	455,186
Closing Balance	629,832,170	516,694,832
Total in ₹	632,857,544	517,987,825

Note : 4 Long-term Borrowings

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Secured		
a) Term loan from banks	160,851,123	121,191,107
b) Other loans	-	1,010,085
Unsecured		
c) Deferred sales tax liability	4,093,416	-
Total in ₹	164,944,539	122,201,192

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)



Notes forming part of the consolidated financial statements

4.1 Details of terms of repayment and securities provided

Sr.No.	Particulars	Balance as at 31 March, 2014	Start date of loan repayment	Repayment of Installments	Number of Installments sanctioned	End date of Loan repayment
1	Term loan -from bank (Refer note 1)	4,950,947	November, 2009	2,433,000	55	May, 2014
2	-from bank (Refer note 1)	5,679,187	July, 2011	625,000	60	January, 2015
3	-from bank (Refer note 1)	30,758,604	January, 2014	860,000	60	March, 2017
4	-from bank (Refer note 1)	20,515,733	January, 2014	573,333	60	March, 2017
5	-from bank (Refer note 2)	23,818,000	February, 2011	1,083,334	60	January, 2016
6	-from bank (Refer note 3)	38,540,000	March, 2013	820,000	60	February, 2018
7	-from bank (Refer note 4)	74,250,000	October, 2013	1,375,000	60	September, 2018
8	-from bank (Refer note 5)	294,792	March, 2011	Note 5	31	Nov., 2014
9	-from Bank (Refer note 6)	5,764,752	August, 2013	236,355	35	June, 2016
10	-from NBFC (Refer note 7)	973,700	January, 2012	113,108	36	December, 2014
11	-from bank (Refer note 8)	34,375,000	June, 2013	687,500	60	May, 2018
	TOTAL	239,920,715				

Note 1. Term loans are secured by plant and machinery and equitable mortgage on immovable property and hypothecation of stocks, book debts, furniture, fixture and fitting, office equipment situated at Vapi of the company on pari passu basis.

Note 2. Term loan is secured by way of exclusive charge on plant and machinery and building of windmill situated at village Bagasara dist Rajkot and equitable mortgage on immovable property situated at Vapi of the company, further Secured by hypothecation of stocks, book debts, furniture, fixture and fitting, office equipment situated at Vapi of the company on pari passu basis.

Note 3. Term loan is secured by way of exclusive charge on plant and machinery and building of windmill situated at village Murvel dist Jamnagar and equitable mortgage on immovable property situated at Vapi of the company, further secured by hypothecation of stocks, book debts, furniture, fixture and fitting, office equipment situated at Vapi of the company on pari passu basis.

Note 4. Term loan is secured by way of exclusive charge on plant & machinery and building of co generation power plant situated at Vapi of the company and equitable mortgage on immovable property situated at Vapi of the company, further secured by hypothecation of stocks, book debts, furniture, fixture and fitting, office equipment situated at Vapi of the company on pari passu basis.

Note 5. Vehicle loan is secured by way of hypothecation of Vehicle. The loan is repayable in 31 installments, with 14 EMI of ₹ 105,000, 12 EMI of ₹ 78,000 and 5 EMI of ₹ 14,000.

Note 6. Vehicle loan is secured by way of hypothecation of Vehicle.

Note 7. Vehicle loan is from NBFC and secured by way of hypothecation of Vehicle. Term loan from Sr. No. 1 to 10 from banks and from others are further secured by way of personal guarantee of Mr. Gautam D Shah Managing Director of the company.

Note 8. Term loan is secured by way of first charge on plant & machinery and equitable mortgage on immovable property situated at Kurkumbh of the company, secured by hypothecation of stocks, book debts, furniture, fixture and fitting, office equipment and personal guarantee of Mr. Gautam D Shah and Mr. Pankaj K Mansingka directors of the Company.

Note 9. Term loan balance as on 31.03.2014 of ₹ 239,920,715 includes current maturities of long term debt of ₹ 79,069,592 as disclosed in note 9.

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

197th
Annual
Report
(2013-14)

Notes forming part of the consolidated financial statements

4.2 Sales Tax Deferment:

The Company has been granted deferment of Sales Tax as per Sales Tax Deferment Scheme 1993 of the Government of Maharashtra. According to the Scheme sales tax collected by the Company is deferred for 10 years and thereafter it is repayable to the Government in 5 equal yearly installment starting from April, 2024 as per repayment schedule. The total amount deferred sale tax upto 31st March, 2014 is ₹ 4,093,416/- (Previous year ₹ Nil).

Note : 5 Deferred Tax Liabilities (Net)

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	135,433,120	109,500,263
Deferred Tax Liability (DTL)	135,433,120	109,500,263
Tax effect of items constituting deferred tax assets		
Provision for compensated absences and gratuity	(2,442,700)	(2,761,110)
Disallowances under Section 43B of the Income Tax Act, 1961	(606,477)	(199,476)
Others	(230,792)	(278,379)
Deferred Tax Assets (DTA)	(3,279,969)	(3,238,965)
Net Deferred Tax Liability in ₹	132,153,151	106,261,298

5.1 Deferred tax - Prior year for the year ended 31st March, 2014 amounting ₹ 13,013,580 represents reversal of deferred tax liability created in earlier years in respect of timing differences which reversed during the tax holiday period.

Note : 6 Long-term Provisions

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Provision for employee benefits		
i) Provision for gratuity (refer note 10 and 23.2)	2,071,949	2,888,273
ii) Provision for compensated absences (refer note 10 and 23.2)	2,204,925	3,173,849
Total in ₹	4,276,874	6,062,122

Note : 7 Short-term Borrowings

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Secured		
Loan repayable on demand from banks	185,212,093	116,970,603
Total in ₹	185,212,093	116,970,603

7.1 Cash Credit is secured by way of hypothecation of stocks, book debts, furniture, fixture and fitting, office equipment and plant and machinery and equitable mortgage of immovable properties on pari passu basis and personal guarantee of Mr. Gautam D Shah and Mr. Pankaj K Mansingka Directors of the company. The Cash Credit is repayable on demand and carries interest base rate plus 0.5% to 3.75%.

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

196th
Annual
Report
(2013-14)

Notes forming part of the consolidated financial statements

Note : 8 Trade Payables

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Trade payables	109,616,138	100,265,376
Total in ₹	109,616,138	100,265,376

8.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	1,901,831	3,464,275
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
(iv) The amount of interest due and payable for the year.	-	9,362
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	9,362
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note : 9 Other Current Liabilities

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
(a) Current maturities of long-term borrowings (Refer note 4 and 9.1)	79,069,592	107,194,795
(b) Interest accrued but not due on borrowings	1,066,495	566,707
(c) Temporary overdrawn bank balance as per books	180,335	-
(d) Unclaimed dividend	617,511	583,043
(e) Other payables		
i) Advances from customers	4,828,883	2,982
ii) Security deposits received	3,099,000	3,061,645
iii) Payables on purchase of fixed assets	27,344,750	8,515,047
iv) Statutory remittances		
TDS payable	2,416,741	3,372,963
Central sales tax payable	2,748,254	2,797,788
Others (VAT, Excise, Service tax, Provident Fund, etc)	1,237,417	1,290,715
Total in ₹	122,608,978	127,385,685

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

19th
Annual
Report
(2013-14)

Notes forming part of the consolidated financial statements

9.1 Current maturities of long-term borrowings consist of :

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
a) Term loan from banks (Secured)	78,095,892	106,041,885
b) Other loans (Secured)	973,700	1,152,910
Total in ₹	79,069,592	107,194,795

Note : 10 Short-term Provisions

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
a) Provision For Employee Benefits		
Provision for gratuity (refer note 6 and 23.2)	366,913	531,649
Provision for compensated absences (refer note 6 and 23.2)	1,582,815	1,108,897
b) Provisions- others		
Provision for proposed equity dividend	2,678,350	2,678,350
Provision for tax on proposed dividend	455,186	455,186
Provision for tax (Net of advance tax of ₹ 33,567,636) (Previous year ₹ 37,710,624)	9,573,133	3,063,214
Total in ₹	14,656,397	7,837,296

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

1968
Annual
Report
2013-14

Notes forming part of the consolidated financial statements

Note : 11 FIXED ASSETS

Particulars	Gross Block			Accumulated depreciation and amortisation				Net Block	
	Balance as at 1 April, 2013	Additions	Deductions /Disposal	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation /amortisation expense for the year	Deductions /Disposal for the year	Balance as at 31 March, 2014	Balance as at 31 March, 2013
Tangible Assets									
Land- Freehold	8,501,634	-	-	8,501,634	-	-	-	8,501,634	8,501,634
Land- Leasehold	3,000,000	26,681,534	-	29,681,534	359,508	496,513	-	28,825,513	2,640,492
Buildings	89,348,194	22,522,816	-	111,871,010	209,508	150,000	-	359,508	71,801,974
Plant and Equipments	469,173,284	1,664,596	1,046,750	719,309,040	17,546,220	3,362,679	290,424	20,908,899	336,227,804
Windmills	446,615,530	32,707,636	10,149,882	469,173,284	132,945,480	2,696,700	4,339,637	17,546,220	134,869,802
Electrical Installations	152,318,740	-	-	152,318,740	17,448,938	8,042,429	-	126,827,373	39,214,371
Furniture & Fixtures	50,095,923	9,518,940	-	59,614,863	10,881,552	2,569,095	-	13,450,647	2,028,687
Vehicles	3,416,329	6,984,463	-	50,095,923	8,592,994	2,268,558	-	39,214,371	7,323,031
Office Equipment	3,313,697	3,630,469	-	7,046,798	1,387,642	401,257	-	5,257,899	4,578,986
	9,645,643	102,632	668,286	17,845,419	1,209,345	178,297	-	2,028,687	-
	11,527,189	51,995	1,933,541	9,645,643	2,322,612	1,558,590	576,754	3,304,448	-
	8,180,645	3,738,005	-	11,918,650	2,780,341	1,093,335	1,551,064	2,322,612	-
	7,493,943	1,580,872	894,170	8,180,645	3,601,659	817,850	823,343	4,419,509	-
SUB TOTAL (A)	793,680,392	326,142,332	1,715,036	1,118,107,688	186,493,611	47,008,658	867,178	232,635,091	607,186,781
	763,565,791	43,092,194	12,977,593	793,680,392	154,238,883	38,968,772	6,714,044	186,493,610	607,186,781
Intangible Assets									
Software	108,153	327,841	-	435,994	108,153	50,482	-	158,635	277,359
	-	108,153	-	108,153	-	108,153	-	108,153	-
SUB TOTAL (B)	108,153	327,841	-	435,994	108,153	50,482	-	158,635	-
	-	108,153	-	108,153	-	108,153	-	108,153	-
Capital Work in Progress	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
SUB TOTAL (C)	-	-	-	-	-	-	-	-	-
Total [A + B + C]	793,788,545	326,470,173	1,715,036	1,118,543,682	186,601,764	47,059,140	867,178	232,793,726	607,293,334
Previous Year	763,565,791	43,200,347	12,977,593	793,766,545	154,238,883	39,076,926	6,714,044	186,601,764	607,293,334

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

19th
Annual
Report
(2013-14)

Notes forming part of the consolidated financial statements

- 11.1 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 having gross block value ₹ 962,884 depreciation calculated @ 25 % included in office equipments and Waste Paper Godown having Gross block value ₹ 1,880,531 depreciation calculated @ 20 % on SLM basis included in buildings. Depreciation on additions to assets during the year is provided on pro-rata basis.
- 11.2 Addition during the year includes ₹ 8,365,994 (Previous year ₹41,836) on account of interest capitalised on Plant and equipment and ₹ 7,852 (Previous year ₹ Nil) on Building and ₹1,794,445 (Previous year ₹ NIL) on account of foreign exchange fluctuation capitalised on Plant and Equipments.
- 11.3 *Previous year figures are shown in Italics.*
- 11.4 Addition during the year includes closing balances of Shree Samrat Pulp and Paper Pvt Ltd as at 31.03.2013 as under

	Gross block	Additions during the year	Total
Land- Leasehold	26,562,487	119,048	26,681,535
Buildings	17,824,601	176,022	18,000,623
Plant and Equipments	12,517,335	2,149,220	14,666,555
Electrical Installations	-	768,456	768,456
Furniture & Fixtures	19,013	31,614	50,627
Vehicles	443,704	-	443,704
Office Equipment	49,920	431,029	480,949
Total	57,417,060	3,675,389	61,092,449

Note : 12 Non-current Investments
(At cost, unless otherwise stated)

Particulars	₹ As At 31 March 2014	₹ As At 31 March 2013
A Trade (Unquoted)		
a) In Equity Shares of Joint Ventures-		
2,900,000 (Previous year 2,000,000) shares of Shree Samrat Pulp and Paper Private Limited 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) (Refer Note 35)	-	20,000,000
10,000 (Previous year 10,000) shares of Shree Samarpan Pulp and Paper Private Limited 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) (Refer Note 35)	-	100,000
b) Others		
501 (Previous year 501) shares of Sardar Bhiladwala Pardi Peoples Co Operative Bank Limited of ₹ 100 each fully paid up	50,100	50,100
1 (Previous year 1) share of Shri Damanganga Sahakari Khand Udyog Mandali Limited of ₹ 2000, each fully paid up.	2,000	2,000
300 (Previous year 300) shares of Wel-Treat Enviro Management Organisation of ₹ 10, each fully paid up.	3,000	3,000
B Other Investments (Quoted)		
2,300 (Previous year 2,300) equity shares of Gujarat State Financial Corporation of ₹ 10 each, at a premium of ₹ 10 per share, fully paid up plus interest of ₹6,386 (Market Value ₹ 3,335)	52,386	52,386
Less: Provision for diminution in value of investments	(52,386)	(48,315)
400 (Previous 400) equity shares of Punjab National Bank of ₹ 10 each, at a premium of ₹ 21 per share, fully paid up (Market Value ₹ 297,640)	12,400	12,400
Total in ₹	67,500	20,171,571

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

1968
Annual
Report
(2013-14)

Notes forming part of the consolidated financial statements

12.1 Aggregate amount of quoted investments	64,786	64,786
Aggregate Market value of listed and quoted investments	300,975	291,071
Aggregate amount of unquoted investments	55,100	20,155,100

Note : 13 Long - term Loans and Advances

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Unsecured considered good (Unless otherwise stated)		
a) Capital advances	4,608,960	26,958,145
b) Security deposits		
Considered good	3,369,471	1,157,921
Doubtful	500,000	500,000
	3,869,471	1,657,921
Less: Provision for doubtful deposit	500,000	500,000
	3,369,471	1,157,921
c) Prepaid Expenses	757,438	-
d) Advance income tax (Net of provision for tax of ₹ 22,766,234 (Previous year ₹ 48,507,114))	35,030	517,947
e) Mat credit entitlement	16,142,561	4,491,651
f) Other loans and advances	2,301,000	4,801,000
Total in ₹	27,214,460	37,926,664

Note : 14 Inventories

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
a) Raw materials	73,726,238	109,897,050
b) Work-in-progress	400,680	154,580
c) Finished goods	38,486,651	14,628,475
d) Stores and spares	29,489,239	17,687,392
e) Consumables	1,765,214	1,269,247
f) Goods -in-transit- Consumables	6,708,034	1,928,066
g) Packing material stock	234,305	327,260
Total in ₹	150,810,361	145,892,079

14.1 Details of inventory of work- in- progress

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Multilayer Testliner and Testliner Paper and MG Kraft Paper	400,680	154,580

Note : 15 Trade Receivables

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	1,000,596	341,477
Others Trade receivables	276,965,336	224,242,447
Total in ₹	277,965,932	224,583,924

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

1964
Annual
Report
(2013-14)

Notes forming part of the consolidated financial statements

Note : 16 Cash and bank balances

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
A) Cash and cash equivalents		
(a) Cash on hand	142,187	399,673
(b) Balances with banks In current accounts	8,899,640	10,152,006
Total Cash and cash equivalents (A)	9,041,827	10,551,679
B) Other bank balances		
In earmarked accounts		
- In deposit accounts	2,545,000	-
- Balances held as margin money	4,291,862	8,387,718
- Unclaimed dividend accounts	617,511	583,043
Total Other bank balances (B)	7,454,373	8,970,761
Total Cash and bank balances (A+B) in ₹	16,496,200	19,522,440
Other bank balances include deposits with remaining maturity of more than 12 months from the balance sheet date	45,000	-
	45,000	-

Note :17 Short Terms Loans and Advances

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Unsecured and considered good		
a) Loans and advances to employees	216,300	126,500
b) Prepaid expenses	2,591,820	2,822,477
c) Balances with Government authorities		
Cenvat credit receivable	17,674,170	8,785,757
Custom duty advance	111,890	111,890
Export incentives receivable	207,948	-
VAT credit receivable	2,477,082	-
d) Others Advance to vendors	8,696,391	4,876,828
Total in ₹	31,975,601	16,723,452

Note :18 Other Current Assets

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Ancillary borrowing costs	233,964	-
Interest accrued on fixed deposits, margin money deposits etc.	782,752	1,479,933
Insurance claims	1,839,164	-
Total in ₹	2,855,880	1,479,933

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)



Notes forming part of the consolidated financial statements

Note : 19 Revenue from Operations

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of products	2,154,890,730	1,830,513,405
Income from windmills	24,958,498	23,457,745
Total in ₹	2,179,849,228	1,853,971,150
Other operating revenue		
Export incentive	207,948	-
Revenue from Operation (Gross)	2,180,057,176	1,853,971,150
Less : Excise duty	(132,854,671)	(113,008,917)
Revenue from operations (net)	2,047,202,505	1,740,962,233

19.1 Informations relating to products sold

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Multilayer Testliner, Testliner Paper and MG Kraft Paper	2,154,890,730	1,830,513,405
Total in ₹	2,154,890,730	1,830,513,405

Note : 20 Other Income

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest income on fixed deposits, margin money deposits etc.	833,027	2,583,956
Dividend income from other long-term investments	22,315	16,336
Miscellaneous income	101,461	1,153,480
Total in ₹	956,803	3,753,772

Note : 21 Cost of material consumed

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Opening stock	109,897,050	95,602,743
Add: Proportionate share of balance in Joint venture entities as on 31 March, 2013 (Refer Note 35)	5,276,667	-
	115,173,717	95,602,743
Add: Purchases	1,272,421,716	1,052,799,734
	1,387,595,433	1,148,402,477
Less: Closing stock	73,726,238	109,897,050
Total in ₹	1,313,869,195	1,038,505,427

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

196A
Annual
Report
(2013-14)

Notes forming part of the consolidated financial statements

21.1 Materials consumed comprise

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of raw material Imported				
Imported waste paper	349,015,516		457,037,411	
Colour and chemical	84,466,313		-	
Total of Imported	434,281,829	33.05	457,037,411	44.01
Indigenous				
Indian waste paper	758,483,708		445,493,492	
Colour and chemical	121,103,658		135,974,524	
Total of Indigenous	879,587,366	66.95	581,468,016	55.99
Total	1,313,869,195	100.00	1,038,505,427	100.00

Note : 22 Changes in Inventories of Finished Goods and work-in-progress

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Inventories at the end of the year		
Finished goods	38,486,651	14,628,475
Work-in-progress	400,680	154,580
Total in ₹	38,887,331	14,783,055
Inventories at the beginning of the year		
Finished goods	14,628,475	14,312,172
Work-in-progress	154,580	-
Total in ₹	14,783,055	14,312,172
Total in ₹	(24,104,276)	(470,883)

Note : 23 Employee Benefits Expense

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Salaries, wages and bonus	84,529,133	68,433,149
Contribution to provident fund and pension scheme	1,240,009	1,065,361
Gratuity expenses (Refer Note 23.1)	(947,136)	552,997
Staff welfare expenses	2,820,639	2,359,606
Total in ₹	87,642,645	72,411,113

23.1 Defined contribution plans

Contribution to defined contribution plans, recognised as expenses for the year as under

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Employer's contribution to provident fund	557,418	476,886
Employer's contribution to pension scheme	682,591	588,475
Total in ₹	1,240,009	1,065,361

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

19th
Annual
Report
(2013-14)

Notes forming part of the consolidated financial statements

23.2 Employment Benefits Expense

Disclosure relating to Employee benefits expense is as under :-

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Gratuity	Compensated absences	Gratuity	Compensated absences
A Components of employer's expense	Non Funded		Non Funded	
Current service cost	298,130	782,708	270,345	661,095
Interest cost	208,715	214,971	179,273	167,119
Expected return on plan assets	-	-	-	-
Actuarial losses/(gains)	(284,081)	2,834,275	103,379	2,373,294
Other adjustments *	(1,172,497)	(1,677,036)	-	-
Total Expenses (exclude ₹2597 for one of the entity accounted on actual basis)	(949,733)	2,154,918	552,997	3,201,508
B Net Liability recognized in the Balance Sheet				
Present value of defined benefit obligation	2,438,862	3,556,317	2,247,425	2,605,710
Fair value of plan assets	-	-	-	-
Net Liability recognized in the Balance sheet	2,438,862	3,556,317	2,247,425	2,605,710
Add.: Provision for separated employees/others	-	-	1,172,497	1,677,036
Total provision (Refer Note 6 and 10)	2,438,862	3,556,317	3,419,922	4,282,746
C Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	2,247,425	2,605,710	1,788,094	1,909,931
Current service cost	298,130	782,708	270,345	661,095
Interest cost	208,716	214,971	179,273	167,119
Actuarial losses/(gains)	(284,081)	2,834,275	28,924	2,062,075
Benefits paid	(31,328)	(2,881,347)	(19,211)	(2,194,510)
Present value of DBO at the end of the year	2,438,862	3,556,317	2,247,425	2,605,710
Add.: Other adjustment	-	-	1,172,497	1,677,036
Total provision (Refer note 6 and 10)	2,438,862	3,556,317	3,419,922	4,282,746
D Actuarial assumptions:				
Discount rate	9.31%	9.31%	8.75%	8.75%
Salary escalation	5.00%	5.00%	5.00%	5.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate 2013-14	Indian Assured Lives Mortality (2006-08) Ultimate 2012-13	Indian Assured Lives Mortality (2006-08) Ultimate 2011-12	Indian Assured Lives Mortality (2006-08) Ultimate 2010-11
Experience adjustments				
Gratuity				
Present value of DBO	2,438,862	3,419,922	1,788,094	1,510,231
Fair value of plan assets	NA	NA	NA	NA
Funded status [Surplus / (Deficit)]	NA	NA	NA	NA
Experience gain / (loss) adjustments on plan liabilities	(27,464)	(53,515)	69,335	(78,634)
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA
Compensated absences				
Present value of DBO	3,556,317	4,282,746	1,909,931	1,630,120
Fair value of plan assets	NA	NA	NA	NA
Funded status [Surplus / (Deficit)]	NA	NA	NA	NA
Experience gain / (loss) adjustments on plan liabilities	3,116,684	1,961,855	1,403,250	1,031,789
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

* Excess provision written back

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

197th
Annual
Report
(2013-14)

Notes forming part of the consolidated financial statements

Note : 24 Finance Costs

Particulars	₹	₹
	For the year ended 31 March 2014	For the year ended 31 March 2013
a) Interest expense on		
i) Borrowings	43,627,235	34,113,183
Less: Interest capitalised	(8,373,846)	(41,836)
ii) Interest on short fall of advance tax	352,548	"
b) Other borrowing costs	1,160,230	1,978,679
Total in ₹	36,766,167	36,047,026

Note : 25 Other Expenses

Particulars	₹	₹
	For the year ended 31 March 2014	For the year ended 31 March 2013
Consumption of stores and spare parts (Refer note 25.1)	25,485,685	24,555,322
Power and fuel	279,737,727	256,824,839
Packing material consumed	19,326,135	13,924,444
Unloading charges	10,775,560	9,501,645
Insurance	4,106,550	3,446,584
Repairs and maintenance- Machinery	7,069,802	6,232,656
Repairs and maintenance- Building	391,443	670,927
Increase/(decrease) of excise duty on inventory	1,415,831	18,770
Other manufacturing expenses	8,703,870	5,721,953
Selling expenses	8,427,164	6,589,705
Commission on sale	13,817,691	7,934,450
Audit fees	1,798,750	232,286
Consultancy fees	1,084,382	2,124,935
Foreign exchange fluctuation expenses	2,087,563	-
Provision for diminution in value of long term investment	4,071	1,633
Professional charges	2,304,830	820,236
Rates and taxes	580,985	474,405
Repairs and maintenance (others)	4,142,890	3,590,853
Security charges	3,829,065	2,728,893
Stamp duty	59,000	-
Travelling expenses	1,318,187	1,347,863
Vehicle expenses	1,557,066	1,389,057
Windmill expenses	5,196,838	4,919,352
Miscellaneous expenses	8,446,806	5,637,940
Total in ₹	411,667,891	358,688,748

25.1 Details of consumption of stores and spares

Particulars	For the year ended 31 March 2014		For the year ended 31 March 2013	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of stores and spares				
Imported	6,635,076	26.03	6,580,240	26.80
Indigenous	18,850,609	73.97	17,975,082	73.20
Total	25,485,685	100.00	24,555,322	100.00

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)



Notes forming part of the consolidated financial statements

25.2 Payment to Auditors as :

Particulars	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
Payments to the auditors comprise (net of service tax input credit, where applicable)		
a) To statutory auditors		
For audit	1,328,750	13,1,236
Tax Audit Fees	105,000	30,000
For other services	300,000	-
b) Cost auditor for cost audit	65,000	71,050
Total in ₹	1,798,750	232,206

Note : 26 Value of Imports on CIF basis

Particulars	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
Raw materials	350,292,637	251,437,718
Stores and spares	14,744,954	9,474,283
Capital Goods	17,526,787	19,883,488

Note : 27 Expenditure in Foreign Currency

Particulars	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
Travelling expenses	544,738	271,130

Note : 28 Earnings in foreign exchange

Particulars	₹ For the year ended 31 March 2014	₹ For the year ended 31 March 2013
FOB value of Exports	9,610,935	-

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

19th
Annual
Report
(2013-14)

Notes forming part of the consolidated financial statements

Note 29 Segment Information

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. Accordingly, the Company has identified two primary business segments viz Paper and Windmills.

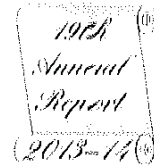
Primary Segment Information :

Particulars	For the year ended 31 March, 2014			Total
	Business segments		Eliminations	
	Paper ₹	Windmills ₹		
Revenue	2,022,036,059	24,958,498	-	2,046,994,557
	<i>1,717,504,488</i>	<i>23,457,745</i>	-	<i>1,740,962,233</i>
Inter-segment revenue	-	-	-	-
Total	2,022,036,059	24,958,498	-	2,046,994,557
	<i>1,717,882,686</i>	<i>23,457,745</i>	-	<i>1,741,340,431</i>
Segment result	224,050,922	11,569,230	-	235,620,152
	<i>244,694,423</i>	<i>10,345,964</i>	-	<i>255,040,387</i>
Unallocable expenses (net)				61,318,410
				<i>58,336,510</i>
Operating income				174,301,743
				<i>196,703,877</i>
Other income (net)				956,803
				<i>3,753,772</i>
Profit before taxes				175,258,546
				<i>200,457,649</i>
Tax expense				57,867,145
				<i>59,380,034</i>
Profit for the year				117,391,401
				<i>141,077,615</i>

Particulars	For the year ended 31 March, 2014		
	Business segments		Total
	Paper ₹	Windmills ₹	
Segment assets	1,230,101,206	129,512,785	1,359,613,990
	<i>958,006,359</i>	<i>137,510,294</i>	<i>1,095,516,653</i>
Unallocable assets			60,278,724
			<i>68,021,744</i>
Total assets			1,419,892,714
			<i>1,158,538,397</i>
Segment liabilities	151,311,797	657,938	151,969,735
	<i>123,689,645</i>	<i>1,761,117</i>	<i>125,450,762</i>
Unallocable liabilities			581,498,435
			<i>461,532,810</i>
Total liabilities			733,468,170
			<i>586,983,572</i>
Other information			
Capital expenditure (allocable)	197,570,932	-	197,570,932
	<i>101,894,417</i>	-	<i>101,894,417</i>
Capital expenditure (unallocable)			-
Depreciation and amortisation (allocable)	36,089,014	8,192,429	44,281,443
	<i>29,022,392</i>	<i>8,192,429</i>	<i>37,214,821</i>
Depreciation and amortisation (unallocable)			2,777,697
			<i>1,862,104</i>

Previous year figures are shown in italics.

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)



Notes forming part of the consolidated financial statements

Note : 30 Earning Per Share

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Profit for the year	117,391,401	141,077,615
Weighted average number of equity shares	5,356,700	5,356,700
Earnings per share (Basic and Diluted)	21.91	26.34
Nominal value per share	10.00	10.00

Note : 31 Related Party disclosure

31.1 Details of related parties:

Description of relationship	Names of related parties
(i) Jointly Controlled Entities (JCE)	Shree Samrat Pulp and Paper Private Limited Shree Samarpan Pulp and Paper Private Limited
(ii) Key Management Personnel	Mr. Gautam D Shah, Mr. Piyush R Shah, Mr. Pankaj K. Mansingka, Mr. Sandeep Shah

31.2 Transactions with related parties during the year

Transactions with the related parties	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
i) Managerial Remuneration paid to Key Management Personnel		
Shri Gautam D Shah	9,463,485	10,568,246
Shri Piyush R Shah	96,000	96,000

Note : 32 Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	₹	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Contingent liabilities		
Claims against the company not acknowledged as debt	2,836,620	2,836,620
Commitments		
Estimate amount of contracts remaining to be executed on capital account and not provided for	3,151,226	88,738,707

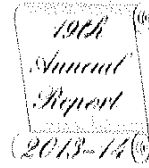
Note : 33 Derivative Instruments

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	₹	Forex (USD)	₹	Forex (USD)
1 Import of Goods and Services	327,704	5,308	-	-

Note : 34 Sales and other expenses are net off VAT paid/payable.

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)



Notes forming part of the consolidated financial statements

Note : 35 The Company had not considered its interests in jointly controlled entities in the preparation of consolidated financial statements upto the year ended 31st March, 2013, which was a subject matter of qualification in the audit report on the consolidated financial statements for the year ended 31st March 2013 by the predecessor auditor. With effect from 1st April 2013, the Company has consolidated its interests in jointly controlled entities and hence the consolidated financial statements of the Company for the year ended 31st March 2014, reflects the same. Since the consolidated financial statements of the Company for the year ended 31st March, 2013 do not include the interests in jointly controlled entities, figures for previous year ended 31st March 2013 are not comparable with current year figures.

Note : 36 The company's subsidiary viz Shree Samrudhi Industrial Paper Private Limited has not commenced any business. The Joint Venture company viz Shree Samrat Pulp and Paper Private Limited's unit for manufacturing of M G Kraft paper is operational. The second joint venture viz Shree Samarpan Pulp and Paper Private Limited has still not commenced any business.

Note : 37 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Gautam D Shah
Managing Director

Dhansukhlal G Shah
Director

Place : Vapi
Date : 28th May, 2014

SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED

NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the **FOURTH 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, 25th July, 2014 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, 2014 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 Fourth 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: -16th May, 2014
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 PRIVATE LIMITED

DIRECTORS' REPORT

To,
The Members of
SHREE SAMRUDHI INDUSTRIAL PAPERS PVT LTD
VAPI

Your Directors have pleasure in presenting their Fourth Annual Report, and the Audited financial statement for the year ended on 31st March, 2014.

FINANCIAL RESULT

The Company has not commenced any business during the year. The profit and loss account reflects Interest Income of ₹ 2.64 lacs, Expenses and Current tax of ₹ 0.65 lacs and net profit after tax of ₹ 1.42 lacs and the same 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 2014-15 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, 2014 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: -16th May, 2014
Place: - Vapi

GAUTAM D.SHAH
Director

Dhansukhlal G. Shah
Director

SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED

AUDITOR'S REPORT

To
The Members of
SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.
VAPI

Report on the Financial Statements

We have audited the accompanying financial statement of **SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD.**, which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the cash flow statement for the year ended 31st March, 2014 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 217 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13/09/2013 of The Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss, the Profit of the Company for the year ended on that date.
- c) in the case of Cash Flow Statement, of the cash flow 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") 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by Section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) 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.
- c) The Balance Sheet and the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) 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 read with General Circular 15/2013 dated 13/09/2013 of The Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. and
- e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 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. LLP
CHARTERED ACCOUNTANTS
Firm Reg. No.: 120352 W

Giriraj B. Laddha
Partner
Membership No. : 108558

Place : Vapi
Date : 16 th May, 2014

SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of SHREE SAMRUDHI INDUSTRIAL PAPERS PVT. LTD. on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i. The company does not hold any fixed assets. Thus, clause 4(f) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- ii. The company does not hold any inventories. Thus, clause 4(ii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- iii. The Company has not granted/taken any loans, secured or unsecured loans, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Thus, the clause 4(iii) (b), (c) and d)(i) and (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. The company has not undertaken any transaction with regard to acquiring of fixed assets, purchases or sale any goods or service during the year. Thus, the clause 4(iv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- v. (a) In our opinion and according to the information and explanation given to us, transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of ₹ 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
- vii. The Company does not have a formal internal audit system. However, in our opinion there are adequate internal control procedures commensurate with the size & nature of its business.
- viii. The Central Government has not prescribed the maintenance of Cost Records under Section 209(1) (d) of the Companies Act 1956, in respect of the Company's products.
- ix. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there is no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty and any other statutory dues which have not been deposited on account of any disputes.
- x. The Company is incorporated on 2nd April, 2010. Since a period of five years has not elapsed from the date of incorporation, we are of the opinion that no comments is required under clause (x) of paragraph 4 of the Order regarding the erosion of 50% of the net worth and cash losses in the current and in the immediately preceding financial year.
- xi. The Company has not taken any loans from any financial institution, banks or debenture holders during the year. Therefore, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xii. According to the information and explanation given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund company or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- xv. In our opinion and according to the information and explanation given to us, the company has not given guarantees for loans taken by others from bank or financial institutions.
- xvi. The Company has not taken any term loans during the year.
- xvii. The Company has not raised any funds on short-term basis.
- xviii. In our opinion and according to the information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures during the year, so the question of creation of security in respect debentures was not applicable to the company.
- xx. The Company is Private Limited Company and has not raised money through public issue hence clause (xx) of the Order 2003 is not applicable to the Company.
- xxi. Based on the audit procedures performed and the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

Giriraj B. Laddha
Partner
Membership No. : 108558

Place : Vapi
Date : 16th May, 2014

SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	NOTE NO.	As At 31-March-2014 ₹	As At 31-March-2013 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	5,000,000	5,000,000
(b) Reserves and Surplus	3	110,993	-31,337
(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	160,236	124,236
(c) Other Current Liabilities		0	0
(d) Short-Term Provisions	5	39,389	67,900
Total Equity & Liabilities		5,310,618	5,160,799
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	87,408	2,587,408
(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	5,083,448	2,494,162
(e) Short-term loans and advances		0	0
(f) Other current assets	8	139,762	79,229
Total Assets		5,310,618	5,160,799

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

1
2 to 16

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Giriraj B. Laddha
Partner
Membership No. : 108558
Vapi, 16th May, 2014

Gautam D. Shah
Director

Dhansukhlal G. Shah
Director

Vapi, 16th May, 2014

SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2014

Particulars	NOTE NO.	As At 31-March-2014 ₹	As At 31-March-2013 ₹
INCOME			
1 Revenue from operations		0	0
2 Other Income	9	264,446	378,198
3 Total Revenue (1+2)		264,446	378,198
4 Expenses			
a) Cost of materials consumed		0	0
b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		0	0
c) Employee Benefit Expense		0	0
d) Financial Costs		0	0
e) Depreciation and Amortization Expense		0	0
f) Other Expenses	10	54,794	53,822
Total Expenses (a+b+c+d+e+f)		54,794	53,822
5 Profit before exceptional and extraordinary items and tax	(3 - 4)	209,652	324,376
6 Exceptional Items		0	0
7 Profit before extraordinary items and tax (5 - 6)		209,652	324,376
8 Extraordinary Items		0	0
9 Profit before tax (7 - 8)		209,652	324,376
10 Tax expense			
(1) Current tax		64,782	104,700
(2) Deferred tax		0	0
(3) Short provision of income tax of earlier year		2,540	0
11 Profit(Loss) from the period from continuing operations	(9-10)	142,330	219,676
12 Earning per Equity Shares:	11		
Earning (Including extraordinary / exceptional items) per Equity Shares of face value of ₹10/- each Basic & Diluted		0.28	0.44
Earning (Excluding extraordinary / exceptional items) per Equity Shares of face value of ₹10/- each Basic & Diluted		0.28	0.44

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

1
2 to 16

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

FOR AND ON BEHALF OF THE BOARD DIRECTORS

Giriraj B. Laddha
Partner
Membership No. : 108558

Gautam D. Shah
Director

Dhansukhlal G. Shah
Director

Vapi, 16th May, 2014

Vapi, 16th May, 2014

SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED

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

Particulars	₹ For the year ended 31 March, 2014	₹ For the year ended 31 March, 2013
Cash flow from Operating Activities		
Net profit/(loss) before tax	209,652	324,376
Add: Depreciation	0	0
Add: Interest Payment	0	0
Less: Interest Received	264,446	378,198
Less: Dividend Income	0	0
Operating Profit before working Capital Changes	-54,794	-53,822
Add: Decrease in Sundry Debtors	0	0
Add: Increase in Sundry Creditors	36,000	24,970
Add: Increase in Other Current Liabilities	0	0
Add: Decrease in Other Current Assets	2,439,467	-2,557,558
Add: Decrease in inventory	0	0
Cash generated from Operation	2,420,673	-2,586,410
Less: Income Tax paid	95,833	36,800
Cash flow before extraordinary item	2,324,840	-2,623,210
Add/Less: Extraordinary item	0	0
Net Cash From Operating Activities (A)	2,324,840	-2,623,210
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	264,446	378,198
Add: Proceeds from sale of Fixed Assets	0	0
Add: Dividend Received	0	0
Net Cash From Investing Activities (B)	264,446	378,198
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)	2,589,286	-2,245,012
Cash and Cash Equivalents at beginning of the year	2,494,162	4,739,174
Cash and Cash Equivalents at end of the year	5,083,448	2,494,162

As per our attached report of even date

For **G. B. LADDHA & Co. LLP**
Chartered Accountants
Firm Reg. No.: 120352 W

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Giriraj B. Laddha
Partner
Membership No. 108558
Vapi, 16th May, 2014

Gautam D. Shah
Director

Dhansukhlal G. Shah
Director

Vapi, 16th May, 2014

SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED

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

Note 1: SIGNIFICANT ACCOUNTING POLICIES:

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 which ever is less. The cost is determined on FIFO basis.

(h) Sales

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

(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 PRIVATE LIMITED

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 on-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.

Note : 2 Share Capital

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
1 AUTHORIZED SHARE CAPITAL 500,000 (500,000) Equity Shares of ₹ 10/-each. Equity Shares of ₹ 10/- each with voting rights.	5,000,000	5,000,000
	5,000,000	5,000,000
2 ISSUED SHARE CAPITAL 500,000 (500,000) Equity Shares of ₹ 10/- each, with voting rights	5,000,000	5,000,000
3 SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL 500,000 (500,000) Equity Shares of ₹ 10/-each. Equity Shares of ₹ 10/- each with voting rights.	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-14		31-Mar-13	
	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
Add: Shares fully paid up during the year	-	-	-	-
No. of Shares at the end of the year	500,000	5,000,000	500,000	5,000,000

2.2 Details of Shareholding holding more than 5 % shares in the Co.	31-Mar-14		31-Mar-13	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shree Ajit Pulp And Paper Limited	499,980	99.99%	499,980	99.99%

2.3 Terms and Rights attached to Equity Shares:

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

SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED

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

Note : 3 Reserve & Surplus

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
1 Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	(31,337)	(251,013)
Add: Profit / (Loss) for the year	142,330	219,676
Total in ₹	110,993	(31,337)

Note : 4 Trades Payable

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
Trades Payable		
1 Due to Micro, Small and Medium Enterprises	0	0
2 Others	160,236	124,236
Total in ₹	160,236	124,236

Note : 5 Short Term Provisions

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
1 Provision for Taxation (Net of TDS)	39,389	67,900
Total in ₹	39,389	67,900

Note : 6 Long term loans and advances

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
1 Investment in NSC- Earmarked with Sales Tax Dept.	60,000	60,000
2 Vat Deposit	25,000	25,000
3 TDS Receivable	2,408	2,408
4 Deposit	0	2,500,000
Total in ₹	87,408	2,587,408

Note : 7 Cash & Cash Equivalent

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
1 Cash-in-Hand	4,852	2,410
Sub Total (1)	4,852	2,410
2 Balance with Bank		
a) In Current Accounts		
With Nationalised Bank A/c	2,578,596	2,491,752
b) Other Bank Balance		
Deposit with originally maturity for more than 3 months but less than 12 months	2,500,000	0
Sub Total (2)	5,078,596	2,491,752
Total in ₹	5,083,448	2,494,162

SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED

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

Note : 8 Other Current Assets

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
1 Interest on F. D. Receivable	119,044	0
2 Interest Accrued on NSC	20,718	10,188
3 Interest Receivable on deposit	0	69,041
Total in ₹	139,762	79,229

Note : 9 Other Income

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
1 Interest Income	264,446	378,198
Total in ₹	264,446	378,198

Note : 10 Other Expenses

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
1 Bank Charges	0	56
2 Audit Fees	11,236	11,236
3 Professional Charges	5,000	5,000
4 Office Rent	36,000	36,000
5 Filing Fees	2,558	1,530
Total in ₹	54,794	53,822

10.1 Payment to Auditor

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
1 Audit Fees	10,000	10,000
2 Services Tax	1,236	1,236
Total in ₹	11,236	11,236

Note : 11 Earning Per Share

Particulars	₹	₹
	As At 31 March 2014	As At 31 March 2013
1 Profit available for appropriation ₹	142,330	219,676
2 Weighted average number of shares	500,000	500,000
3 Earning per share (Basic) ₹	0.28	0.44
4 Face value per share ₹	10	10

SHREE SAMRUDHI INDUSTRIAL PAPERS PRIVATE LIMITED

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

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 or Partners
 (1) Shree Samrat Pulp & Paper Pvt.Ltd. (2) Shree Samarpan Pulp & Paper Pvt. Ltd
 (3) Arham Enterprises (4) Parshva Enterprise
 (5) Jalaram Land Developers (6) Shah Associates
 (7) Vishwa Mangalyam (8) Sky Crest
- (b) Key Management Personnel
 Shri Gautam D. Shah & Shri Dhansukhlal G. Shah
- (c) Relatives of Key Management Personnel: Nil
- (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, 2014 and no amount has been written off or written back during the year in respect of debts due from/to them.

(ii) Transactions with related Parties

(Amount in ₹)

Type of Related Party	Description of the nature of the transactions	Volume of transactions during 2013-14	Amount outstanding as on 31.03.2014	
			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. LLP
CHARTERED ACCOUNTANTS
 Firm Reg. No.: 120352 W

FOR AND ON BEHALF OF THE BOARD DIRECTORS

Giriraj B. Laddha
 Partner
 Membership No. : 108558

Gautam D. Shah
 Director

Dhansukhlal G. Shah
 Director

Vapi, 16th May, 2014

Vapi, 16th May, 2014

SHREE AJIT PULP AND PAPER LIMITED (CONSOLIDATED)

19th
Annual
Report
2013-14

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 31-03-2014		Extent of Holding (%)	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			Dealt with in the accounts of the Company for the year ended 31-03-2014	Not Dealt with in the accounts of the Company for the year ended 31-03-2014	Dealt with in the accounts of the Company for the year ended 31-03-2014	Not Dealt with in the accounts of the Company for the year ended 31-03-2014
Shree Samrudhi Industrial Papers Pvt. Ltd.	31-03-2014	500,000 Shares of ₹ 10/- each fully paid up		100	₹ NIL	₹ 1,42,330	₹ NIL	₹ 110,998

FOR AND ON BEHALF OF THE BOARD

Place : VAPI
Date : 28th MAY, 2014

GAUTAM D. SHAH
MANAGING DIRECTOR

DHANSUKHLAL G. SHAH
DIRECTOR



SHREE AJIT PULP AND PAPER LIMITED

Regd. Off. : Survey No. 239, Near Morai Railway Crossing, Village Salvav,
Via-Vapi - 396 191, Gujarat.
CIN: L21010GJ1995PLC025135

19TH ANNUAL GENERAL MEETING ON 29th SEPTEMBER, 2014 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 19th Annual General Meeting to be held at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi-396 191, Gujarat on 29th September, 2014 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.
CIN: L21010GJ1995PLC025135

19TH ANNUAL GENERAL MEETING ON 29th SEPTEMBER, 2014 PROXY FORM

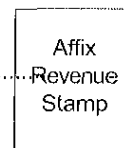
FOLIO No. :
DP ID No :
CLIENT No. :

I/We of
I/We being a Member/Members of above named
Company, hereby appoint of
or failing him I/We of

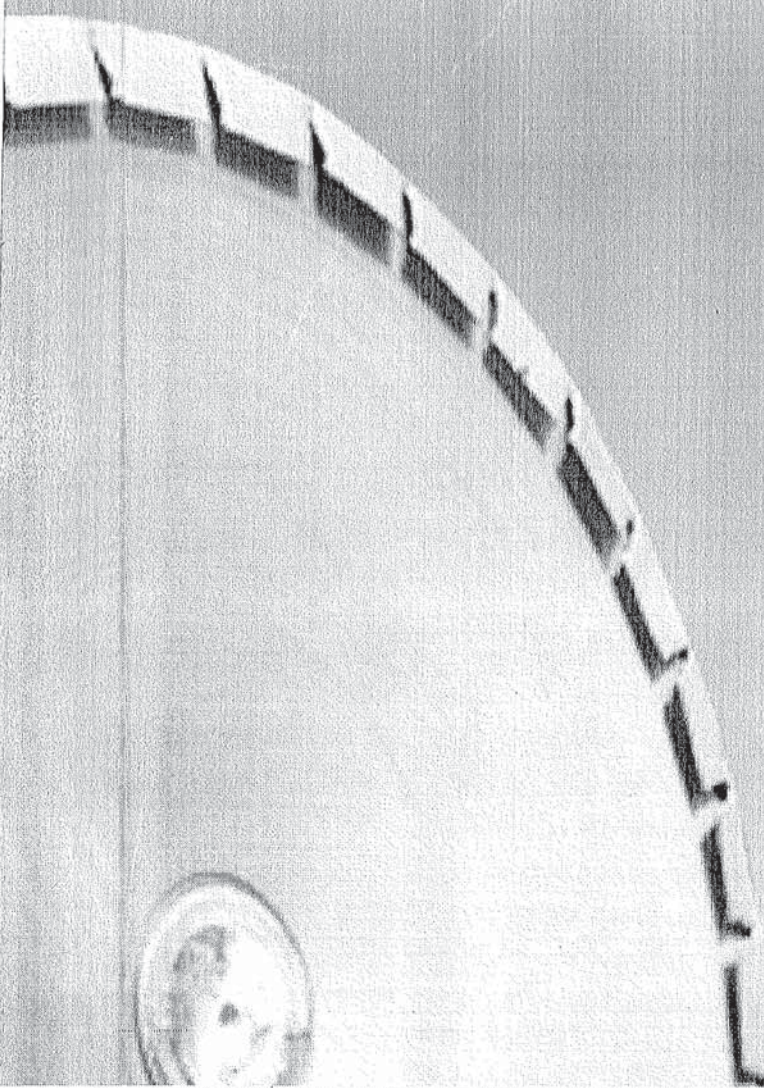
as my / our proxy to vote for me/us on/our behalf at the 19th Annual General Meeting to be held at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi-396 191, Gujarat on 29th September, 2014 at 11:00 a.m. and at any adjournment thereof.

Signed this day of2014.

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.



ajit

SHREE AJIT PULP AND PAPER LIMITED

Regd. Office

Survey No. 239, Near Moral Railway Crossing,

Village Salvay, Via-vapi - 396 191

FORM A

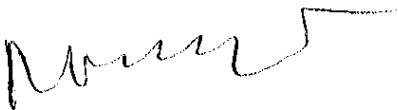
Covering letter of the annual audit report to be filed with the stock exchanges

(Pursuant to clause 31 (a) of the Listing Agreement)

1	Name of the Company	SHREE AJIT PULP AND PAPER LIMITED
2	Annual consolidated financial statements for the year ended	31 st March, 2014
3	Type of Audit qualification	Unqualified
4	Frequency of qualification	Not Applicable

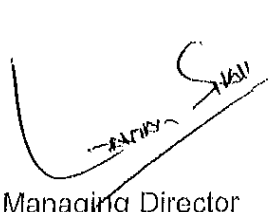

Refer our Audit Report dated 28th May, 2014 on the Consolidated financial statements of the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Registration no. No 117366W/W-100018)

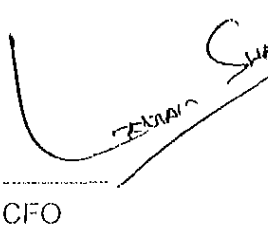



Rupen K. Bhatt
Partner
Membership No. 46930
Vapi, 28th May, 2014

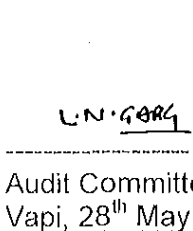

For Shree Ajit Pulp and Paper Limited

Managing Director

CFO




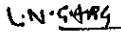
Audit Committee Chairman
Vapi, 28th May, 2014

FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

(Pursuant to clause 31 (a) of the Listing Agreement)

1	Name of the Company	SHREE AJIT PULP AND PAPER LIMITED
2	Annual standalone financial statements for the year ended	31 st March, 2014
3	Type of Audit qualification	Unqualified
4	Frequency of qualification	Not Applicable

<p>Refer our Audit Report dated 28th May, 2014 on the Standalone financial statements of the Company.</p> <p>For DELOITTE HASKINS & SELLS LLP Chartered Accountants (Registration no. No 117366W/W-100018)</p>  <p>Rupen K. Bhatt Partner Membership No. 46930 Vapi, 28th May, 2014</p>	<p>For Shree Ajit Pulp and Paper Limited</p>  <p>Managing Director</p>  <p>CFO</p>  <p>Audit Committee Chairman Vapi, 28th May, 2014</p>
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