



SHREE AJIT PULP AND PAPER LIMITED

Regd. Office :

Survey No. 239, Near Morai Railway Crossing,
Village Salvav, Via-Vapi, Dist. Valsad.
Pin - 396191, Gujarat, (India)
Tel. # : +91 260 2437059
Facsimile # : +91 260 2437090

Thursday, September 28, 2017

To,
Corporate Compliance Department,
Bombay Stock Exchange Limited,
P. J. Tower, Dalal Street,
Mumbai - 400 001

BSE Script Code: 538795

Dear Sir/Madam,

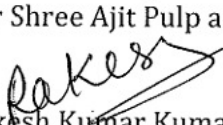
Sub.: Annual Report for the financial year 2016-17

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith a copy of Annual Report along with Statement on Impact of Audit Qualifications for the year ended 31st March, 2017, duly approved and adopted in the Annual General Meeting of the Company held on 27th September, 2017.

We request you to take this information on record and acknowledge.

Thanking you,

Yours faithfully,
For Shree Ajit Pulp and Paper Limited

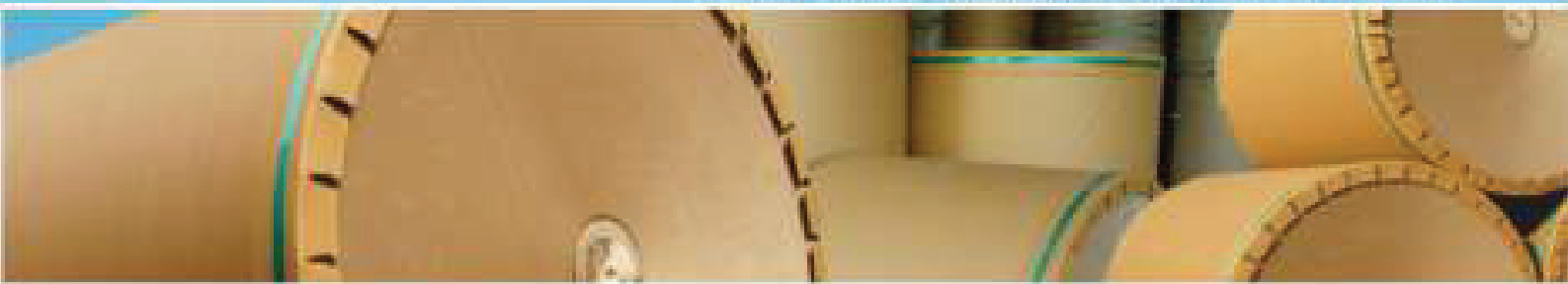

Rakesh Kumar Kumawat
Company Secretary and Compliance officer

Encl.: As stated above.



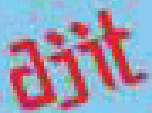
22ND ANNUAL REPORT
2016-2017

CHALLENGING OURSELVES TO ALWAYS DO BETTER



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SHREE AJIT PULP AND PAPER LIMITED



SHREE AJIT PULP AND PAPER LIMITED

VISION

Our vision and commitment to excellence is the driving force that seamlessly powers our success. Ever since our inception, we have been charting our way through great distances and 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 business the Right Way, while making a sustainable, measurable difference to the world in which we work and live.

MISSION

Excellence is a way of culture which leads to the innovation of our organisation. Our goal is to achieve "QUALITY rather than QUANTITY".

We motivate our people to enhance the efficiency above global standards, and evolve strong professional work ethics to ensure consistency in quality and service to our customers.

VALUES

Our Values are **SACRED** to us

- **Safety** : Safety is a core value over which no business objective can have a higher priority.
- **Agility** : Speed, Responsiveness and being Proactive, achieved through **Collaboration** and Empowering employees.
- **Care** : Care for Stakeholders - our Environment, Customers and Shareholders - both existing and potential, our Community and our People (our employees and partners).
- **Respect** : Treat all stakeholders with respect and dignity.
- **Ethics** : Achieve the most admired standards of Ethics, through **Integrity** and mutual **Trust**.
- **Diligence** : Do everything (self direction, deploy actions, analyse, review, plan and mitigate risks etc) with a thoroughness that delivers quality and Excellence - in all areas, and especially in Operations, Execution and Growth.



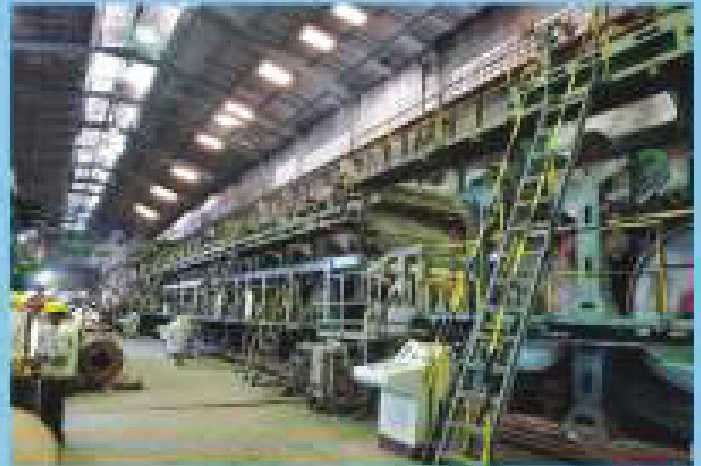


SHREE AJIT PULP AND PAPER LIMITED

SWOT ANALYSIS

STRENGTH

Your company is operating in Multilayer Testliner & Testliner Paper facility with installed capacity of 90,000 MT per annum at the said location. The company has well established marketing network of agents spread across western and southern region to sell the products manufactured. The Company rated A - (pronounced ICRA A Minus) rating by ICRA Ltd. Also the Promoters of the company have ample experience of the industry. They are well versed with various aspects of manufacturing products. As a result, your company will have advantage to hire and retain competent employee and to manage transport of raw material and finished goods due to its location which is well connected National Highway.



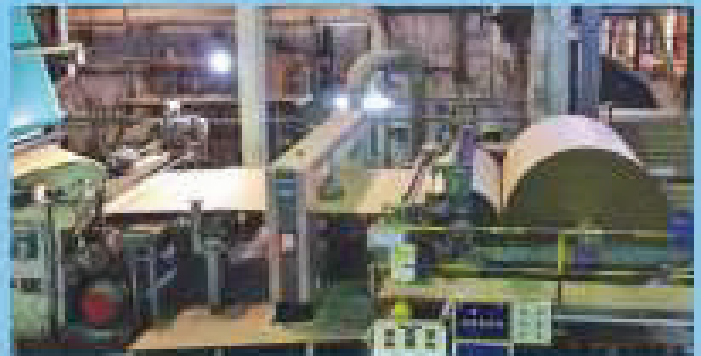
WEAKNESS

Sometimes seasonal factor affects the prices and availability of waste paper and accordingly, the profitability.

OPPORTUNITY

The competitive strengths and the opportunities that are available to the Indian Paper Industry are:

- ❖ Its large and growing domestic paper market.
- ❖ Increasing use of paper boards in packaging.
- ❖ Qualified technical manpower with capability to manage scale of pulp and paper mills.



THREATS

- ❖ Inadequate and high cost of raw materials.
- ❖ Small and fragmented industry structure.
- ❖ Many non-competitive mills.
- ❖ High energy consumption and costs.
- ❖ Likely closures, owing to increasingly stringent environmental regulations.

MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

"To be successful, you have to have your heart in your business, and your business in your heart."
- Thomas Watson

Dear Shareholders,

It is my pleasure to address you through the Annual Report of the company for the financial year ended on 31st March 2017. During the year your Company had undergone several challenges, while at the same time taking advantage of many opportunities that came their way. Your Company has on hand ongoing initiatives to emerge as a market leader. Our biggest strength has been the untiring efforts put in by colleagues and team members.

As reported in the last FY 2015-16, the Company had undertaken various projects for capital expenditure which would upgrade, modernize and improve efficiencies in the existing manufacturing facilities. Some of these projects have been successfully implemented and the Company deriving the benefit from same in a current year and rest of the projects are in an advanced stage of completion, and these are expected to be completed by 31st March, 2018.

Our Company's vision is to continue the expansion plan in line of producing **MORE PAPER WITH GOOD QUALITY**. For this the Company had decided to further invest a sum of Rs. 10.50 Crore in existing plant and machinery for improvement in a quality and reduction in a cost of production. I am confident that the impact of these changes will be reflected in the performance of the Company in the coming years.

Your Company believes that human resources are most valuable means for achieving and accomplishing the expectations of the stakeholders. SAPPL is fortunate to have a dedicated team who are passionate about their work and the company ensures that it continues to nurture them by providing a good working environment.

In FY 2015-17, the net Revenue of the Company was Rs. 208.76 crores as against Rs. 222.31 crores in the previous year, EBITDA was Rs. 18.80 crores as against Rs. 27.18 crores in the previous year, while PAT for the year was Rs.6.40 crores as against of Rs. 12.10 crores in the previous year.

A major fire accident broke on 31st August, 2016, in one of our imported waste paper godowns. Fortunately there was no human injury or loss to human life. Most of the material was ruined to ashes in the fire. However, the fire accident did not affect the production activity of the company. The Company immediately lodged the claim with insurance Company. Please note that your company always takes care of all it's assets through insurance coverage.

INDIAN ECONOMY

India is on a roll. There is a buzz about India, as it blazes forth as the fastest growing economy in the world at 7.1%. Investors are bullish. Stock index is at a historic peak. India's global ranking has jumped up in competitiveness and innovation index.

The various initiatives and reforms of the present union government is envisaged as providing strong foundation for growth the coming years. There is a revival of investment activity and creation of quality jobs in large measure. The Government has taken many steps, including a sharp focus on improving ease of doing business, speeding of green clearance and stepping up public sector outlays for infrastructure. I believe, it is a matter of time before the private sector investment pick up – as NPAs are resolved and corporate balance sheet are deleveraged.

INDUSTRY OUTLOOK

The paper industry in India has become more promising as the domestic demand is on the rise. Increasing population and literacy rate, growth in GDP, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India. The focus of paper industry is now shifting towards more eco-friendly products and technology.

India holds 15th rank among paper producing countries in the world. The total installed capacity is approximately 12.7 million tonnes. The per capita consumption of paper is around 11 kgs

against the global average of 56 kgs and the Asian average of 40 kgs. India's share in world paper production is about 2.6%. The industry is fragmented with over 750 paper mills, of which only 50 mills have a capacity of 50,000 TPA or more. The industry is working at 89 per cent capacity utilization. Despite the continued focus on digitalisation, India's demand for paper is expected to rise in the coming years, primarily due to growth in literacy, changes in lifestyle and increasing consciousness for personal hygiene.

Indian paper industry could witness a round of consolidation and co-operation among various players in the next few years due to collective leverage, fast changing manufacturing technologies and smooth backward integration for raw materials. The industry, which is highly dependent on wood pulp and paper scrap for manufacturing of paper and paper-based products, is also trying to widen its raw material base to lower cost of production. This also means that there is huge potential for the sector, which can be met through use of modern technologies.

It is therefore expected that the paper industry in India will contribute more to the GDP, export and also to increased employment in the near future.

COMPANY OUTLOOK

As industry outlook is very attractive, your company has always welcomed new technological changes and has engaged in automation of plant to optimize use of resources, manufacture quality paper and provide better support to stakeholders and deliver best results.

In conclusion, on behalf of the entire Board of Directors of SAPPL, I would like to thank you-our valued stakeholders- for the continuing confidence you have placed in the organisation.

With best regards,

Gautam D. Shah
Chairman & Managing Director

BOARD OF DIRECTORS

As on March 31, 2017

<i>Mr. Gautam D. Shah</i>	<i>Chairman and Managing Director</i>
<i>Mrs. Bela G. Shah</i>	<i>Director - Executive</i>
<i>Mr. Dhansukhlal G. Shah</i>	<i>Director - Non Executive</i>
<i>Mr. Laxminarayan J. Garg</i>	<i>Director - Independent</i>
<i>Mr. Darshak B. Shah</i>	<i>Director - Independent</i>
<i>Mr. Nawal Kishor D. Modi</i>	<i>Director - Independent</i>

COMPANY SECRETARY

Mr. Rakesh Kumar Kumawat

AUDITORS

*Deloitte Haskins & Sells LLP,
Chartered Accountants, Mumbai.*

BANKERS

*Indian Overseas Bank
State Bank of India*

SHARE TRANSFER AGENT

*Link Intime India Pvt. Ltd.
C 101, 247 Park, L.B.S. Marg,
Vikhroli (W), Mumbai - 400 083*

REGISTERED OFFICE

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

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SHREE AJIT PULP AND PAPER LIMITED



NOTICE

Notice is hereby given that the Twenty-second Annual General Meeting of the Members of Shree Ajit Pulp And Paper Limited will be held at the Registered office of the Company at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via- Vapi – 396 191 on Wednesday, 27th September, 2017 at 11:00A.M., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - (a) the audited financial statements of the Company for the year ended 31st March, 2017, the auditors' report thereon and the report of the Board of Directors and
 - (b) the audited consolidated financial statements of the Company for the year ended 31st March, 2017 and the auditors' report thereon.
2. To declare a dividend for the year 2016-2017.
3. To appoint a Director in place of Mr. Dhansukhlal G. Shah (DIN : 00377970) who retires by rotation and being eligible offers himself for re-appointment.
4. Ratification of appointment of Statutory Auditors.

To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:-

RESOLVED THAT pursuant to the provisions of section 139 and such other applicable provisions if any of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration Number- 117366W/W-100018) as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 23rd Annual General Meeting of the Company to be held in the year 2018, at such remuneration plus taxes as applicable and reimbursement of out of pocket expenses in connection with the audit, as the Managing Director may fix in consultation with the said Auditors."

Place : Vapi

Date : 27th May, 2017

Registered Office:

Survey No. 239, Near Morai Railway Crossing,

Village Salvav, Via-Vapi- 396 191,

CIN: L21010GJ1995PLC025135

Tel: 260 2437059, Fax: 260 2437090

Email: investors@shreeajit.com

Website: www.shreeajit.com

For and on behalf of the Board of Directors

Gautam D. Shah
Chairman and Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND, ON POLL, TO VOTE IN HIS STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 18/09/2017 to 27/09/2017 (both days inclusive), for the purpose of payment of dividend to those members whose names stand on the Register of Members as on 27/09/2017. 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 16/09/2017 as per the details furnished by the Depositories for this purpose.
4. The dividend, if any, declared at the Annual General Meeting will be payable on or after 17/10/2017.
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. 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 along with attendance slip.
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.
11. The relevant details as required under regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 directors seeking appointment/re-appointment are given in the corporate governance report.
12. 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 124 of the Companies Act, 2013, 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, 2010 upto March 31, 2016, 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).

SHREE AJIT PULP AND PAPER LIMITED



13. In case of joint holders attending the meeting, the joint holder who is higher in the order of name will be entitled to vote at the meeting.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Security market. Members holding Shares in dematerialized form should inform their DP and members holding shares in physical form should inform the Company their PAN details along with proof thereof.
15. A Route map showing direction to reach the venue of the meeting is given at the end of this Notice.
16. Voting through electronic means:-

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting by electronic means and business may be transacted through E-Voting services provided by Central Depository Services (India) 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 discretions, 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.

17. The instructions for members for voting electronically are as under:-
 - (i) The voting period begins on 24th September, 2017 (9.00 AM) and ends on 26th September, 2017 (5.00 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 20th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now enter your user ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 digits Clint ID,
 - c. Members holding shares in Physical form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	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 sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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.
- (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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

To Download m-Voting Mobile App

SCAN THIS  QR CODE



How do you use the barcode scanner app?

Installing Barcode Scanner

1. Open the Play Store on your device. You can find the Play Store in your list of apps.
2. Tap the Search bar. This can be found at the top of the Play Store screen.
3. Type barcode scanner.
4. Tap QR & Barcode Scanner from Gamma Play. ...
5. Tap Install.
6. Tap Accept.
7. Tap Open.

How do I find the QR code on my phone?

To scan a QR code:

1. Open the QR code reader app installed on your device.
2. Scan the QR code by lining it up inside the window on your screen.
3. The barcode is decoded on your device and specific instructions are sent to the app for appropriate action (e.g. open a specific website).

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(xix) Note for Non – Individual Shareholders and Custodians:

- Non-Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.co.in and register themselves.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details by custodian a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on. In case of Non-Individual Shareholders, admin user also would be able to link the account(s).
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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 or call 18002005533

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, (CDSL) Central Depository Services (India) Limited, 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533

18. 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 20th September, 2017.
19. Mr. Venilal C. Khambhata, Practicing Company Secretary (CP No. 6177), has been appointed as the scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.
20. The scrutinizer after scrutinizing the votes cast at the meeting by poll and through remote e-voting, will not later than 48 hours of conclusion of the meeting make a consolidated Scrutinizer's Report and submit the same to the Chairman who shall countersign the same.
21. The result declared along with the scrutinizer's report shall be placed on the Company's website and on the website of CDSL within 48 hours 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.
22. Notice of the Meeting is also displayed at www.shreeajit.com.

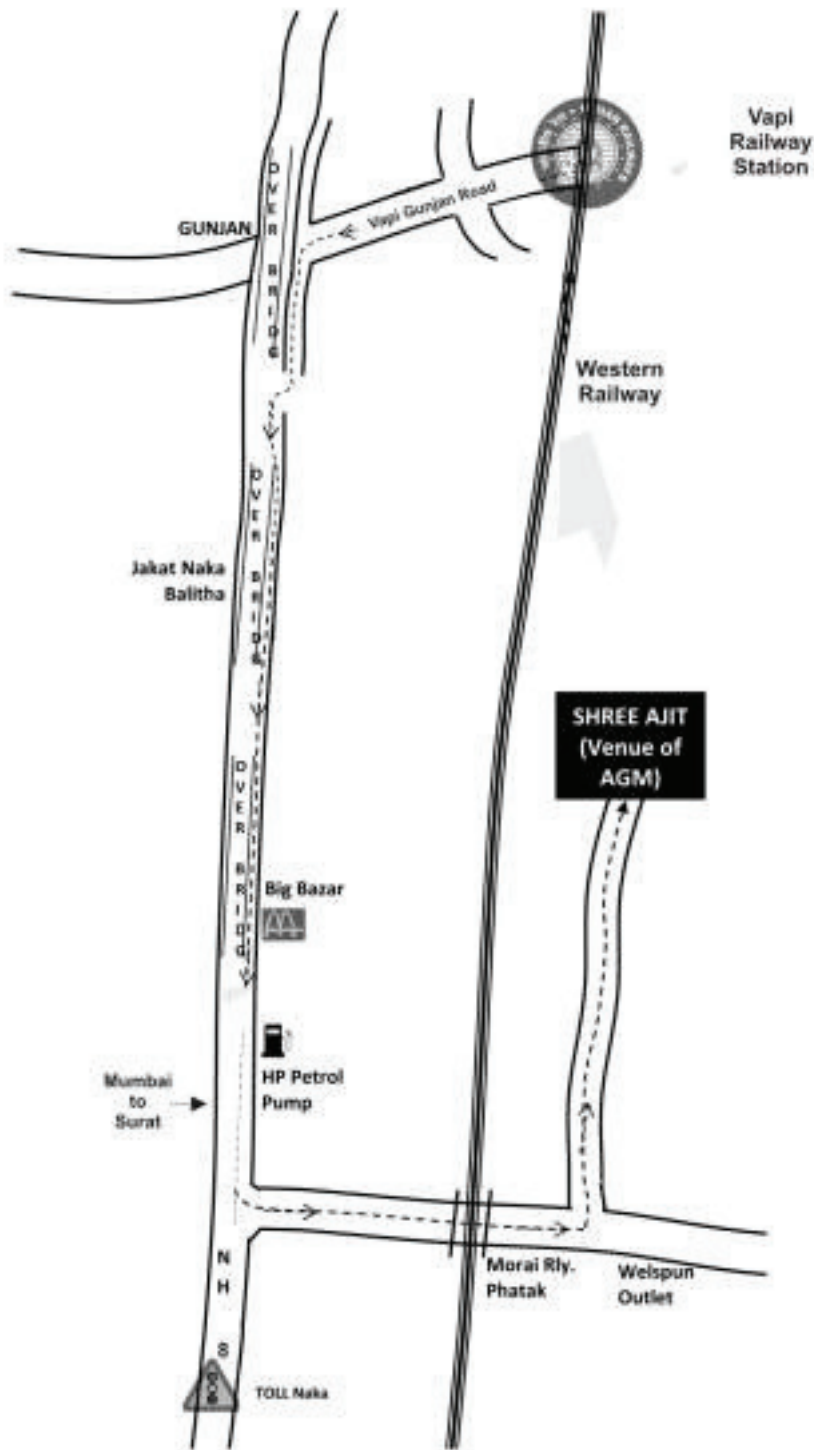
Place : Vapi
Date : 27th May, 2017
Registered Office:
Survey No. 239, Near Morai Railway Crossing,
Village Salvav, Via-Vapi- 396 191,
CIN: L21010GJ1995PLC025135
Tel: 260 2437059, Fax: 260 2437090
Email: investors@shreeajit.com
Website: www.shreeajit.com

For and on behalf of the Board of Directors

Gautam D. Shah
Chairman and Managing Director

SHREE AJIT PULP AND PAPER LIMITED

Route Map to the Venue of the 22nd AGM of the Company



SHREE AJIT PULP AND PAPER LIMITED



DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting their Twenty-Second Annual Report and the Audited Financial Statements for the year ended on 31st March 2017, together with the Independent Auditors' Report thereon.

Financial Results:

Particulars	(₹ in Lakh)	
	Current Year Ended 31-03-2017	Previous Year Ended 31-03-2016
Gross Sales/ Income from operations (Including Excise Duty and Sales Tax)	22876.54	24334.82
Other Income	9.09	4.36
Total Expenditure	(21025.38)	(21621.36)
Interest	(414.12)	(406.45)
Gross Profit after interest but before depreciation and taxation	1446.13	2311.37
Depreciation	(542.50)	(514.98)
Provision for Taxation	(210.85)	(526.75)
Deferred Tax Provision	(52.82)	(59.88)
Net Profit	639.96	1209.76
Balance brought forward from previous year	8186.54	7025.14
Amount Available for Appropriation	8826.50	8234.89
Appropriations:		
Proposed Dividend (Including Tax)	48.35	48.35
Balance carried to Balance Sheet	8778.15	8186.54

Dividend:

Your Directors have pleasure in recommending a modest dividend of 7.50%, i.e. ₹ 0.75 per Equity Share (previous year 7.50% i.e. ₹ 0.75) on 5356700 Equity Shares of ₹ 10/- each for the year 2016-2017.

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 Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report titled Corporate Governance is attached to this Annual Report.

Finance:

The repayment of due loan installments and interest payment is being regularly done.

Subsidiary Company, Joint Venture and Consolidated Financial Statements:

The Company's subsidiary Shree Samrudhi Industrial Papers Pvt. Ltd. has not yet commenced any business.

As required by Section 129 (3) of the Companies Act, 2013 and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Consolidated Financial Statements for the year ended on 31st March, 2017, prepared in accordance with the relevant accounting standards as prescribed under Section 133 of the Companies Act, 2013 and the Auditors report there on are attached.

SHREE AJIT PULP AND PAPER LIMITED



As required by first proviso of Section 129 (3) of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing the salient features of the financial statements of the Company's subsidiary (Shree Samrudhi Industrial Papers Pvt. Ltd.) and joint venture (Shree Samrat Pulp and Paper Pvt. Ltd.), in form AOC 1 is also attached. The statement also provides the details of performance and financial position of the said subsidiary and joint venture Companies.

Shareholders interested in obtaining a copy of the audited annual financial statements of the subsidiary Company may write to the Company.

Directors and Key Managerial Personnel :

Mr. Dhansukhlal G. Shah (DIN: 00377970) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Extract of the Annual Return:

An extract of the Annual Return in Form MGT-9 for the year ended on 31st March, 2017 pursuant to sub-section (3) of Section 92 of the Companies Act, 2013 is annexed with this report.

Directors' Responsibility Statement:

In accordance with Section 134(5) of the Companies Act, 2013 your Board of Directors confirms that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls:

Your Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operation. Review of the internal financial controls environment of the Company was undertaken during the year which covered verification of entity level control, process level control, identification, assessment and definition of key business processes and analysis of risk control matrices etc. During the period under review, effectiveness of internal financial controls was evaluated. Reasonable Financial Controls are operative for the business activities of the Company and no material weakness in the design or operation of any control was observed. The internal financial controls with references to the Financial Statements are commensurate with the size and nature of the business of the Company.

Statement on declaration given by Independent Directors u/s. 149 (6):

Every Independent Director has given declaration that he meets the criteria of independence as provided in Section 149 (6) and Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Company's Policy on Directors' Appointment and Remuneration:

Pursuant to provisions of Section 134 (3) read with Section 178 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated the policy for

payment to non-executive Directors and the policy for terms and Conditions for appointment of Independent Directors. These policies are placed on website of the Company.

The Nomination and Remuneration Committee also recommends appointment and remuneration of Executive Directors/ KMPs based on expertise and experience. The Committee also ensures that the remuneration is sufficient to attract, retain and motivate best managerial talents.

Particulars of Loans, Guarantees or Investment u/s. 186:

During the year the Company has not given any loans or guarantees or made any investments exceeding limit under Section 186 of Companies Act, 2013.

Particulars of Contract or Arrangement Regarding Related Party u/s. 188:

During the Financial Year 2016-17 the Company has not entered into any contract or arrangement with related party under Section 188 of the Companies Act, 2013. The policy on materiality of related party transaction is placed on website of the Company.

Material Changes and Commitment affecting Financial Position of the Company:

There are no material changes and commitments affecting the financial position of the Company which have occurred between end of the financial year of the Company and the date of Directors' Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo:

The relevant information is given as an annexure to this report.

CSR Committee and Implementation of CSR Projects:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII, a Corporate Social Responsibility (CSR) Committee of the Board is in place comprising of the Managing Director and one Independent Director and one Non Executive Director. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy), from time to time indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The Annual Report for the year 2016-17 on CSR activities is annexed with this report. The detailed CSR policy is placed on the website of the Company.

Establishment of Vigil Mechanism:

The Company has established a vigil mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct and ethics of the Company. It provides for adequate safeguard against the victimization of employees who avail the mechanism and are allowed direct access to the Chairman of the Audit Committee and Ethics Counselor of the Company. The whistle blower policy is placed on the website of the Company.

Performance Evaluation:

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual performance evaluation of the Directors as well as of the Audit Committee, Nominations and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee of the Board has been carried out.

The performance evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

Particulars of Remuneration:

The information required under Section 197 of the Companies Act, 2013 and Rules made there under, in respect of employees of the Company is as follows:

- 1.(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;

Director's Name	Ratio to median remuneration
Mr. Gautam D. Shah	33.29
Mrs. Bela G. Shah	33.29

Note : Non Executive/Independent Directors are not paid any remuneration except the sitting fees for attending meetings of the Board and Committees thereof.

- (ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Director's/CFO/CEO/CS/Manager name	% Increase in remuneration
Mr. Gautam D. Shah, CMD & CFO	(49.70%)
Mrs. Bela G. Shah, Executive Director	(49.70%)
Mr. Rakesh Kumar Kumawat, Company Secretary	*

Note :

- Non Executive/Independent Directors are not paid any remuneration except the sitting fees for attending meetings of the Board and Committees thereof.
 - * The percentage increase in remuneration is not comparable as the payment in the previous year was for less than one month.
- (iii) Percentage increase in the median remuneration of employees in the financial year; 8.51%
- (iv) The number of permanent employees on the rolls of the company; 259
- (v) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- The average increase in salaries of employees other than managerial personnel in 2016-17 was 11.67%. Percentage increase in the managerial remuneration for the year was (48.63%). KMP salary increase is decided based on the individual's and Company's performance.
- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company; YES
- Statement pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2017; NONE

Risk Management:

The Company is addressing various risks impacting the paper industry. Some of the risks to which the Company is exposed are as under.

Financial Risks:

The Company's policy is to actively manage its foreign exchange risks.

Commodity price risks:

The Company proactively manages risks of price fluctuation of raw materials through forward booking and inventory management. The Company's reputation for quality product mitigates the impact of price risk on finished goods.

Regulatory risks:

The Company is exposed to risks attached to various statutes and regulations. The Company is mitigating these risks by engaging competent person in each functional area and through regular review of legal compliances carried out from time to time.

Human resources risks:

Retaining the existing talents and attracting new talents are major risks. These risks are mitigated by regular interaction with concerned employees and providing congenial working conditions.

Disclosure under Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013:

There was no complaint received from any woman employee during the financial year 2016-17 and hence no complaint is outstanding as on 31st March, 2017 for redressal.

Public Deposit:

The company has not accepted any deposit from the public within the meaning of chapter V of the Companies Act, 2013, and rules there under.

Significant and Material Orders passed by the Regulators:

During the Financial year under review, no significant and material orders were passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

Auditors:

The notes on financial statements including note regarding insurance claim, referred to in the Auditors Report are self - explanatory and do not require further explanation.

The appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Firm Registration Number-117366W/W-100018) of the Company made at the 21st AGM for a period of 5 years from the year 2016-2017 to 2020-2021, needs to be ratified by the Shareholders every year. You are requested to ratify their appointment as Auditors of the Company for the year 2017-2018 and to fix their remuneration.

Secretarial Audit Report:

Pursuant to Section 204 of Companies Act, 2013, your Company had appointed Mr. V. C. Khambhata, Practicing Company Secretary (CP No. 6177) as Secretarial Auditor to conduct the secretarial audit of the Company for the Financial Year 2016-17. The report of Secretarial Auditor is annexed with this report. The report does not contain any qualification, reservation or adverse remark.

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

**Place : Vapi
Date : 27th May 2017**

**Gautam D. Shah
Chairman and Managing Director**

**Bela G. Shah
Executive Director**

SHREE AJIT PULP AND PAPER LIMITED



ANNEXURE TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	Corporate Identification Number (CIN)	L21010GJ1995PLC025135
ii	Registration Date	23-03-1995
iii	Name of the Company	SHREE AJIT PULP AND PAPER LIMITED
iv	Category / Sub-Category of the Company	Company Limited by Shares
v	Address of the Registered office and contact details	Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi – 396191-Gujarat Tel. No. 0260 -2437059 Email id. investors@shreeajit.com
vi	Whether listed company Yes / No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083. Telephone No. 022- 49186000 Email: mt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and description of main products / Services	NIC Code of the Product / service	% to total turnover of the company
1	Multilayer Testliner & Testliner Paper	17021	98.64%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name And Address of The Company	CIN/GIN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Shree Samrudhi Industrial Papers Private Limited Address:-Office No. 34, IInd Floor, Sahara Market, Silvassa Road, Vapi – 396191.	U21000GJ2010PTC060127	Subsidiary	100%	Section 2(87) of the Companies Act, 2013.
2	Shree Samrat Pulp and Paper Private Limited Address:-212, Marine Chamber, 43, New Marine Lines, Opp. SNTD College, Mumbai – 400020.	U21093MH2010PTC209843	Associate	50%	Section 2(6) of the Companies Act, 2013.

SHREE AJIT PULP AND PAPER LIMITED



IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

1) Category-wise Share Holding:

Category of share holders	No. of share held at the beginning of the year				No. of share held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total shares	% of total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2540790	-	2540790	47.43	2540790	-	2540790	47.43	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Bank / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):	2540790	-	2540790	47.43	2540790	-	2540790	47.43	-
(2) Foreign									
a) NRIs-Individual	-	-	-	-	-	-	-	-	-
b) Other-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Bank / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	-	-	-	-	-	-	-	-	-
Total Share Holding of Promoter									
A=(A) (1) + (A) (2)	2540790	-	2540790	47.43	2540790	-	2540790	47.43	-
B. Public Share Holding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
b) Indian	2901	-	2901	0.05	39728	-	39728	0.74	0.69
i) Overseas	-	-	-	-	-	-	-	-	-
ii) Individuals									
Individual share holders holding nominal share capital up to of Rs. 1 lacs	380068	374800	754868	14.15	345027	357100	702127	13.12	(1.03)
Individual share holders holding nominal share capital in excess of Rs. 1 lacs	1536033	488790	2024823	37.99	1505490	400700	1906190	37.42	(0.57)
c) Others...									
Clearing Members	14545	-	14545	0.27	7443	-	7443	0.14	(0.13)
Non Resident Indians	2503	3500	6003	0.11	57962	3500	61462	1.15	1.04
Sub-Total (B) (2):	1939050	878690	2815910	52.57	1956598	859300	2815910	52.57	0
Total Public shareholding (B)=(B)(1)+(B)(2)	1939050	878690	2815910	52.57	1956598	859300	2815910	52.57	0
C. Share held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4479840	878690	5356790	100.00	4497348	859300	5356790	100.00	-

SHREE AJIT PULP AND PAPER LIMITED



ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Gautam D. Shah	1064750	19.88	14.44	1064750	19.88	14.44	-
2	Bela G. Shah	385540	7.20	--	385540	7.20	--	--
3	Suresh C. Shah	454000	8.48	--	454000	8.48	--	--
4	Jayantilal M. Shah	435000	8.12	--	435000	8.12	--	--
5	Sunita S. Shah	184200	3.44	--	184200	3.44	--	--
6	Jayvantiben J. Shah	17300	0.32	--	17300	0.32	--	--
	Total	2540790	47.43	14.44	2540790	47.43	14.44	--

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise increase / Decrease in promoters shares holding during the year specifying the reasons for increase / decrease (i.e. allotment / transfer / bonus / sweat equity etc):	There is no change in promoter's shareholding during the year under review.			
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Bela P. Shah				
	At the beginning of the year	363500	6.79	363500	6.79
	At the end of the year	363500	6.79	363500	6.79
2	Varun Shah				
	At the beginning of the year	425200	7.94	425200	7.94
	At the end of the year	425200	7.94	425200	7.94
3	Bharat M. Shah				
	At the beginning of the year	270900	5.06	270900	5.06
	At the end of the year	270900	5.06	270900	5.06
4	Mahesh H. Shah				
	At the beginning of the year	229025	4.28	229025	4.28
	At the end of the year	229025	4.28	229025	4.28

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5	Swetalben M. Shah				
	At the beginning of the year	142400	2.66	142400	2.66
6	Devashri Shah				
	At the beginning of the year	121400	2.27	121400	2.27
7	Chandra C Shah				
	At the beginning of the year	111700	2.08	111700	2.08
8	Dipak R. Shah				
	At the beginning of the year	100860	1.88	100860	1.88
9	Miss Bhagwati V. Mehta				
	At the beginning of the year	43400	0.81	43400	0.81
10	Ritu Garg				
	At the beginning of the year	40000	0.75	40000	0.75

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Gautam D. Shah				
	At the beginning of the year	1064750	19.88	1064750	19.88
2	Mrs. Bela G. Shah				
	At the beginning of the year	385540	7.20	385540	7.20
3	Mr. Dhansukhlal G. Shah				
	At the beginning of the year	0	0	0	0
4	Mr. Laxminarayan J. Garg				
	At the beginning of the year	0	0	0	0
5	Mr. Darshak B. Shah				
	At the beginning of the year	0	0	0	0
6	Mr. Nawal Kishor D. Modi				
	At the beginning of the year	0	0	0	0
Shareholding of Key Managerial Personnel					
1	Mr. Rakesh Kumar Kumawat				
	At the beginning of the year	0	0	0	0

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V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ In Lacs)

	Secured Loans excluding deposit	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2658.44	0	0	2658.44
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	19.16	0	0	19.16
Total (i+ii+iii)	2677.60	0	0	2677.60
Change in indebtedness during the financial year				
Addition	2437.04	0	0	2437.04
Reduction	685.95	0	0	685.95
Net Change	1751.09	0	0	1751.09
Indebtedness at the end of the financial year				
i) Principal amount	4419.88	0	0	4419.88
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	8.81	0	0	8.81
Total (i+ii+iii)	4428.69	0	0	4428.69

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager. (₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Gautam D. Shah - CMD	Bela G. Shah - WTD	
1	Gross Salary			
	(a) As per provisions contained in section 17(1) of the Income-tax Act, 1961	50.07	42.00	92.07
	(b) Value of perquisites u/s. 17(2) of the Income-tax Act, 1961	0	0	0
	(c) Profit in lieu of salary under section 17(3) of the Income-tax Act, 1961	0.13	6.33	6.46
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	1.87	1.87
	As % of profit Others, specify			
5	Others, please specify	0	0	0
	Total (A)	50.20	50.20	100.40
	Ceiling as per Act	50.20	50.20	100.40

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B. Remuneration to other Directors:

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of Director			Total Amount
1	Independent Directors	Laxminarayan J. Garg	Darshak B. Shah	Nawal kishor D Modi	
	Fee for attending board / committee meetings	0.65	0.65	0.40	1.70
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	0.65	0.65	0.40	1.70
2	Non-executive Directors			Dhansukhlal G. Shah	
	Fee for attending board / committee meetings			0.20	
	Commission			0	
	Others, please specify			0	
	Total (2)			0.20	0.20
	Total (B)=(1+2)				1.90
	Overall Ceiling as per Act				10.04

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹ In Lacs)

Sr No.	Particulars of Remuneration	CS Rakesh Kumar Kumawat	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.35	5.35
	(b) Value of perquisites u/s. 17(2) of the Income-tax Act, 1961	0	0
	(c) Profit in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission As % of Profit Others, specify	0	0
5	Others, please specify	0	0
	Total	5.35	5.35

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made if any (give details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICER IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

ANNEXURE TO DIRECTORS' REPORT CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rule, 2014]

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy :

All the manufacturing facilities continued their efforts to reduce the specific energy consumption. Specific and total energy consumption is tracked on daily basis at factory level. Energy audits are conducted at manufacturing unit at regular intervals and findings of the audit are implemented. Apart from regular practices and measures for energy conservation, many new initiatives were driven across the unit. The measures taken at the Company's manufacturing unit are briefly enumerated as below:

a) Process optimization and automation:

Efforts have been put consistently to optimize the use of energy consumption in production processes and operation of utilities. A few notable measures are:

- In the power plant, all major equipments like FD fan, ID fan and cooling tower pump motor are installed with VFD to optimize power consumption.
- Recovery of maximum condensate of process steam and return to power plant to increase feed water temperature and reduce fuel consumption.
- Continuous checking and observation on condensing system for any leakage and same is arrested immediately to avoid loss of heat energy.
- Installed VFD in PA fan to optimize power consumption.
- Continuous checking of steam system and steam trap for any leakage and is attended immediately to reduce loss of heat energy.
- Steam and condensate system modified at paper machine plant and steam consumption per ton of paper reduced.
- Installation of auto bed material feeding system at AFBC boiler at our power plant to reduce heat loss to atmosphere during opening of furnace door.
- Proper insulation done in hot zone area of boiler to reduce heat loss to atmosphere and reduce fuel consumption.
- Flash steam from condensate storage tank is used to increase the temperature of DM water with the help of heat exchanger, thus reducing fuel consumption that have been used to generate steam.
- Automization done in power plants which were operating on METSO. A fully automatic power plant.
- For automization, boiler efficiency increased and fuel consumption reduced.
- Very efficient coal crushing plant is installed and it run for less than 3 hours only in 24 hours, hence lot of power saving.
- In boiler bank, tube zone and economizer zone un-burnt particle are re-cycled to reduce final un-burnt percentage.
- Special insulation jacket that are used in high temperature application have been provided in areas of turbine casing, turbine ESV and process lines that has reduced the heat losses due to radiation to surrounding areas, hence lot of energy saving.
- Heat loss reduced by insulating paper machine dryers end cover at both side.
- DC motor of line shaft is replaced by installed sectional AC drive.

b) Optimization of electrical equipment:

The modifications/additions to some of the electrical equipments being done are:

- Timer based operations for air conditioner units across the plant.
- In paper machine, plant energy saving efficient motor installed with VFD at required places to optimize power consumption.
- Idle running of pulper controlled by installation of hours meter.
- Installed energy efficient vacuum pump which leads to reduction in power consumption.
- Machine chest pump and agitator interlocking to avoid idle running of agitator and reduction in power consumption.
- High efficiency low power imported METSO brand new refiner installed, which is controlled by DCS.
- Installed AC VFD in fan pumps.

c) Other key initiatives for energy conservation:

With the view of reduction in specific energy consumption across the manufacturing unit, following

initiatives were driven by the plant teams:

- Monitoring and analysis of energy consumption on daily basis with respect to energy model.
 - Implementing best practices across the plant.
 - Make guidelines for purchase of energy efficient equipments like air compressors, motors, air conditioners, cooling tower pumps, transformers etc.
 - Sharing of latest updates in field of energy conservation
 - Power audit was carried out by CII.
 - Power factor is maintaining up to 0.99.
- (ii) Steps taken by the Company for utilizing alternate sources of energy:
The Company will continue to put in efforts to reduce specific energy consumption. Some major initiatives include:
- Company has already installed 2.0 MW Co-generation plant.
 - Replacement of conventional light fitting with LED fitting across the manufacturing unit.
 - VFD for pumps and blowers in utilities.
 - Replacement of reciprocating air compressor with VFD based screw compressor.
 - Company has already installed two windmills for power generation of total 2.75 MW Capacity.
- (iii) Capital Investment on energy conservation equipments:
The Company selects equipments and electrical motors (IE3) based on their higher energy efficiency. Old equipments and motors are being phased out with new energy efficient equipments for conservation of energy resources. Thermal insulations of equipments and boilers are regularly monitored and replaced to conserve heat energy and reduce heat loss to atmosphere. The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern and energy efficient equipments.

B. Technology absorption:

- (i) Efforts made towards technology absorption:
- Upgradation of existing product and process to save cycle time, energy consumption and overall operational efficiency.
 - Optimization of products and process to minimize waste generation and address environmental operational efficiency.
 - Fresh water consumption further reduced by recycling the machine back water at machine, pulp mill and vacuum pumps.
 - Development of in house domain expertise to support product development.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
- Control over the grammage variation of paper by installation of METSO QCS system.
 - Fresh water consumption reduced and ETP load minimized by installation of PDF.
 - Reduction in the SS load in primary clarifier.
 - Reduction in the COD & BOD load.
 - Emission in the air is negligible and monitoring all emission parameters by installation of SPM analyzer.
 - Better production with quality.
 - Power Conservation.
 - High degree of automation.
 - Less loads on production.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
- Details of technology imported / year of imports: The Company regularly imports new technology equipments to achieve maximum efficiency from the plant.
 - Whether the technology has been fully absorbed: Yes.
 - If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable.
- (iv) The expenditure incurred on Research and Development : NIL

C. Foreign exchange earnings and outgo:

1. During the year the Company has not done any export business transaction.
2. Foreign Exchange earned:- (₹ In Lacs) ▶ 10.99 against Import Raw Material claims.
3. Foreign Exchange used:
 - a) C.I.F. Value of import of Raw material and components, Capital Goods and Advance against capital goods (₹ In Lacs) ▶ 7402.31
 - b) Others - For expenses (₹ In Lacs) ▶ 6.59

ANNEXURE TO DIRECTORS' REPORT CORPORATE SOCIAL RESPONSIBILITY

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs: The CSR policy of the company is available on the company's website at www.shreeajit.com.

Composition of CSR Committee:

Mr. Gautam D. Shah, Chairman and Managing Director as Chairman

Mr. Laxminarayan J. Garg, Independent Director as Member

Mr. Dhansukhlal G. Shah, Non Executive Director as Member

Average net profit and prescribed CSR expenditure;

Particulars	(₹ In Lacs)
Average net profits for last three financial year	1524.59
Prescribed CSR expenditure (2% of the amount as above)	30.49

Details of CSR spent during the financial year 2016-17

Particulars	(₹ In Lacs)
Amount unspent brought forward from previous year	18.69
CSR Amount for the year	30.49
Total amount spent during the year	32.65
Amount unspent carry forward	16.53

Manner in which the amount spent during the financial year for the year 2016-17 is detailed below;

(₹ In Lacs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the project or programs Sub-heads: (1) Direct expenditure on project or programs. (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1	Contribution to Shree Jan Seva Mandal for Enrichment of Medical Aid	Healthcare	Local Area	6.96	6.96	6.96	Implementing Agency
2	Contribution to Jainaanupam N. Parmar Charitable Trust for Enrichment of Academy contents & Medical Aid of differently abled adult/children	Education & Healthcare	Local Area	7.00	7.00	7.00	Implementing Agency
	Total			13.96	13.96	13.96	

Manner in which the amount spent during the financial year for the year 2015-16 is detailed below;

(₹ In Lacs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the project or programs Sub-heads: (1) Direct expenditure on project or programs. (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1	Contribution to Rotary South Asia Society for Development & Co-operation (Rotary India Literary Mission) Enrichment of Academy contents under privileged of children.	Education	Kolkata (West Bengal)	0.25	0.25	0.25	Implementing Agency
2	Contribution to Muktidham Charitable Trust for conservation of natural resources and maintaining quality of air and water	Protection of Environment	Local Area	15.00	15.00	15.00	Implementing Agency

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3	Contribution to Maheshwari Mahila Mandal for Eradicating hunger, poverty and malnutrition	Hunger & Poverty	Local Area	0.21	0.21	0.21	Implementing Agency
4	Contribution to Surat Manav Seva Sangh for Enrichment of Medical Aid	Healthcare	Surat (Guj.)	0.18	0.18	0.18	Implementing Agency
5	Contribution to Shree Jan Seva Mandal for Enrichment of Medical Aid	Healthcare	Local Area	3.04	3.04	3.04	Implementing Agency
	Total			18.69	18.69	18.69	

Reason for unspent CSR amount: The Company has spent Rs. 13.96 lacs and balance amount of Rs. 16.53 lacs could not be spent as the suitable projects could not be finalized in time. The same will now be spent in coming year.

Responsibility Statement: Pursuant to the provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, Chairman and Managing Director Mr. Gautam D. Shah, Chairman CSR committee, do confirm that the implementation and monitoring of CSR Policy, are in compliance with the CSR objectives and policy of the Company.

Place : Vapi
Date: 27th May, 2017

Gautam D. Shah
Chairman (CSR Committee)

ANNEXURE TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Shree Ajit Pulp and Paper Limited.

Survey No. 239, Near Morai Railway Crossing,

Village Salvav, Vapi – 396191.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shree Ajit Pulp and Paper Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the amendments from time to time: Not applicable to the Company during the audit period.
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulation, 2014: Not applicable to the Company during the audit period.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable to the Company during the audit period.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: Not applicable to the Company.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: Not applicable to the Company during the audit period.
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not applicable to the Company during the audit period.
- (vi) I have relied on the representations made by the Company and its officers for the systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given as under.
 - (a) Factories Act, 1948
 - (b) Industries (Development & Regulation) Act, 1951
 - (c) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, Compensation etc.
 - (d) Acts prescribed under Environment and control of pollution
 - (e) Acts prescribed under Environmental protection
 - (f) Acts as prescribed under Direct Tax and Indirect Tax
 - (g) Land Revenue laws of the State
 - (h) Labour Welfare Act of the State

SHREE AJIT PULP AND PAPER LIMITED



(i) Trade Marks Act, 1999 & Copy Right Act, 1957

I have also examined compliance with the applicable clauses of the following :

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd., Ahmedabad Stock Exchange Ltd. and Vadodara Stock Exchange Ltd and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has not passed any Special Resolution which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Vapi
Date: 27th May, 2017

V. C. KHAMBHATA
COMPANY SECRETARY IN PRACTICE
ACS No.4887
C.P.No. 6177

This report is to be read with my letter of even date which is annexed and forms an integral part of this report.

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

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

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. I believe that the process and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of account of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Vapi
Date: 27th May, 2017

V. C. KHAMBHATA
COMPANY SECRETARY IN PRACTICE
ACS No.4887
C.P.No. 6177

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 - fluet etc. as packaging material.

The Company is having two wind mills for total capacity of 2.75 MW in Gujarat State, set up for captive consumption. These are in operation. The Company is having wheeling arrangement with GETCO and DGVCL whereby the set off is given to the Company for generation of electricity from the wind mills.

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 decreased by 5.99% to ₹ 22876.54 lacs during the year from ₹ 24334.82 lacs in the previous year. The Profit before Tax has decreased to ₹ 903.63 lacs from ₹ 1796.38 lacs and the Profit after Tax at ₹ 639.96 lacs as compared to ₹ 1209.76 lacs of the previous year. The profit before tax has decreased by 49.70% and profit after tax has decreased by 47.10%.

3. OVERALL PRODUCTION AND SALES PERFORMANCE :

NAME OF PRODUCT	PRODUCTION (MT)			SALES (MT)		
	2016-17	2015 - 16	DECREASE %	2016-17	2015 - 16	DECREASE %
Multilayer Testliner & Testliner Paper	77363	80010	3.31	77363	81084	4.59

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 UP-GRADATION AND IMPROVEMENT:

As reported in the last year's report, the work on the project for upgradation and improvement in existing manufacturing facilities at a cost of Rs. 24.81 crores was taken up during the year and is expected to be completed by the end of the current financial year. The same is being financed by a term loan of Rs. 18.60 crores from companies bankers and the balance from the retained earnings of the company.

In addition, the Company has decided to invest a further sum of Rs. 10.50 crores in plant and machinery in the existing plant, mainly for improvement in quality and reduction in cost of production.

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 Multilayer Testliner and Testliner 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 decreased by 5.99% to ₹ 22876.54 Lacs from ₹ 24334.82 lacs in the previous year. The sales in terms of volume decreased by 4.59% compared to previous year. The profit before tax has decreased by 49.70%.

b) DEBT:

As at 31st March, 2017, the Company's total debt including Term Loans and Working Capital Facilities was ₹ 4428.69 lacs as compared to ₹ 2677.60 lacs in the previous year. The finance cost has increased to ₹ 414.12 lacs during the year under report from ₹ 406.44 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 ₹ 639.96 lacs as compared to ₹ 1209.76 lacs in the previous year. The EPS has decreased to ₹ 11.95 against ₹ 22.58 in the previous year.

d) INTERNAL CONTROL SYSTEMS:

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

8. INCREASE IN SHAREHOLDER VALUE:

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

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

The Company has a team of 31 competent and highly motivated technical and management staff. It has 63 clerical, computer operating and other staff and 165 workmen handling factory operations. There is continuous communication between all levels of employees. The Employer-Employee relations are harmonious and cordial.

CORPORATE GOVERNANCE

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

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

2. COMPOSITION AND CATEGORY OF DIRECTORS, RELATIONSHIP OF DIRECTORS WITH EACH OTHER AND DIRECTORSHIP HELD IN OTHER COMPANIES BY THE DIRECTORS OF THE COMPANY.

The Composition of the Board is in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has optimum combination of Executive and Non Executive Directors with one Woman Director and not less than 50% comprising Independent Directors. The Chairman of the Company is Executive Director.

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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 Shah	Nil	Nil
Bela G. Shah	Executive Director	Wife of Gautam Shah	Nil	Nil
Dhansukhlal G. Shah	Non Executive / Promoter	Father of Gautam Shah	Nil	Nil
Laxminarayan J. Garg	Non-Executive / Independent	----	Nil	Nil
Darshak B. Shah	Non-Executive/ / Independent	----	Nil	Nil
Nawal kishor D. Modi	Non-Executive / Independent	----	Nil	Nil

Notes:

* The Directorships held by the Directors in other Companies do not include Directorships in private Limited Companies. Non Executive / Independent Directors are not holding any shares of the Company.

Details of Directors seeking Appointment / reappointment at the Annual General Meeting as required under regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

Particulars	Mr. Dhansukhlal G. Shah
DIN	00377970
Age	81
Date of Appointment	23/03/1995
Qualifications	Intermediate
Expertise in specific functional area	Specializing in Management of Business Undertakings
Directorship held in other Public Companies	Nil
Membership / Chairmanships of Committees of other public Companies (Includes only Audit and Stakeholders Relationship Committee	Nil
Number of Shares held in the Company	Nil
Relationship between Directors inter se	Mr. Gautam D. Shah – Son Mrs. Bela G. Shah – Son's wife

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

Sr. No	Name of Director	No. of Board Meeting held	No. of Board Meeting attended	Attended last AGM
1	Mr. Gautam D. Shah	8	8	Yes
2	Mrs. Bela G. Shah	8	8	Yes
3	Mr. Dhansukhlal G. Shah	8	4	No
4	Mr. Laxminarayan J. Garg	8	7	Yes
5	Mr. Darshak B. Shah	8	7	Yes
6	Mr. Nawal Kishor D. Modi	8	4	Yes

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) 26th May, 2016 (2) 8th July, 2016 (3) 12th August, 2016 (4) 6th September, 2016
(5) 25th October, 2016 (6) 12th November, 2016 (7) 14th February, 2017 (8) 28th March, 2017

The maximum time gap between any two meetings was not more than 120 days. 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.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The familiarization programme and other disclosures as specified under regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the website of the Company at www.shreeajit.com

INFORMATION PLACED BEFORE THE BOARD:

All the relevant and necessary information and details are placed before the Board at its meetings, such as productions, sales, capital expenditure, budgets, actual performance statistics, review of business, any legal proceedings by or against the Company, quarterly financial results, minutes of meetings of Audit Committee, Stakeholders Relationship Committee and other Board Committees, 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 of conduct as on 31st March 2017. This report contains a declaration to this effect signed by the Managing Director.

3. BOARD COMMITTEES:

The Company has the following Standing Committees of the Board:

1. AUDIT COMMITTEE:

The Audit Committee of the Company comprises of four Directors, of which three are independent Directors and one Managing Director. Mr. Laxminarayan J. Garg is the Chairman of the Committee and Mr. Darshak B. Shah, Mr. Nawal Kishor D. Modi and Mr. Gautam D. Shah, Managing Director are the members of the Committee.

The Audit Committee also meets with the requirements of section 177 of the Companies Act, 2013.

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013, briefly as follows:

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

- e) Reviewing the adequacy of internal audit functions.
- f) Discussion with internal auditors on any significant findings and follow-up there of.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

During the year the Audit Committee has met 4 times as against the minimum requirement of 4 meetings. The Statutory Auditors were also invited to attend the Audit Committee meetings. The dates on which the meetings were held are (1) 26th May, 2016 (2) 12th August, 2016 (3) 12th November, 2016 (4) 14th February, 2017.

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

Sr. No.	Name of Members	Attendance Particulars
1	Mr. Laxminarayan J. Garg	4
2	Mr. Darshak B. Shah	4
3	Mr. Nawal Kishor D. Modi	3
4	Mr. Gautam D. Shah	4

2. NOMINATION AND REMUNERATION COMMITTEE:

The terms of reference of Nomination and Remuneration Committee cover all applicable matters specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act, 2013, briefly as under:

- Identify persons qualified to become Directors or hold senior management positions and advise the Board for such appointments/ removals where necessary.
- Formulate criteria for determining qualifications, positive attributes and independence of Director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- Evaluate the performance of every Director.
- Devise a policy on Board diversity.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

The Nomination and Remuneration Committee comprises of three Directors, (1) Mr. Laxminarayan J. Garg, Independent Director- Chairman (2) Mr. Darshak B. Shah, Independent Director- member, and (3) Mr. Dhansukhlal G. Shah, Non Executive Director- member. The Committee recommends remuneration payable to Executive Director and Managing Director, in terms of requirements of schedule V of the Companies Act, 2013. During the year the Nomination and Remuneration Committee has met one time. The date on which the meetings was held is 26th May, 2016

Attendance of each member of Nomination and Remuneration Committee meetings held during the year:

Sr. No.	Name of Members	Attendance Particulars
1	Mr. Laxminarayan J. Garg	1
2	Mr. Darshak B. Shah	1
3	Mr. Dhansukhlal G. Shah	0

SHREE AJIT PULP AND PAPER LIMITED



Performance Evaluation Criteria for Independent Directors:

The criteria for performance evaluation are as follows:

1. Attendance and contribution at Board, members and Committee meetings.
2. Compliance with ethical standards & code of conduct of Company.
3. Understanding of the Company and the external environment in which it operates and contribution to strategic direction.
4. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
5. Rendering independent unbiased opinion.
6. Safeguard of stakeholders' interests and under Vigil Mechanism.
7. Reporting of frauds, violation etc.

REMUNERATION OF DIRECTORS:

A statement of remuneration paid to the Executive Directors is given below:

(₹ in Lacs)

Name of Director - Executive	Salary	Perquisites of Salary	Profit in lieu	Commissions	Total
Mr. Gautam D. Shah -Chairman & Managing Director	50.07	0.13	0.00	0	50.20
Mrs. Bela G. Shah -Executive Director	42.00	6.33	0.00	1.87	50.20

The remuneration to the Managing Director and Executive Director is fixed by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee of the Company and also approved by the Shareholders of the Company.

Name of Director-Executive	Service Contract	Notice Period	Severance Fees	Performance Linked Incentives	Stock Option
Mr. Gautam D. Shah -Chairman & Managing Director	5 Year	6 Month	Nil	Nil	Nil
Mrs. Bela G. Shah -Executive Director	5 Year	6 Month	Nil	Nil	Nil

No remuneration is paid to Non Executive Directors except sitting fees for attending meetings of the Board and Committees.

A statement of sitting fees paid to the Non Executive Directors is given below:

Name of Director-Non Executive	Sitting Fees (₹ in Lacs)
Mr. Dhansukhlal G. Shah	0.20
Mr. Laxminarayan J. Garg	0.65
Mr. Darshak B. Shah	0.65
Mr. Nawal Kishor D. Modi	0.40

A policy on criteria on making payment to Non Executive Directors is available on Company's website at www.shreeajit.com

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee comprises of Mr. Laxminarayan J. Garg –Chairman, 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 overall improvement in the quality of services.

During the year the Stakeholders Relationship Committee has not meet.

The Board has designated Mr. Rakesh Kumar Kumawat, Company Secretary as the Compliance officer of the Company.

SHREE AJIT PULP AND PAPER LIMITED



No. of complaints received during the year	No. of complaints resolved during the year
Nil	Nil
No. of transfers received during the year (in physical form)	No. of transfers attended during the year (in physical form)
9	9
No. of demat / remat request received during the year	No. of demat /remat requests attended during the year
26	26

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Board has constituted the Corporate Social Responsibility (CSR) Committee, comprising of three Directors, (1) Chairman Mr. Gautam D. Shah, Chairman and Managing Director, (2) Mr. Laxminarayan J. Garg, Member, Independent Director, and (3) Mr. Dhansukhlal G. Shah Member, Non Executive Director.

During the year the CSR Committee has met 3 times. The dates on which the meetings were held are (1) 26th May, 2016 (2) 12th August, 2016 (3) 14th February, 2017.

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

Sr. No.	Name of Members	Attendance Particulars
1	Mr. Gautam D. Shah	3
2	Mr. Laxminarayan J. Garg	3
3	Mr. Dhansukhlal G. Shah	2

5. MEETING OF INDEPENDENT DIRECTORS:

In accordance with the Provisions of Schedule IV of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a meeting of Independent Directors of the Company was held on 14th February, 2017.

4. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time
2013-2014	At Regd. Office at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi- 396191	29/09/2014	11 A.M.
2014-2015	-do-	29/09/2015	11 A.M.
2015-2016	-do-	30/08/2016	11 A.M.

No Special resolutions were passed in the previous three Annual General Meetings.

During the year ended 31st March 2017, no special resolutions have been passed by the Company's Shareholders through Postal Ballot.

The following three special resolutions were proposed to be passed through postal ballot by the Directors at the Board Meeting held on 28th March, 2017, viz.

1. Increase in borrowing limit.
2. Creation of charges on the movable and immovable properties of the Company in respect of borrowings.
3. Adoption of New Articles of Association of the Company incorporating provisions of Companies Act, 2013.

5. DISCLOSURE:

(a) 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.

- (b) 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.
- (c) Establishment of vigil mechanism is fully dealt with in the Director report.
- (d) Mandatory requirements: The Company is fully compliant with the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as were applicable during the year under review. Adoption of non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being reviewed by the Board from time to time.
- (e) Policy for determining material subsidiary is available on the website of the Company at www.shreeajit.com
- (f) Policy on materiality of related party transaction is available on the website of the Company at www.shreeajit.com
- (g) Disclosure of Commodity price risk and commodity hedging activities: Not applicable

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 Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. MEANS OF COMMUNICATION:

The extract of consolidated unaudited results for the quarter ended 30th June 2016, quarter and half year ended 30th September 2016, quarter and nine months ended 31st December 2016 and audited results for the year ended 31st March 2017 were published in Indian Express (English) Baroda Edition and Sandesh (Gujarati) Surat Edition. The said results were put on the Company's website www.shreeajit.com.

8. GENERAL SHARE HOLDERS' INFORMATION:

a) ANNUAL GENERAL MEETING:

- Date and Time - Wednesday, 27th September, 2017 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 year: The Company follows 1st April to 31st March as the financial year.

c) Financial Calendar (tentative)

- Results for the quarter ending June 30, 2017 - Second week of September, 2017
- Results for the quarter / half year ending Sept. 30, 2017 - Second week of November, 2017
- Results for the quarter ending December 31, 2017 - Second week of February, 2018
- Results for the year ending March 31, 2018 - Last week of May, 2018
- Annual General Meeting - Last week of September, 2018.

d) Book Closure Date: From Monday, 18th September 2017 to Wednesday, 27th September 2017 (Both days inclusive) for Annual General Meeting and payment of dividend.

e) Dividend Payment Date - 17/10/2017

f) Listing of Equity Shares on Stock Exchanges:

- (i) Bombay Stock Exchange Ltd. - Mumbai
- (ii) Regional Stock Exchange - Vadodara Stock Exchange Ltd - Vadodara
- (iii) Ahmedabad Stock Exchange Ltd. - Ahmedabad.

Annual Listing Fees for the year 2017-18 have been paid to Bombay Stock Exchange Limited. The Vadodara Stock Exchange Ltd. and Ahmedabad Stock Exchange Limited have informed the Company that the said Exchanges are under the process of compulsory de-recognition and so as per instruction of SEBI, they are not issuing the listing fee bill since the year 2016-17.

g) (a) Stock Code - Bombay Stock Exchange Ltd. - 538795

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- Vadodara Stock Exchange Ltd. - 600252
- Ahmedabad Stock Exchange Ltd. - 52657/SHREEAJITP

The Ahmedabad Stock Exchange Ltd has requested the Company vide their letter dated 17th, January, 2017 that, as the said Exchange is undergoing exit policy, no compliance related documents may be filed with them.

(b) Demat ISIN Nos. -In NSDL and CDSL – INE185C01017

h) Market Price Data:

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

Months	High		Low	
	Shree Ajit Pulp and Paper Ltd. (price ₹ per share)	BSE Sensex	Shree Ajit Pulp and Paper Ltd. (price ₹ per share)	BSE Sensex
April 2016	117.00	26100.54	95.00	24523.20
May 2016	151.30	26837.20	105.00	25057.93
June 2016	140.00	27105.41	105.30	25911.33
July 2016	163.80	28240.20	120.50	27034.14
August 2016	208.95	28532.25	150.00	27627.97
September 2016	190.00	29077.28	148.00	27716.78
October 2016	252.95	28477.65	166.00	27488.30
November 2016	281.95	28029.80	150.00	25717.93
December 2016	198.90	26803.76	151.10	25753.74
January 2017	203.15	27980.39	178.00	26447.06
February 2017	215.00	29065.31	148.00	27590.10
March 2017	201.00	29824.62	137.00	28716.21

i) Registrar and Transfer Agents:

Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S Marg, Vikhroli (W) Mumbai – 400 083

j) Share Transfer System:

Presently share transfers which are received in physical form are processed and the Share Certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

k) Distribution of Share Holding As on 31/03/2017:

No. of Equity Shares	No. of Shares Held	% To Total Shares	No. of Shareholders	% To Total Shareholders
1 to 500	323831	6.05	1173	82.37
501 to 1000	101579	1.90	123	8.64
1001 to 5000	206852	3.86	85	5.97
5001 to 10000	99396	1.85	14	0.98
10001 and above	4625042	86.34	29	2.04
Total	5356700	100.00	1424	100.00

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Sr. No.	Category	No. of Shareholders	No. of Shares Held	% To Total Shares
1	Promoters	6	2540790	47.43
2	Public Financial Institutions	0	0	0
3	Bodies Corporate	28	39728	0.74
4	Clearing Member /Market Maker	19	7443	0.14
5	NRI	17	61462	1.15
6	Resident Individuals/HUF	1354	2707277	50.54
	Total	1424	5356700	100

l) Dematerialization of Shares:

As on 31st March, 2017, 875 Shareholders were holding 4497340 Equity Shares in Demat form, which constitutes 83.96% of the total share capital of the Company.

Liquidity : The Company's shares are regularly traded on the Bombay Stock Exchange Limited

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

Wind Mill 1.50 MW: Village Bagasara, Taluka Maliya Miyana, Dist Rajkot, Gujarat

Wind Mill 1.25MW: Village Murvel, Taluka Dwarka, Dist Jamnagar, Gujarat

n) Address for correspondence:

For transfer / dematerialization of shares:

For shares held in physical form:

Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (W) Mumbai –400 083.

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

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

p) Unclaimed Dividend: In terms of section 124 of the Companies Act, 2013, 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
31/03/2010	17/08/2010	16/08/2017
31/03/2011	29/09/2011	28/10/2018
31/03/2012	29/09/2012	28/10/2019
31/03/2013	05/08/2013	04/09/2020
31/03/2014	29/09/2014	28/10/2021
31/03/2015	29/09/2015	28/10/2022
31/03/2016	30/08/2016	29/09/2023

SHREE AJIT PULP AND PAPER LIMITED



CEO/CFO Compliance Certificate Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. We have reviewed financial statements and the cash flow statement of Shree Ajit Pulp and Paper Limited for the year ended 31st March, 2017 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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.
2. 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 of the Company's code of conduct.
3. 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.
4. We have indicated to the auditors and the Audit committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year;
 - (iii) that there are no instances of significant fraud of which we have become aware.

Place : Vapi
Date : May 27, 2017

Gautam D. Shah
CFO/Chairman and Managing Director

DECLARATION ON CODE OF CONDUCT

As required by Regulations 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all the Board Members and Senior Management Personnel have complied with Code of Conduct for the financial year ended 31st March 2017.

Place : Vapi
Date : May 27, 2017

Gautam D. Shah
Chairman and Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

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

I have examined the compliance of conditions of Corporate Governance by Shree Ajit Pulp And Paper Limited, for the year ended on 31st March 2017, as stipulated in Regulations 17-27 and 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as the "Corporate Governance Requirements").

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and based on the representations made by the Directors and the Management, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the above mentioned Corporate Governance Requirements.

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

Place : Vapi
Date : May 27, 2017

V. C. KHAMBHATA
COMPANY SECRETARY IN PRACTICE
ACS No.4887
C.P. No. 6177

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHREE AJIT PULP AND PAPER LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SHREE AJIT PULP AND PAPER LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

Fire occurred at one of the raw material godowns of the Company on August 31, 2016 resulting into loss of raw material inventory. The Company has lodged an insurance claim for loss of raw material inventory based on its assessment and taking into consideration terms and conditions of insurance policy and believes that the same will be accepted and sanctioned by the insurance company. Accordingly, an insurance claim of Rs. 4,22,99,098/- to the extent of loss of raw material inventory has been accounted as insurance claim receivable under 'other current assets'. In the absence of any correspondence from insurance agency to support this claim, we are unable to comment on the recoverability of such claim.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 and the reports of the other auditors.
 - 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion,

SHREE AJIT PULP AND PAPER LIMITED



the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting on the Company's internal financial controls over financial reporting.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Vapi, May 27th, 2017

Rupen K. Bhatt
Partner
(Membership No.046930)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements'
of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SHREE AJIT PULP AND PAPER LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "The internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the

Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, the material weakness has been identified as at March 31, 2017 in the Company's internal controls over financial reporting in respect of recognition of insurance claim receivable pertaining to fire occurred at one of the raw material godowns of the Company on August 31, 2016 as described in Note 18.1 of the standalone financial statements which could potentially result in the determination of value of insurance claim receivable without establishing reasonable certainty of ultimate collection.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified opinion

In our opinion, to the best of our information and according to the explanations given to us except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2017, and the material weakness affects our opinion on the said standalone financial statements of the Company.

For DELOITTE HASKINS & SELLS LLP

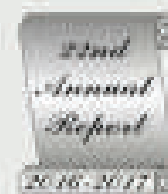
Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Vapi, May 27th, 2017

Rupen K. Bhatt
Partner
(Membership No.046930)

SHREE AJIT PULP AND PAPER LIMITED



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) (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) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / other documents evidencing title provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) 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, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income - tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Central Excise Act, 1944	Service Tax	Additional Commissioner	April 2014-March 2015	9,30,268	9,30,268
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	April 2009-March 2010	3,43,518	3,28,386
The Customs Act, 1952	Custom Duty	CESTAT	April 2011-March 2013	62,07,454	58,54,543

SHREE AJIT PULP AND PAPER LIMITED



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Rupen K. Bhatt
Partner
(Membership No.046930)

Vapi, May 27th, 2017

SHREE AJIT PULP AND PAPER LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016
		₹	₹
A EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	5,35,67,000	5,35,67,000
(b) Reserves and Surplus	3	88,26,50,717	81,86,54,358
		93,62,17,717	87,22,21,358
(2) Non-current Liabilities			
(a) Long-term Borrowings	4	15,20,94,821	10,22,39,603
(b) Deferred Tax Liabilities (Net)	5	16,31,08,974	15,78,27,337
(c) Long-term Provisions	6	60,69,418	64,19,944
		32,12,73,213	26,64,86,884
(3) Current Liabilities			
(a) Short-term Borrowings	7	22,52,16,087	9,66,77,351
(b) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	8.1	29,37,413	16,69,304
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8	16,51,91,729	14,16,36,595
(c) Other Current Liabilities	9	9,33,52,466	9,23,12,004
(d) Short-term Provisions	10	29,49,771	1,05,45,811
		48,96,47,466	34,28,41,065
TOTAL		1,74,71,38,396	1,48,15,49,307
B ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	88,81,56,836	81,97,10,736
(ii) Intangible Assets	11	14,08,233	2,42,062
(iii) Capital Work-in-progress	11	5,80,62,560	1,10,94,251
		94,76,27,629	83,10,47,049
(b) Non-current Investments	12	5,98,17,500	5,48,17,500
(c) Long-term Loans and Advances	13	12,89,13,752	2,37,75,126
		18,87,31,252	7,85,92,628
(2) Current Assets			
(a) Inventories	14	21,22,73,253	16,41,30,861
(b) Trade Receivables	15	31,56,37,091	37,06,09,966
(c) Cash and Cash Equivalents	16	57,03,231	60,00,406
(d) Short-term Loans and Advances	17	3,28,84,436	2,82,56,047
(e) Other Current Assets	18	4,42,81,504	29,12,552
		61,07,79,515	57,19,09,832
TOTAL		1,74,71,38,396	1,48,15,49,307
See accompanying notes forming part of the financial statements	1-37		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Place : Vapi
Date : 27th May, 2017

For and on behalf of the Board of Directors

Gautam D Shah
CFO & CMD

Place : Vapi
Date : 27th May, 2017

Bela G Shah
Executive Director

Rakesh Kumar Kumawat
Company Secretary

SHREE AJIT PULP AND PAPER LIMITED



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Sr. No.	Particulars	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	INCOME		₹	₹
1	Revenue from Operations (Gross)	19	2,21,77,95,889	2,36,26,64,258
	Less: Excise Duty		(13,11,51,913)	(13,99,92,221)
	Revenue from Operations (Net)		2,08,66,43,976	2,22,26,72,037
2	Other Income	20	9,09,009	4,36,121
3	Total Revenue (1+2)		2,08,75,52,985	2,22,31,08,158
4	EXPENSES			
a)	Cost of Materials Consumed	21	1,35,42,37,535	1,37,98,19,880
b)	Changes in Inventories of Finished Goods and Work-in-progress	22	(5,90,888)	2,92,20,272
c)	Employee Benefits Expense	23	12,11,65,767	11,96,41,470
d)	Finance Costs	24	4,14,12,552	4,06,44,569
e)	Depreciation and Amortisation Expense	11	5,42,50,470	5,14,98,308
f)	Other Expenses	25	42,67,14,931	42,26,45,337
	Total Expenses (a+b+c+d+e+f)		1,99,71,90,367	2,04,34,69,836
5	Profit Before Tax (3-4)		9,03,62,618	17,96,38,322
6	Tax Expense/(Benefit)			
a)	Current Tax Expense		2,10,84,622	5,29,44,468
b)	Less : Mat Credit		-	7,83,943
c)	Tax Adjustments for Prior Years		-	(10,53,812)
	Net Current Tax Expense		2,10,84,622	5,26,74,599
d)	Deferred Tax			
	Current year		52,81,637	59,87,794
	Net Deferred Tax		52,81,637	59,87,794
	Net Tax Expense		2,63,66,259	5,86,62,393
7	Profit for the year (5-6)		6,39,96,359	12,09,75,929
7.1	Earning per share of ₹ 10/- each (Basic and Diluted)	29	11.95	22.58
	See accompanying notes forming part of the financial statements	1-37		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Place : Vapi
Date : 27th May, 2017

For and on behalf of the Board of Directors

Gautam D Shah
CFO & CMD

Place : Vapi
Date : 27th May, 2017

Bela G Shah
Executive Director

Rakesh Kumar Kumawat
Company Secretary

SHREE AJIT PULP AND PAPER LIMITED



Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
A. Cash flow from operating activities	₹	₹
Profit before tax as per statement of profit and loss	9,03,62,618	17,96,38,322
Adjustments for:		
Depreciation and amortisation	5,42,50,470	5,14,98,308
Finance costs	4,14,12,552	4,06,44,569
Interest income	(4,44,793)	(4,28,396)
Dividend income	(7,014)	(7,725)
Unrealised exchange (gain) / loss	(4,67,674)	4,63,095
Sundry Balances written off / (written back)	(95,701)	3,67,971
Operating profit before working capital changes	18,49,90,458	27,21,76,144
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(4,81,42,592)	3,11,05,901
Trade receivables	5,49,72,875	(12,27,40,313)
Short-term loans and advances	(46,28,389)	(34,89,519)
Long-term loans and advances	(87,664)	(1,93,886)
Other current assets	(4,17,20,072)	(21,10,100)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	2,54,06,618	1,95,81,028
Other current liabilities	(31,81,644)	41,74,591
Short-term provisions	5,36,010	5,00,582
Long-term provisions	(3,50,526)	5,28,249
Cash generated from operations	16,77,95,074	19,95,32,677
Net income tax (paid)	(2,54,50,020)	(3,50,41,080)
Net cash flow from operating activities (A)	14,23,45,054	16,44,91,597
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(26,72,37,478)	(3,38,09,991)
Purchase of long-term investments in Joint Venture	(50,00,000)	(1,02,50,000)
Bank balance not considered as cash and cash equivalents	2,67,142	(7,15,791)
Interest received	7,95,913	61,390
Dividend received	7,014	7,725
Net cash flow (used in) investing activities (B)	(27,11,67,409)	(4,47,08,667)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	11,51,65,366	8,28,87,282
Repayment of long-term borrowings	(6,75,60,452)	(6,22,04,211)
Proceeds from / (repayment of) short-term borrowings (net)	12,85,38,736	(9,80,48,029)
Finance costs	(4,25,15,929)	(3,92,03,208)
Dividends paid	(40,17,525)	(26,78,350)
Tax on dividend	(8,17,874)	(5,45,250)
Net cash flow (used in) financing activities (C)	12,87,92,322	(11,97,91,766)
Net decrease in Cash and cash equivalents (A+B+C)	(30,033)	(6,836)
Cash and cash equivalents at the beginning of the year	2,51,754	2,58,590
Cash and cash equivalents at the end of the year *	2,21,721	2,51,754
* Comprises: @		
(a) Cash on hand	1,37,663	2,18,662
(b) Balances with banks	84,058	33,092
- In current accounts		
Total Cash and cash equivalents	2,21,721	2,51,754

Note1- 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 statements (1-37)

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Place : Vapi
Date : 27th May, 2017

For and on behalf of the Board of Directors

Gautam D Shah
CFO & CMD

Place : Vapi
Date : 27th May, 2017

Bela G Shah
Executive Director

Rakesh Kumar Kumawat
Company Secretary

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the Standalone Financial Statements

Note 1

A. Corporate information:

Shree Ajit Pulp And Paper Ltd ('the company') is a public company incorporated in India. Its shares are listed on Bombay Stock Exchange, Vadodara Stock Exchange and Ahmedabad Stock Exchange. The Company is engaged in the manufacturing of Kraft Paper (Testliner / Multilayer Testliner) which is mainly used for manufacturing corrugated boxes.

The company owns and operate manufacturing unit located in the state of Gujarat, India at Morai, Vapi.

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 accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the 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 weighted average 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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold land is amortised over the duration of the 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 period is revised to reflect the changed pattern, if any.

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 windmills 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.

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

Notes forming part of the Standalone Financial Statements

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 include 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 Standalone 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 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".

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 applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

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 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 and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence 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.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

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



Notes Forming Part of the Financial Statements

Note : 2 Share Capital

Particulars	As At	As At
	31 March, 2017	31 March, 2016
	₹	₹
a) AUTHORISED		
1,50,00,000 (1,50,00,000) Equity Shares of ₹ 10 each with voting rights	15,00,00,000	15,00,00,000
	15,00,00,000	15,00,00,000
b) ISSUED		
53,56,700 (53,56,700) Equity Shares of ₹ 10 each with voting rights	5,35,67,000	5,35,67,000
c) SUBSCRIBED AND FULLY PAID UP		
53,56,700 (53,56,700) Equity Shares of ₹ 10 each with voting rights	5,35,67,000	5,35,67,000
Total in ₹	5,35,67,000	5,35,67,000

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, 2017		As At 31 March, 2016	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Equity Shares at the beginning and at the end of the year	53,56,700	5,35,67,000	53,56,700	5,35,67,000

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

Name of the Shareholders	As At 31 March, 2017		As At 31 March, 2016	
	Number of Shares held	% Holding	Number of Shares held	% Holding
Gautam D Shah	10,64,750	19.88%	10,64,750	19.88%
Sureshbhai C Shah	4,54,000	8.48%	4,54,000	8.48%
Jayantilal M Shah	4,35,000	8.12%	4,35,000	8.12%
Varun Shah	4,25,200	7.94%	4,25,200	7.94%
Bela G Shah	3,85,540	7.20%	3,85,540	7.20%
Bela P Shah	3,63,500	6.79%	3,63,500	6.79%
Bharat Mafatlal Shah	2,70,900	5.06%	2,70,900	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.

Note : 3 Reserves and Surplus

Particulars	As At	As At
	31 March, 2017	31 March, 2016
	₹	₹
a) Capital Reserve		
Opening and closing balance	12,92,993	12,92,993
b) Surplus in Statement of Profit and Loss		
Opening balance	81,73,61,365	70,12,20,835
Add: Profit for the year	6,39,96,359	12,09,75,929
Less:		
Dividends proposed to be distributed to equity shareholders ₹ 0.75 per share	-	40,17,525
Tax on Proposed Dividend	-	8,17,874
Closing Balance	88,13,57,724	81,73,61,365
Total in ₹	88,26,50,717	81,86,54,358

SHREE AJIT PULP AND PAPER LIMITED



Notes Forming Part of the Financial Statements

Note : 4 Long-term Borrowings

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
Secured		
a) Term loans from banks	15,20,94,821	10,18,02,199
b) Other loans	-	4,37,404
Total in ₹	15,20,94,821	10,22,39,603

4.1 Details of terms of repayment and securities provided

Sr. No.	Particulars	*Balance as at 31 March, 2017 ₹	Start date of loan repayment	Repayment of installments ₹	Number of installments sanctioned (Monthly)	End date of loan repayment
	Term loan					
1	-from bank (Refer note a)	64,16,754	January, 2014	8,60,000	60	November,2017
2	-from bank (Refer note a)	43,46,300	January, 2014	5,73,333	60	November,2017
3	-from bank (Refer note b)	90,20,000	March, 2013	8,20,000	60	February, 2018
4	-from bank (Refer note c)	2,47,45,193	October, 2013	13,75,000	60	September,2018
5	-from bank (Refer note a)	6,91,18,020	April,2016	14,16,000	72	March,2022
6	-from bank (Refer note c)	1,38,60,846	May,2015	3,75,000	60	April,2020
7	-from bank (Refer note a)	1,50,11,188	February,2018	5,15,667	72	January,2024
8	-from bank (Refer note a)	6,00,44,740	February,2018	20,66,667	72	January,2024
9	-from Bank (Refer note e)	1,13,80,842	December,2016	1,19,048	180	November,2031
10	-from Bank (Refer note d)	16,06,696	July,2016	66,370	36	June,2019
11	-from Bank (Refer note d)	7,80,635	March,2017	25,535	36	February,2020
12	-from NBFC (Refer note d)	4,40,560	August,2014	1,13,050	36	July,2017
		21,67,71,774				

* Includes ₹ 6,46,76,953 for current maturities of Long term borrowings (refer note 9)

Note a. Term loan is secured by way of pari passu charges on proposed plant and machinery & office building and other construction 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.

Note b. 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.

SHREE AJIT PULP AND PAPER LIMITED



Notes Forming Part of the Financial Statements

Note c. 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 d. Vehicle loans are secured by way of hypothecation of Vehicles.

Note e. Term loans is secured by way of mortgage on Guest house situated at Daman.

Note f. All term loans from banks and from others are further secured by way of shares pledged and personal guarantee of Mr. Gautam D Shah Managing Director of the company and bears rate of interest at base rate plus 2.90 % to 3.50 %.

Note : 5 Deferred Tax Liabilities (Net)

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	16,74,95,413	16,21,28,223
Deferred Tax Liability (DTL) (A)	16,74,95,413	16,21,28,223
Tax effect of items constituting deferred tax assets		
Provision for compensated absences and gratuity	39,36,314	34,76,458
Disallowances under Section 43B of the Income Tax Act, 1961	2,77,085	6,51,388
Others	1,73,040	1,73,040
Deferred Tax Assets (DTA) (B)	43,86,439	43,00,886
Net Deferred Tax Liability (A-B) in ₹	16,31,08,974	15,78,27,337

Note : 6 Long-term Provisions

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
Provision for employee benefits		
i) Provision for gratuity (refer note 10 and 23.2)	17,29,874	29,62,613
ii) Provision for compensated absences (refer note 10 and 23.2)	43,39,544	34,57,331
Total in ₹	60,69,418	64,19,944

Note : 7 Short-term Borrowings

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
Secured		
Loan repayable on demand from banks	22,52,16,087	9,66,77,351
Total in ₹	22,52,16,087	9,66,77,351

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 Chairman and Managing Director of the Company. The Cash Credit is repayable on demand and bears interest at the rate of base rate plus 1.5% to 2.75%.

Note : 8 Trade Payables

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
Trade payables	16,51,91,729	14,16,36,595
Total in ₹	16,51,91,729	14,16,36,595

SHREE AJIT PULP AND PAPER LIMITED



Notes Forming Part of the Financial Statements

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

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	29,37,413	16,69,304
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with, the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro, Small and Medium 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, 2017	₹ As At 31 March, 2016
(a) Current maturities of long-term borrowings (Refer note 4 and 9.1)	6,46,76,953	6,69,27,257
(b) Interest accrued but not due on borrowings	8,12,552	19,15,929
(c) Unclaimed dividend*	4,91,342	7,53,830
(d) Other Payables		
i) Advances from customers	16,08,819	1,00,581
ii) Security deposits received	1,04,000	1,04,000
iii) Payables on purchase of fixed assets	2,15,20,444	1,39,44,657
iv) Statutory remittances		
Tax deducted at source payable	18,67,222	32,71,017
Central sales tax payable	16,00,636	28,47,074
Others (VAT, Excise, Service tax, Provident Fund, etc)	6,70,498	24,47,659
Total in ₹	9,33,52,466	9,23,12,004

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

9.1 Current maturities of long-term borrowings consist of :

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
a) Term Loans from banks (Secured)	6,42,36,393	6,56,90,690
b) Other loans (Secured)	4,40,560	12,36,567
Total in ₹	6,46,76,953	6,69,27,257

Note : 10 Short Term Provisions

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
a) Provision For Employee Benefits		
Provision for gratuity (refer note 6 and 23.2)	10,45,970	5,61,491
Provision for compensated absences (refer note 6 and 23.2)	19,03,801	18,52,270
b) Provisions- others		
Provision for proposed equity dividend	-	40,17,525
Provision for tax on proposed dividend	-	8,17,874
Provision for tax (Net of advance tax of ₹ 3,50,41,080)	-	32,96,651
Total in ₹	29,49,771	1,05,45,811

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Particulars	Gross Block			Accumulated depreciation and amortisation			Net Block
	Balance as at 1 April, 2016	Additions	Deductions/ Disposal	Balance as at 31st March, 2017	Balance as at 1 April, 2016	Depreciation/ amortisation expense for the year	
Tangible Assets							
Land- Freehold	1,07,12,237	5,01,715	-	1,12,13,952	-	-	1,12,13,952
	92,00,016	15,12,221	-	1,07,12,237	-	-	1,07,12,237
Leasehold Land	30,00,000	-	-	30,00,000	8,09,508	1,50,000	20,40,492
	30,00,000	-	-	30,00,000	6,58,508	1,50,000	21,90,492
Buildings	9,74,60,005	3,17,78,178	-	12,92,38,183	3,18,97,140	43,14,140	9,29,27,903
	9,45,22,901	29,37,104	-	9,74,60,005	2,77,74,729	42,22,411	6,54,62,865
Plant and Equipment	75,17,01,393	6,30,05,401	-	84,47,06,794	21,10,56,347	2,75,95,339	60,80,55,108
	77,28,49,535	88,51,858	-	79,17,01,393	18,48,22,217	2,82,34,130	57,06,45,046
Windmills	15,23,18,740	-	-	15,23,18,740	3,89,72,435	67,31,313	10,86,14,992
	15,23,18,740	-	-	15,23,18,740	3,22,22,680	67,49,758	11,33,45,305
Electrical Installations	6,42,18,422	61,00,525	-	7,03,19,247	3,05,72,793	79,07,240	3,18,39,214
	6,36,60,441	5,37,981	-	6,42,18,422	2,23,47,117	82,25,676	3,36,45,629
Furniture & Fixtures	73,87,678	70,47,337	-	1,44,35,015	31,93,144	9,30,508	1,04,05,363
	71,44,376	2,43,302	-	73,87,678	25,28,470	6,64,674	41,94,534
Vehicles	2,31,64,619	34,60,437	-	2,66,25,056	87,63,604	32,39,266	1,46,32,166
	2,16,72,665	15,51,954	-	2,31,64,619	59,17,558	28,46,046	1,44,01,015
Office Equipment	1,47,93,904	1,04,31,889	-	2,52,25,793	96,81,291	31,16,856	1,24,27,646
	1,33,84,889	14,09,015	-	1,47,93,904	73,95,119	22,86,172	51,12,613
SUB TOTAL (A)	1,15,47,56,998	12,23,26,782	-	1,27,70,83,780	33,50,46,262	5,39,80,682	88,81,56,838
Previous Year	1,13,77,13,563	1,70,43,430	-	1,15,47,56,998	28,36,67,368	5,13,78,864	87,97,10,736
Intangible Assets							
Software (acquired)	5,88,354	15,35,959	-	21,24,313	3,48,292	3,89,788	14,08,233
	5,30,344	58,010	-	5,88,354	2,26,848	1,19,444	2,42,062
SUB TOTAL (B)	5,88,354	15,35,959	-	21,24,313	3,48,292	3,89,788	14,08,233
Previous Year	5,30,344	58,010	-	5,88,354	2,26,848	1,19,444	2,42,062
Capital Work in Progress							
SUB TOTAL (C)							
Previous Year							
Total [A + B + C]	1,15,53,45,352	12,38,62,741	-	1,27,92,08,093	33,53,92,554	5,42,50,470	94,76,27,629
Previous Year	1,13,82,43,807	1,71,07,445	-	1,15,53,45,352	28,38,94,746	5,14,95,308	83,10,47,049

11.1 Addition during the year includes ₹ 4,70,943 (Previous year ₹ Nil) on account of foreign exchange fluctuation capitalised on Plant and Equipment.

11.2 Previous year figures are shown in italics.

SHREE AJIT PULP AND PAPER LIMITED



Notes Forming Part of the Financial Statements

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

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
A Trade (Unquoted)		
a) In Equity Shares of Subsidiary Company 5,00,000 (Previous year 5,00,000) 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)	50,00,000	50,00,000
b) In Equity Shares of Joint Ventures- 54,75,000(Previous year 49,75,000) 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)	5,47,50,000	4,97,50,000
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 ₹ 2,000, each fully paid up.	2,000	2,000
300 (Previous year 300) shares of Wei-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 ₹ 7,360)	52,386	52,386
Less: Provision for diminution in value of investments	(52,386)	(52,386)
2,000 (Previous year 2,000) equity shares of Punjab National Bank of ₹ 2 each (Previous year ₹ 2 each) fully paid up (Market Value ₹ 3,01,400)	12,400	12,400
Total in ₹	5,98,17,500	5,48,17,500
12.1 Aggregate amount of quoted investments (including provision for diminution in value)	64,786	64,786
Aggregate Market value of listed and quoted investments	3,08,760	1,76,300
Aggregate amount of unquoted investments	5,98,05,100	5,48,05,100

Note : 13 Long - term Loans and Advances

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
Unsecured considered good (Unless otherwise stated)		
a) Capital advances	10,90,11,401	50,29,186
b) Security deposits		
Considered good	9,26,710	13,60,282
Doubtful	5,00,000	5,00,000
	14,26,710	18,60,282
Less: Provision for doubtful deposit	5,00,000	5,00,000
	9,26,710	13,60,282
c) Prepaid Expenses	13,30,364	8,24,260
d) Custom duty paid under protest	5,68,043	5,52,911
e) Advance income tax (Net of provision for tax ₹ 5,67,87,243) (Previous year ₹ 5,77,43,929)	42,68,275	5,77,568
f) MAT credit entitlement	1,28,08,959	1,54,30,919
Total in ₹	12,89,13,752	2,37,75,126

SHREE AJIT PULP AND PAPER LIMITED



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Note : 14 Inventories

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
a) Raw materials (includes Goods-in-transit ₹ Nil, Previous year ₹ 98,62,114)	13,55,07,096	10,61,89,151
b) Work-in-progress (Refer note 14.1)	3,17,425	3,05,017
c) Finished goods	1,41,53,275	1,35,74,786
d) Stores and spares	4,85,87,772	4,03,97,126
e) Consumables (includes Goods-in-transit ₹ 1,17,37,877, Previous year ₹ 23,06,884)	1,34,25,225	31,73,423
f) Packing material stock	2,82,460	4,91,149
Total in ₹	21,22,73,253	16,41,30,661

14.1 Details of inventory of work-in-progress

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
Multilayer Testliner and Testliner Paper	3,17,425	3,05,017

Note : 15 Trade Receivables

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	60,38,392	29,07,121
Other Trade receivables	30,95,98,699	36,77,02,845
Total in ₹	31,56,37,091	37,06,09,966

Note : 16 Cash and cash equivalents

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
A) Cash and cash equivalents		
(a) Cash on hand	1,37,663	2,18,662
(b) Balances with banks - In current accounts	84,058	33,092
Total Cash and cash equivalents (A)	2,21,721	2,51,754
B) Other bank balances *		
In earmarked accounts		
- In deposit accounts	45,000	45,000
- Balances held as margin money	49,45,168	49,49,822
- Unclaimed dividend accounts	4,91,342	7,53,830
Total Other bank balances (B)	54,81,510	57,48,652
Total Cash and cash equivalents (A+B) in ₹	57,03,231	60,00,406

*Restricted cash balance.

Note : 17 Short Terms Loans and Advances

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
Unsecured and considered good		
a) Loans and advances		
Loans and advances to employees	3,39,700	4,15,500
b) Prepaid expenses	55,59,780	51,42,503
c) Balances with government authorities		
Cenvat credit receivable	2,01,20,726	1,04,41,810
Custom duty advance	1,11,890	2,03,983
VAT credit receivable	13,626	-
d) Advance to vendors	67,47,714	1,20,52,251
Total in ₹	3,28,84,436	2,82,56,047

SHREE AJIT PULP AND PAPER LIMITED



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Note : 18 Other Current Assets

Particulars	₹ As At 31 March, 2017	₹ As At 31 March, 2016
Ancillary borrowing costs	-	-
Interest accrued on fixed deposits, margin money deposits etc.	68,726	4,19,846
Insurance claim relating to fire (Refer note 18.1 below)	4,22,99,098	-
Other insurance claims	19,13,680	24,92,708
Total in ₹	4,42,81,504	29,12,552

18.1 Fire occurred at one of the raw material godowns of the Company on 31st August, 2016 resulting into loss of raw material inventory. The Company has lodged an insurance claim for loss of raw material inventory based on its assessment and taking into consideration terms and conditions of insurance policy and believes that the same will be accepted and sanctioned by the insurance company. Accordingly, an insurance claim of ₹ 4,22,99,098/- to the extent of loss of raw material inventory has been accounted as insurance claim receivable under 'other current assets'.

Note : 19 Revenue from Operations

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Sale of products (Refer note 19.1)	2,18,66,21,675	2,33,34,74,289
Income from windmills	3,11,74,214	2,91,00,111
Total in ₹	2,21,77,95,889	2,36,25,74,400
Other operating revenue	-	89,858
Export incentive	-	-
Revenue from Operations (Gross)	2,21,77,95,889	2,36,26,64,258
Less : Excise duty	(13,11,51,913)	(13,99,92,221)
Revenue from operations (Net) Total in ₹	2,08,66,43,976	2,22,26,72,037

19.1 Informations relating to products sold

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Multilayer Testliner and Testliner Paper	2,18,66,21,675	2,33,34,74,289
Total in ₹	2,18,66,21,675	2,33,34,74,289

Note : 20 Other Income

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Interest income on fixed deposits, margin money deposits etc.	4,44,793	4,28,396
Dividend income from other long-term investments	7,014	7,725
Foreign exchange fluctuation expenses (net)	3,58,652	-
Miscellaneous income	98,550	-
Total in ₹	9,09,009	4,36,121

Note : 21 Cost of materials consumed

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Opening stock	10,61,89,151	11,65,95,899
Add: Purchases	1,38,35,55,480	1,36,94,13,132
	1,48,97,44,631	1,48,60,09,031
Less: Closing stock	13,55,07,096	10,61,89,151
Total in ₹	1,35,42,37,535	1,37,98,19,880

SHREE AJIT PULP AND PAPER LIMITED



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21.1 Materials consumed comprise:

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of raw material Imported				
Imported waste paper	59,38,47,476		60,19,77,854	
Colour and chemical	11,17,63,391		14,53,13,524	
Total of Imported	70,56,10,867	52.10	74,72,91,378	54.16
Indigenous				
Indian waste paper	59,22,81,350		56,95,13,743	
Colour and chemical	5,63,45,319		6,30,14,759	
Total of Indigenous	64,86,26,669	47.90	63,25,28,502	45.84
Total	1,35,42,37,535	100.00	1,37,98,19,880	100.00

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

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Inventories at the end of the year		
Finished goods	1,41,53,275	1,35,74,795
Work-in-progress	3,17,425	3,05,017
Total in ₹	1,44,70,700	1,38,79,812
Inventories at the beginning of the year		
Finished goods	1,35,74,795	4,27,79,290
Work-in-progress	3,05,017	3,20,794
Total in ₹	1,38,79,812	4,31,00,084
Total in ₹	(5,90,888)	2,92,20,272

Note : 23 Employee Benefits Expense

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Salaries and wages	11,59,18,258	11,49,83,571
Contribution to provident fund and pension scheme (Refer note 23.1)	15,73,906	15,11,525
Gratuity expenses (Refer Note 23.2)	7,22,438	4,79,975
Staff welfare expenses	29,51,165	26,66,399
Total in ₹	12,11,65,767	11,96,41,470

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, 2017	₹ For the year ended 31 March, 2016
Employer's contribution to provident fund	5,92,921	5,67,978
Employer's contribution to pension scheme	9,80,985	9,43,547
Total in ₹	15,73,906	15,11,525

SHREE AJIT PULP AND PAPER LIMITED



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23.2 Employment Benefits Expense

Disclosure relating to Employee benefits expense is as under :-

Particulars	₹ For the year ended 31 March, 2017		₹ For the year ended 31 March, 2016		
	Gratuity	Compensated Absences	Gratuity	Compensated Absences	
A Components of employer's expense	Funded	Non Funded	Non Funded	Non Funded	
Current service cost	3,65,314	5,63,973	3,75,016	4,76,243	
Interest cost	2,84,748	4,29,016	2,57,291	3,62,416	
Actuarial losses/(gains)	72,376	44,47,387	(1,52,332)	33,94,334	
Total Expenses	7,22,438	54,40,376	4,79,975	42,32,993	
B Net Liability recognized in the Balance Sheet					
Present value of defined benefit obligation	39,08,622	62,43,345	35,24,104	53,09,601	
Fair value of plan assets	11,32,778	-	-	-	
Net Liability recognized in the Balance sheet (Refer Note 6 and 10)	27,75,844	62,43,345	35,24,104	53,09,601	
C Change in fair Value of plan Assets					
Contribution by the Employer	12,44,890	-	-	-	
Benefits paid from the fund	(1,85,293)	-	-	-	
Actuarial losses/(gains) on Plan Assets - Due to Experience	73,181	-	-	-	
Fair Value of plan Assets at the end of the period	11,32,778	-	-	-	
D Change in defined benefit obligations (DBO) during the year					
Present value of DBO at beginning of the year	35,24,104	53,09,601	32,40,439	45,64,435	
Current service cost	3,65,314	5,63,973	3,75,016	4,76,243	
Interest cost	2,84,748	4,29,016	2,57,291	3,62,416	
Actuarial losses/(gains) due to change in Financial Assumption	2,72,394	3,33,586	(44,861)	(53,134)	
Actuarial losses/(gains) due to Experience	(1,26,837)	41,13,801	(1,07,471)	34,47,468	
Benefits paid from the fund	(1,85,293)	-	-	-	
Benefits paid Directly by the Employer	(2,25,808)	(45,06,632)	(1,96,310)	(34,87,827)	
Present value of DBO at the end of the year (Refer note 6 and 10)	39,08,622	62,43,345	35,24,104	53,09,601	
E Actuarial assumptions:					
Discount rate	7.34%	7.34%	8.08%	8.08%	
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	2016-17	2015-16	2014-15	2013-14	2012-13
Gratuity					
Present value of DBO	39,08,622	35,24,104	32,40,439	24,38,862	34,19,922
Experience gain/(loss) adjustments on plan liabilities)	1,26,837	1,07,471	26,728	(27,464)	(53,515)
Compensated absences					
Present value of DBO	62,43,345	53,09,601	45,64,435	35,56,317	42,82,746
Experience gain/(loss) adjustments on plan liabilities)	41,13,801	34,47,468	31,14,986	31,16,684	19,61,855
Experience gain/(loss) adjustments on plan assets	NA	NA	NA	NA	NA
Prescribed contribution for Next Year (12 Months)					
Gratuity	10,45,970	-	-	-	-
Compensated absences	-	-	-	-	-

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.

SHREE AJIT PULP AND PAPER LIMITED



Notes Forming Part of the Financial Statements

Note : 24 Finance Costs

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
a) Interest expense on Borrowings	3,77,14,775	3,68,01,424
b) Other borrowing costs	36,97,777	36,43,145
Total in ₹	4,14,12,552	4,06,44,569

Note : 25 Other Expenses

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Consumption of stores and spare parts (Refer note 25.1)	4,19,59,177	4,45,13,131
Power and fuel	24,56,62,441	25,17,10,571
Packing material consumed	1,86,43,687	1,91,28,837
Unloading charges	1,32,02,442	1,34,52,317
Insurance	49,10,515	49,07,565
Repairs and maintenance- Machinery	1,11,73,045	1,01,77,921
Repairs and maintenance- Building	7,73,139	9,57,447
Repairs and maintenance (others)	42,44,064	35,23,474
Increase/(decrease) of excise duty on inventory	33,387	(16,85,536)
Other manufacturing expenses	75,02,261	68,42,013
Selling expenses	1,14,85,573	1,10,54,010
Commission on sale	2,41,62,364	2,44,30,451
Audit fees (Refer note 25.2)	24,07,812	24,35,466
Consultancy fees	27,15,611	8,44,651
Foreign exchange fluctuation expenses (net)	-	12,74,891
Rent	12,92,138	11,97,374
Professional charges	31,63,266	31,48,415
Rates and taxes	3,88,134	3,39,525
Security charges	49,89,033	41,36,574
Travelling expenses	24,74,982	40,29,600
Vehicle expenses	18,53,378	14,84,812
Expenditure on Corporate Social Responsibilities (Refer note 25.3)	32,64,400	13,17,300
Windmill expenses (net off claim)	67,65,285	52,26,355
Miscellaneous expenses	1,36,48,797	81,98,173
Total in ₹	42,67,14,931	42,26,45,337

SHREE AJIT PULP AND PAPER LIMITED



Notes Forming Part of the Financial Statements

25.1 Details of consumption of stores and spares

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of stores and spares				
Imported	59,34,456	14.14	58,99,064	13.25
Indigenous	3,60,24,721	85.86	3,86,14,067	86.75
Total	4,19,59,177	100.00	4,45,13,131	100.00

25.2 Payment to Auditors as

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Payment to auditors comprise (net of service tax input credit, where applicable)		
a) To statutory auditors		
For audit	22,73,750	23,01,875
Tax Audit Fees	1,00,000	1,00,000
b) Out of Pocket Expenses	34,062	33,591
Total in ₹	24,07,812	24,35,466

25.3 Expenditure on Corporate Social Responsibilities

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
a) Gross Amount required to be spent by the company during the year	30,49,181	31,85,776
b) Amount spent during the year		
In Cash#	32,64,400	13,17,300
Total in ₹	32,64,400	13,17,300

This amount is spent for promoting health, education and sports.

Amount spent on construction/acquisition of any assets is ₹ NIL.

Includes ₹ 18,68,476 for unspent amount of Previous year incurred in the current year.

Note : 26 Value of Imports on CIF basis

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Raw materials	65,40,89,150	63,35,57,104
Stores and spares	1,86,34,356	52,78,566
Capital Goods	6,75,07,633	15,19,560

Note : 27 Expenditure in Foreign Currency

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Travelling expenses	6,59,281	13,49,019

Note : 28 Earning in Foreign Exchange

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
FOB value of Export	-	47,29,391

SHREE AJIT PULP AND PAPER LIMITED



Notes Forming Part of the Financial Statements

Note : 29 Earning Per Share

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Profit for the year attributable to the equity shareholders	6,39,96,359	12,09,75,929
Weighted average number of equity shares	53,56,700	53,56,700
Earnings per share (Basic and Diluted)	11.95	22.58
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
(iii) Key Management Personnel	Mr. Gautam D Shah, Mrs. Bela G Shah

30.2 Transactions with related parties during the year

Transactions with the related parties	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
I) Managerial Remuneration paid to Key Management Personnel		
Mr. Gautam D Shah	50,18,873	99,79,907
Mrs. Bela G Shah	50,18,873	99,79,907
ii) Investment in share capital of Shree Samrat Pulp and Paper Private Limited	50,00,000	1,02,50,000

SHREE AJIT PULP AND PAPER LIMITED



Notes Forming Part of the Financial Statements

Note : 31 Interest in Joint Venture :

The company holds 50% interest in Shree Samrat Pulp and Paper Private Limited, jointly controlled entity which is involved in manufacturing activity. The company's share of assets, liabilities, income and expenses in the jointly controlled entity for the year ended 31st March as per their audited financial statements are as follows :

Particulars	₹ 31 March, 2017	₹ 31 March, 2016
Reserves and Surplus	(75,97,902)	(76,71,706)
Non-Current Liabilities		
Long-Term Borrowings	1,75,05,329	2,91,93,329
Deferred Tax Liabilities (Net)	-	17,37,525
Current Liabilities		
Short-Term Borrowings	1,69,47,727	2,06,47,612
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,88,82,884	2,27,73,072
Other Current Liabilities	1,63,33,701	1,86,97,301
Short-Term Provisions	8,00,129	5,26,931
Non-Current Assets		
Fixed Assets		
Tangible Assets	8,53,49,505	8,80,43,545
Intangible Assets	-	40,914
Capital work-in-progress	12,66,522	-
Long-term loans and advances	21,68,850	27,74,357
Current Assets		
Inventories	59,93,492	94,43,558
Trade receivables	1,65,39,404	2,89,29,271
Cash and Bank Balance	74,180	64,733
Short-term loans and advances	60,30,062	61,85,590
Other current assets	1,99,855	1,72,096
Capital commitments	-	-

Particulars	₹ 31 March, 2017	₹ 31 March, 2016
Income		
Revenue from Operations (Gross)	18,96,10,455	15,92,69,610
Less:-Excise Duty	(1,13,78,916)	(95,18,243)
Revenue from Operations (Net)	17,82,31,539	14,97,51,367
Other Income	6,15,783	2,34,772
Total Revenue	17,88,47,322	14,99,86,139
Expenditure		
Cost of materials consumed	11,65,65,618	9,62,25,682
Purchase of stock-in-Trade	-	7,20,811
Changes in Inventories of Finished Goods and Work-in-progress	10,83,713	2,02,859
Employee Benefits Expense	52,51,123	51,31,996
Finance Costs	63,59,494	75,80,631
Depreciation and Amortisation Expense	31,53,510	29,13,227
Other Expenses	4,80,97,586	3,82,90,427
Tax expense / (Benefit)	(17,37,525)	23,17,354
Total Expenses	17,87,73,519	15,33,82,987

SHREE AJIT PULP AND PAPER LIMITED



Notes Forming Part of the Financial Statements

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 Windmill. The company does not have any secondary segment.

Primary Segment Information :

Particulars	For the year ended 31 March, 2017			Total ₹
	Business segments		Eliminations	
	Paper ₹	Windmill ₹	₹	
Revenue	2,05,54,69,762	3,11,74,214	-	2,08,66,43,976
	<i>2,19,35,71,926</i>	<i>2,91,00,111</i>	-	<i>2,22,26,72,037</i>
Inter-segment revenue	-	-	-	-
	-	-	-	-
Total	2,05,54,69,762	3,11,74,214	-	2,08,66,43,976
	<i>2,19,35,71,926</i>	<i>2,91,00,111</i>	-	<i>2,22,26,72,037</i>
A. Segment result	15,00,36,765	1,75,27,616	-	16,75,64,381
	<i>24,62,26,284</i>	<i>1,69,74,001</i>	-	<i>26,32,00,285</i>
B. Unallocable expenses (net)				7,81,10,772
				<i>8,39,98,084</i>
C. Operating income (A-B)				8,94,53,609
				<i>17,92,02,201</i>
D. Other income (net)				9,09,009
				<i>4,36,121</i>
E. Profit before tax (C+D)				9,03,62,618
				<i>17,96,38,322</i>
F. Tax expense				2,63,66,259
				<i>5,86,62,393</i>
G. Profit for the year (E-F)				6,39,96,359
				<i>12,09,75,929</i>

Particulars	For the year ended 31 March, 2017			Total ₹
	Business segments			
	Paper ₹	Windmill ₹	₹	
Segment assets	1,51,16,89,141	10,96,72,699		1,62,13,61,840
	<i>1,26,37,29,020</i>	<i>11,68,65,886</i>		<i>1,38,05,94,906</i>
Unallocable assets				12,57,76,556
				<i>10,09,54,401</i>
Total assets				1,74,71,38,396
				<i>1,48,15,49,307</i>
Segment liabilities	20,01,21,199	7,44,007		20,08,65,206
	<i>16,42,08,781</i>	<i>3,67,851</i>		<i>16,45,76,632</i>
Unallocable liabilities				61,00,55,473
				<i>44,47,51,317</i>
Total liabilities				81,09,20,679
				<i>60,93,27,949</i>
Other information				
Capital expenditure (allocable)	14,98,91,387	-		14,98,91,387
	<i>1,71,39,187</i>	-		<i>1,71,39,187</i>
Capital expenditure (unallocable)				2,09,39,663
				<i>32,04,271</i>
Depreciation and amortisation (allocable)	4,01,86,507	68,81,313		4,70,67,820
	<i>3,88,01,661</i>	<i>68,99,755</i>		<i>4,57,01,416</i>
Depreciation and amortisation (unallocable)				71,82,650
				<i>57,96,892</i>
Other significant non-cash expenses (unallocable)				-
				-

Previous year figures are shown in italics.

SHREE AJIT PULP AND PAPER LIMITED



Notes Forming Part of the Financial Statements

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

Particulars	₹ For the year ended 31 March, 2017	₹ For the year ended 31 March, 2016
Contingent liabilities		
Claims against the company not acknowledged as debt	28,36,620	28,36,620
Custom duty demand disputed by the Company relating to issues of classification [Deposit paid ₹ 5,52,911 (previous year ₹ 5,52,911)]	62,07,453	62,07,453
Service tax demand disputed by the Company relating to issues of applicability	9,30,268	9,30,268
Excise duty demand disputed by the company (Deposit paid ₹ 15,132)	3,43,518	-
Income tax demand disputed by the company. (CIT (Appeals) has passed the order in favour of the company, for which department has gone into further appeal to ITAT.)	-	12,49,152
Future cash outflows in respect of above matters are determinable only on receipt of judgements /decisions pending at various forums /authorities and the company does not expect any outflow of resources.		
Commitments		
Estimate amount of contracts remaining to be executed on capital account and not provided for	8,90,70,740	58,25,851

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 2017		For the year ended 31 March 2016	
	Forex (USD)	₹	Forex (USD)	₹
Import of Goods and Services	-	-	1,15,753	76,68,654
Particulars	Forex (EURO)	₹	Forex (EURO)	₹
Import of Goods and Services	95,700	66,31,838	12,750	9,58,740

Note : 35 Details of specified bank notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016.

Particulars	₹ SBNs	₹ Other Denomination Notes	₹ Total
Closing cash in hand as on 08.11.2016	2,00,000	37,363	2,37,363
(+) Permitted receipts	-	5,18,000	5,18,000
(-) Permitted payments	-	4,09,278	4,09,278
(-) Amount deposited in Banks	2,00,000	-	2,00,000
Closing cash in hand as on 30.12.2016	-	1,46,085	1,46,085

Note : 36 The Board of Directors, at its meeting on May 27, 2017, have proposed a final dividend of ₹ 0.75/- per equity share of face value ₹10/ each for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved would result in a cash outflow of approximately ₹ 48,35,399 including corporate dividend tax.

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
CFO & CMD
Place: Vapi
Date : 27th May, 2017

Bela G Shah
Executive Director

Rakesh Kumar Kumawat
Company Secretary

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 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 (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

Fire occurred at one of the raw material godowns of the Holding Company on August 31, 2016 resulting into loss of raw material inventory. The Holding Company has lodged an insurance claim for loss of raw material inventory based on its assessment and taking into consideration terms and conditions of insurance policy and believes that the same will be accepted and sanctioned by the insurance company. Accordingly, an insurance claim of Rs. 4,22,99,098/- to the extent of loss of raw material inventory has been accounted as insurance claim receivable under 'other current assets'. In the absence of any correspondence from insurance agency to support this claim, we are unable to comment on the recoverability of such claim.

Qualified 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 reports of the other auditors on separate financial statements of the subsidiary and jointly controlled entity referred to in the Other Matters paragraph below, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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, of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of one subsidiary and one jointly controlled entity, whose financial statements reflect total assets of Rs.12,36,64,492 as at March 31, 2017, total revenues of Rs.17,82,31,539 and net cash inflows amounting to Rs. 3,03,051 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 on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and jointly controlled entity, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and jointly controlled entity is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiary and jointly controlled entity, referred in the Other Matters paragraph above, we report, to the extent applicable, that:

(a) We have sought and, except for the matter described in paragraph of the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and jointly controlled company incorporated in India, none of the directors of the Group's companies and jointly controlled entity incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary company and jointly controlled company incorporated in India. Our report expresses qualified opinion on the adequacy and operating effectiveness of the Holding company's internal financial controls over financial reporting.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the possible effect of the matter described in paragraph of the Basis of Qualified Opinion above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity.
 - ii. The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company and jointly controlled company incorporated in India.
 - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group and its jointly controlled entity as applicable. Based on audit procedures performed and the

representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and to the other auditors by the Management of the respective Group entities and its jointly controlled entity.

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

Vapi, May 27th, 2017

Rupen K. Bhatt
Partner
(Membership No.046930)

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Shree Ajit Pulp and Paper Limited (hereinafter referred to as "the Holding Company") and its subsidiary company and jointly controlled entity, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary company and its jointly controlled entity, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company and jointly controlled entity, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary company and its jointly controlled entity, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, the material weakness has been identified as at March 31, 2017 in the Holding Company's internal controls over financial reporting in respect of recognition of insurance claim receivable pertaining to fire occurred at one of the raw material godowns of the Company on August 31, 2016 as described in Note 18.1 of the consolidated financial statements which could potentially result in the determination of value of insurance claim receivable without establishing reasonable certainty of ultimate collection.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, 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 referred to in the Other Matters paragraph below, the Holding Company, its subsidiary company and jointly controlled entity which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017, based

on "the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Holding Company's and its subsidiary company's and jointly controlled entity's internal financial controls over financial reporting were operating effectively as of March 31, 2017.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company for the year ended March 31, 2017, and the material weakness affects our opinion on the said consolidated financial statements of the Holding Company.

Other Matters

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company and one jointly controlled entity which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No.046930)

Vapi, May 27th, 2017

SHREE AJIT PULP AND PAPER LIMITED



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016
A EQUITY AND LIABILITIES		₹	₹
(1) Shareholders' Funds			
(a) Share Capital	2	5,35,67,000	5,35,67,000
(b) Reserves and Surplus	3	87,59,30,030	81,16,05,189
		92,94,97,030	86,51,72,189
(2) Non-current Liabilities			
(a) Long-term Borrowings	4	16,96,00,150	13,14,32,932
(b) Deferred Tax Liabilities (Net)	5	16,31,08,974	15,95,64,862
(c) Long-term Provisions	6	60,69,418	64,19,944
		33,87,78,542	29,74,17,738
(3) Current Liabilities			
(a) Short-term Borrowings	7	24,21,63,814	11,73,24,963
(b) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	8.1	29,37,413	16,69,304
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8	18,41,63,113	16,44,62,117
(c) Other Current Liabilities	9	10,96,86,168	11,10,09,306
(d) Short-term Provisions	10	38,26,812	1,11,59,973
		54,27,77,320	40,56,25,663
TOTAL		1,81,10,52,892	1,56,82,15,590
B ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	97,35,06,340	90,77,54,282
(ii) Intangible Assets	11	14,08,233	2,82,976
(iii) Capital Work-in-progress	11	5,93,29,082	1,10,94,251
		1,03,42,43,655	91,91,31,509
(b) Non-current Investments	12	67,500	67,500
(c) Long-term Loans and Advances	13	13,11,67,602	2,66,34,484
		13,12,35,102	2,67,01,984
(2) Current Assets			
(a) Inventories	14	21,82,66,747	17,35,74,220
(b) Trade Receivables	15	33,21,76,494	39,95,39,237
(c) Cash and Cash Equivalents	16	1,14,38,919	1,14,33,043
(d) Short-term Loans and Advances	17	3,89,14,499	3,44,41,638
(e) Other Current Assets	18	4,47,77,476	33,93,959
		64,55,74,135	62,23,82,097
TOTAL		1,81,10,52,892	1,56,82,15,590

See accompanying notes forming part of the consolidated financial statements

1-38

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
CFO & CMD

Bela G Shah
Executive Director

Rakesh Kumar Kumawat
Company Secretary

Place : Vapi
Date : 27th May, 2017

Place : Vapi
Date : 27th May, 2017

SHREE AJIT PULP AND PAPER LIMITED



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Sr. No.	Particulars	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	INCOME		₹	₹
1	Revenue from Operations (Gross)	19	2,40,74,06,344	2,52,19,33,869
	Less: Excise Duty		(14,25,30,829)	(14,95,10,464)
	Revenue from Operations (Net)		2,26,48,75,515	2,37,24,23,405
2	Other Income	20	19,38,970	11,27,809
3	Total Revenue (1+2)		2,26,68,14,485	2,37,35,51,214
4	EXPENSES			
a)	Cost of Materials Consumed	21	1,47,08,03,153	1,47,60,45,563
b)	Purchases of Stock-in-trade		-	7,20,811
c)	Changes in Inventories of Finished Goods and Work-in-progress	22	4,92,824	2,94,23,131
d)	Employee Benefits Expense	23	12,64,16,888	12,47,73,466
e)	Finance Costs	24	4,77,72,045	4,82,25,200
f)	Depreciation and Amortisation Expense	11	5,74,03,983	5,44,11,535
g)	Other Expenses	25	47,48,51,489	46,09,90,597
	Total Expenses (a+b+c+d+e+f+g)		2,17,77,40,382	2,19,45,90,303
5	Profit Before Tax (3-4)		8,90,74,103	17,89,60,911
6	Tax Expense/(Benefit)			
a)	Current Tax Expense		2,12,05,149	5,30,78,820
b)	Less : Mat Credit		-	7,83,943
c)	Tax Adjustments for Prior Years		-	(10,53,812)
	Net Current Tax Expense		2,12,05,149	5,28,08,951
d)	Deferred Tax			
	Current year		35,44,113	83,05,148
	Net Deferred Tax		35,44,113	83,05,148
	Net Tax Expense		2,47,49,262	6,11,14,099
7	Profit for the year (5-6)		6,43,24,841	11,78,46,812
7.1	Earning per share of ₹. 10/- each (Basic and Diluted)	29	12.01	22.00

See accompanying notes forming part of the consolidated financial statements

1-38

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
CFO & CMD

Bela G Shah
Executive Director

Rakesh Kumar Kumawat
Company Secretary

Place : Vapi
Date : 27th May, 2017

Place : Vapi
Date : 27th May, 2017

SHREE AJIT PULP AND PAPER LIMITED



Consolidated Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
A. Cash flow from operating activities		
Profit before tax as per statement of profit and loss	8,90,74,103	17,89,60,911
Adjustments for:		
Depreciation and amortisation	5,74,03,983	5,44,11,535
Finance costs	4,77,72,045	4,82,25,200
Interest income	(10,32,000)	(10,53,805)
Dividend income	(7,014)	(7,725)
Unrealised Exchange (gain)	(4,87,674)	4,63,095
Sundry balance written off / (written back)	(95,701)	3,67,971
Operating profit before working capital changes	19,26,27,742	28,13,67,382
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(4,46,92,527)	2,85,45,228
Trade receivables	6,73,62,743	(14,37,85,875)
Short-term loans and advances	(44,69,732)	(27,17,080)
Long-term loans and advances	(1,67,370)	(3,12,083)
Other current assets	(4,17,20,072)	(21,10,100)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	2,15,52,479	3,59,09,326
Other current liabilities	(32,02,766)	38,94,887
Short-term provisions	8,09,208	5,75,726
Long-term provisions	(3,90,526)	5,28,249
Cash generated from operations	18,77,49,179	20,18,85,860
Net income tax (paid) / refunds	(2,55,83,994)	(3,51,53,502)
Net cash flow from operating activities (A)	16,21,65,185	16,67,32,158
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(27,04,35,214)	(3,84,25,874)
Bank balance not considered as cash and cash equivalents	(40,300)	(10,24,851)
Interest received	13,68,556	6,56,831
Dividend received	7,014	7,725
Net cash flow (used in) investing activities (B)	(26,90,99,944)	(3,87,85,969)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	11,51,65,365	8,28,87,282
Repayment of long-term borrowings	(7,92,48,452)	(7,30,32,711)
Proceeds from / (repayment of) Short-term borrowings (net)	12,48,38,851	(8,77,49,063)
Finance costs	(4,90,20,030)	(4,69,59,059)
Dividends paid	(40,17,525)	(26,78,350)
Tax on dividend	(8,17,874)	(5,45,250)
Net cash flow from / (used in) financing activities (C)	10,69,00,335	(12,80,77,151)
Net decrease in Cash and cash equivalents (A+B+C)	(34,424)	(1,30,962)
Cash and cash equivalents at the beginning of the year	3,75,531	5,06,493
Cash and cash equivalents at the end of the year *	3,41,107	3,75,531
* Comprises: @		
(a) Cash on hand	1,66,889	2,38,879
(b) Balances with banks in current accounts	1,74,218	1,36,652
Total Cash and cash equivalents	3,41,107	3,75,531

Note1- 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 statements (1-38)
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
CFO & CMD

Bela G Shah
Executive Director

Rakesh Kumar Kumawat
Company Secretary

Place : Vapi
Date : 27th May, 2017

Place : Vapi
Date : 27th May, 2017

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note 1 Basis of consolidation and significant accounting policies

A. Corporate information:

Shree Ajit Pulp And Paper Ltd ("the Company") is a public company incorporated in India. Its shares are listed on Bombay Stock Exchange, Vadodara Stock Exchange and Ahmedabad Stock Exchange. The company is engaged in the manufacturing of Kraft Paper (Testliner / Multilayer Testliner) which is mainly used for manufacturing corrugated boxes.

Shree Samrat Pulp And Paper Private Limited (Joint Venture Entity) is also engaged in the manufacturing of Kraft Paper (Testliner / Multilayer Testliner) which is mainly used for manufacturing corrugated boxes.

Samrudhi Industrial Papers Private Limited ("the subsidiary") yet not started any activity.

B. Basis of consolidation and significant accounting policies:-

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

(a) Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiary and jointly controlled entity (together the "Group") have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the 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) Principles of consolidation:

The consolidated financial statements relate to the Company, its subsidiary company and jointly controlled entity. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the subsidiary company and jointly controlled entity used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2017.
- ii. 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 after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iii. Share of profit / loss, assets and liabilities in the jointly controlled entity, which is not subsidiary, has 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 entity that is considered subsidiary under AS 21 Consolidated Financial Statements is consolidated similar to the manner of consolidating subsidiaries (Refer (ii) above) and the share of interest of the other venturer in such entity is included as part of minority interest.
- iv. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- v. The following subsidiary company and jointly controlled entity are considered in the preparation of the consolidated financial statements:

Sr. No.	Name of the entity	Relationship	Country of incorporation	% of holding as at 31st March, 2017	% of holding as at 31st March, 2016
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%

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

- vi. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

(c) 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.

(d) Inventories

Inventories are valued at the lower of cost (on weighted average 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.

(e) Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold land is amortised over the duration of the 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.

(f) 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 windmills at landed cost and has been shown as such in the Consolidated Statement of Profit and Loss.

(g) Other income

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

(h) 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.

(i) 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.

Notes forming part of the consolidated financial statements

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.

(j) 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 include acquisition charges such as brokerage, fees and duties.

(k) 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 except for the joint venture which is done on actual basis. 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.

(l) 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 is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(m) 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

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

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".

(n) Taxes on income

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

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 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 and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence 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.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

(o) 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.

(p) 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.

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note : 2 Share Capital

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
a) AUTHORISED 1,50,00,000 (1,50,00,000) Equity Shares of ₹ 10 each with voting rights	15,00,00,000	15,00,00,000
	15,00,00,000	15,00,00,000
b) ISSUED 53,56,700 (53,56,700) Equity Shares of ₹ 10 each with voting rights	5,35,67,000	5,35,67,000
c) SUBSCRIBED AND FULLY PAID UP 53,56,700 (53,56,700) Equity Shares of ₹ 10 each with voting rights	5,35,67,000	5,35,67,000
Total in ₹	5,35,67,000	5,35,67,000

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, 2017		As at 31 March, 2016	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Equity Shares at the beginning and at the end of the year	53,56,700	5,35,67,000	53,56,700	5,35,67,000

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

Name of the Shareholders	As at 31 March, 2017		As at 31 March, 2016	
	Number of Shares held	% Holding	Number of Shares held	% Holding
Gautam D Shah	10,64,750	19.88%	10,64,750	19.88%
Sureshbhai C Shah	4,54,000	8.48%	4,54,000	8.48%
Jayantilal M Shah	4,35,000	8.12%	4,35,000	8.12%
Varun Shah	4,25,200	7.94%	4,25,200	7.94%
Bela G Shah	3,85,540	7.20%	3,85,540	7.20%
Bela P Shah	3,63,500	6.79%	3,63,500	6.79%
Bharat Mafatlal Shah	2,70,900	5.06%	2,70,900	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 consolidated financial statements

Note : 3 Reserves and Surplus

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
a) Capital Reserve		
Opening and closing balance	30,25,374	30,25,374
b) Surplus in Statement of Profit and Loss		
Opening balance	80,85,79,815	69,55,68,402
Add: Profit for the year	6,43,24,841	11,78,46,812
Less:		
Dividend proposed to be distributed to equity shareholders ₹ 0.75 per share	-	40,17,525
Tax on Proposed Dividend	-	8,17,874
Closing Balance	87,29,04,656	80,65,79,815
Total in ₹	87,59,30,030	81,16,05,189

Note : 4 Long-term Borrowings

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
Secured		
a) Term loans from banks	16,17,68,380	12,31,63,758
b) Other loans	-	4,37,404
Unsecured		
a) Deferred sales tax liability for the FY 2013-14	40,93,416	40,93,416
b) Deferred sales tax liability for the FY 2014-15	37,38,354	37,38,354
Total in ₹	16,96,00,150	13,14,32,932

4.1 Details of terms of repayment and securities provided

Sr. No.	Particulars	*Balance as at 31 March, 2017 ₹	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 a)	64,16,754	January, 2014	8,60,000	60	November,2017
2	-from bank (Refer note a)	43,46,300	January, 2014	5,73,333	60	November,2017
3	-from bank (Refer note b)	90,20,000	March, 2013	8,20,000	60	February, 2018
4	-from bank (Refer note c)	2,47,45,193	October, 2013	13,75,000	60	September,2018
5	-from bank (Refer note a)	6,91,18,020	April,2016	14,16,000	72	March,2022
6	-from bank (Refer note c)	1,38,60,846	May,2015	3,75,000	60	April,2020
7	-from bank (Refer note a)	1,50,11,188	February,2018	5,15,667	72	January,2024
8	-from bank (Refer note a)	6,00,44,740	February,2018	20,66,667	72	January,2024
9	-from Bank (Refer note e)	1,13,80,842	December,2016	1,19,048	180	November,2031
10	-from Bank (Refer note d)	16,06,696	July,2016	66,370	36	June,2019
11	-from Bank (Refer note d)	7,80,635	March,2017	25,535	36	February,2020
12	-from NBFC (Refer note d)	4,40,560	August,2014	1,13,050	36	July,2017
13	-from Bank (Refer note g)	96,25,000	June,2013	8,87,500	60	May,2018
14	-from Bank (Refer note g)	1,17,36,559	July,2015	2,86,500	72	July,2017
		23,81,33,333				

* Includes ₹ 7,63,64,953 for current maturities of Long term borrowings (refer note 9)

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note a. Term loan is secured by way of pari passu charges on proposed plant and machinery & office building and other construction 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.

Note b. 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 c. 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 d. Vehicle loans are secured by way of hypothecation of Vehicles.

Note e. Term loans is secured by way of mortgage on Guest house situated at Daman.

Note f. All term loans from banks and from others are further secured by way of shares pledged and personal guarantee of Mr. Gautam D Shah Managing Director of the company and bears rate of interest at base rate plus 2.90 % to 3.50 %.

Note g. Term loan is secured by way of first charge on plant and 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, Mr. Pankaj K. Mansingka and Mr. Sundeep M Shah directors of the company and bears rate of interest base rate plus 4.65 % and 4.70 % respectively.

Note 4.2 Sales Tax Deferment

- (i) The joint venture entity has been granted deferment of Sales Tax for the year 2013-14 as per Sales Tax deferment scheme, 1993 of the Government of Maharashtra. According to the scheme Sales Tax collected by the joint venture entity is deferred for 10 Years and thereafter it is repayable to the Government in 5 equal yearly instalments starting from April, 2024 as per repayment schedule. The Total amount of deferred Sale Tax upto 31st March, 2017 is ₹ 40,93,416/- (Previous year ₹ 40,93,416/-)
- (ii) The joint venture entity has been granted deferment of Sales Tax for the year 2014-15 as per Sales Tax deferment scheme, 1993 of the Government of Maharashtra. According to the scheme Sales Tax collected by the joint venture entity is deferred for 10 Years and thereafter it is repayable to the Government in 5 equal yearly instalments starting from April, 2025 as per repayment schedule. The Total amount of deferred Sale Tax upto 31st March, 2017 is ₹ 37,38,354/- (Previous year ₹ 37,38,354/-)

Note : 5 Deferred Tax Liabilities (Net)

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	17,37,98,287	16,75,04,125
Deferred Tax Liability (DTL) (A)	17,37,98,287	16,75,04,125
Tax effect of items constituting deferred tax assets		
Provision for compensated absences and gratuity	41,83,554	36,39,279
Disallowances under Section 43B of the Income Tax Act, 1961	3,17,616	6,89,234
Brought forward business losses including unabsorbed depreciation	60,15,103	34,37,710
Others	1,73,040	1,73,040
Deferred Tax Assets (DTA) (B)	1,06,89,313	79,39,263
Net Deferred Tax Liability (A-B) in ₹	16,31,08,974	15,95,64,862

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note : 6 Long-term Provisions

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
Provision for employee benefits		
i) Provision for gratuity (refer note 10 and 23.2)	17,29,874	29,62,613
ii) Provision for compensated absences (refer note 10 and 23.2)	43,39,544	34,57,331
Total in ₹	60,69,418	64,19,944

Note : 7 Short-term Borrowings

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
Secured		
Loan repayable on demand from banks	24,21,63,814	11,73,24,963
Total in ₹	24,21,63,814	11,73,24,963

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, Mr. Pankaj Mansingka and Mr. Sundeep M Shah directors of the Company. The Cash Credit is repayable on demand and bears interest at the rate of base rate plus 1.5% to 4.50%.

Note : 8 Trade Payables

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
Trade payables	18,41,63,113	16,44,62,117
Total in ₹	18,41,63,113	16,44,62,117

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

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	29,37,413	16,69,304
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with, the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro, Small and Medium 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



Notes forming part of the consolidated financial statements

Note : 9 Other Current Liabilities

Particulars	₹	₹
	As at 31 March, 2017	As at 31 March, 2016
(a) Current maturities of long-term borrowings (Refer note 4 and 9.1)	7,63,64,953	7,86,15,257
(b) Interest accrued but not due on borrowings	10,43,221	22,91,206
(c) Unclaimed dividend *	4,91,342	7,53,830
(d) Other Payables		
i) Advances from customers	16,33,559	1,14,129
ii) Security deposits received	1,04,000	1,04,000
iii) Payables on purchase of fixed assets	2,55,74,090	2,01,96,173
iv) Statutory remittances		
Tax deducted at source payable	18,85,132	33,32,601
Central sales tax payable	16,00,636	28,58,997
Others (VAT, Excise, Service tax, Provident Fund, etc)	9,89,235	27,43,113
Total in ₹	10,96,86,168	11,10,09,308

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

9.1 Current maturities of long-term borrowings consist of :

Particulars	₹	₹
	As at 31 March, 2017	As at 31 March, 2016
a) Term Loans from banks (Secured)	7,59,24,393	7,73,78,690
b) Other loans (Secured)	4,40,560	12,36,567
Total in ₹	7,63,64,953	7,86,15,257

Note : 10 Short Term Provisions

Particulars	₹	₹
	As at 31 March, 2017	As at 31 March, 2016
a) Provision For Employee Benefits		
Provision for gratuity (refer note 6 and 23.2)	13,07,743	7,45,980
Provision for compensated absences (refer note 6 and 23.2)	24,42,157	21,94,713
b) Provisions- others		
Provision for proposed equity dividend	-	40,17,525
Provision for tax on proposed dividend	-	8,17,874
Provision for tax (Net of advance tax of ₹ 42,935) (Previous year ₹ 3,50,86,060)	76,912	33,83,881
Total in ₹	38,26,812	1,11,59,973

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Notes forming part of the consolidated financial statements

Note : 11 Fixed Assets

Particulars	Gross Block			Accumulated depreciation and amortisation			Net Block
	Balance as at 1st April, 2016	Additions	Deductions/ Disposal	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Depreciation/amortisation expense for the year	
Tangible Assets							
Land- Freehold	1,07,12,237	5,01,715	-	1,12,13,952	-	-	1,12,13,952
	92,00,616	15,12,221	-	1,07,12,237	-	-	1,07,12,237
Leasehold Land	2,96,81,534	-	-	2,96,81,534	18,49,997	4,98,514	23,48,511
	2,98,81,534	-	-	2,98,81,534	13,52,534	4,87,483	18,49,997
Buildings	11,57,68,155	3,17,79,178	-	14,75,47,333	3,37,55,388	49,10,681	3,86,56,049
	11,57,77,693	31,90,282	-	11,57,68,155	2,88,37,087	48,18,321	3,37,55,388
Plant and Equipment	82,88,87,985	6,33,35,012	-	89,22,22,997	21,40,23,630	2,94,84,479	24,28,08,109
	78,81,10,705	4,07,76,281	-	82,88,87,086	18,61,17,804	2,79,05,829	61,48,63,456
Windmills	15,23,18,740	-	-	15,23,18,740	3,89,72,435	67,31,313	4,57,03,748
	15,23,18,740	-	-	15,23,18,740	3,22,22,680	67,49,750	3,69,72,435
Electrical installations	6,55,12,967	61,86,507	-	7,16,99,474	3,07,63,048	80,36,205	3,87,59,254
	6,44,59,027	10,50,300	-	6,55,12,967	2,24,44,385	60,18,683	3,07,63,048
Furniture & Fixtures	74,70,500	70,47,337	-	1,45,17,837	32,10,810	8,44,385	40,85,156
	71,95,023	2,75,497	-	74,70,500	25,39,422	6,71,388	32,10,810
Vehicles	2,36,08,323	34,80,437	-	2,70,88,760	88,20,228	32,86,444	1,22,06,672
	2,20,56,389	15,51,954	-	2,36,08,323	60,16,668	29,03,360	69,20,228
Office Equipment	1,51,95,310	1,04,35,153	-	2,56,30,463	90,05,024	32,03,305	1,51,08,332
	1,37,63,259	14,32,051	-	1,51,95,310	75,18,040	23,60,176	99,05,024
SUB TOTAL (A)	1,24,91,94,842	12,27,45,338	-	1,37,19,03,181	34,14,00,960	6,69,93,281	39,83,93,841
	1,19,03,63,146	4,07,91,696	-	1,24,91,94,842	28,71,40,688	5,42,50,952	34,14,00,960
Intangible Assets							
Software (acquired)	7,42,181	15,35,959	-	22,78,140	4,59,205	4,10,702	8,69,937
	6,84,171	58,010	-	7,42,181	2,86,022	7,60,583	4,59,205
SUB TOTAL (B)	7,42,181	15,35,959	-	22,78,140	4,59,205	4,10,702	8,69,937
	6,84,171	58,010	-	7,42,181	2,86,022	7,60,583	4,59,205
Capital Work in Progress							
SUB TOTAL (C)							
							5,93,29,082
							1,10,04,257
Total [A + B + C]	1,24,98,97,023	12,42,81,298	-	1,37,41,78,321	34,18,59,765	5,74,03,983	39,92,63,748
Previous Year	1,20,00,47,317	4,98,49,708	-	1,24,98,97,023	28,74,48,230	5,44,11,535	34,18,59,765

11.1 Addition during the year includes ₹ 4,70,943 (Previous year ₹ Nil) on account of foreign exchange fluctuation capitalised on Plant and Equipment.

11.2 Previous year figures are shown in italics.

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note : 12 Non-current Investments

(At cost, unless otherwise stated)

Particulars	₹	₹
	As at 31 March, 2017	As at 31 March, 2016
A Trade (Unquoted)		
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 ₹ 2,000, 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 - ₹ 7,360)	52,386	52,386
Less: Provision for diminution in value of investments	(52,386)	(52,386)
2,000 (Previous year 2,000) equity shares of Punjab National Bank of ₹ 2 each (Previous year ₹ 2 each) fully paid up (Market Value ₹ 3,01,400)	12,400	12,400
Total in ₹	67,500	67,500

12.1 Aggregate amount of quoted investments (including provision for diminution in value)	64,786	64,786
Aggregate Market value of listed and quoted investments	3,08,760	1,76,300
Aggregate amount of unquoted investments	55,100	55,100

Note : 13 Long - term Loans and Advances

Particulars	₹	₹
	As at 31 March, 2017	As at 31 March, 2016
Unsecured considered good (Unless otherwise stated)		
a) Capital advances	10,90,14,248	57,17,247
b) Security deposits		
Considered good	30,80,785	34,13,382
Doubtful	5,00,000	5,00,000
	35,80,785	39,13,382
Less: Provision for doubtful deposit	5,00,000	5,00,000
	30,80,785	34,13,382
c) Prepaid Expenses	14,27,292	9,42,457
d) Custom duty paid under protest	5,68,043	5,52,911
e) Advance income tax (Net of provision for tax ₹ 5,67,87,243) (Previous year ₹ 5,77,43,929)	42,68,275	5,77,568
f) MAT credit entitlement	1,28,08,959	1,54,30,919
Total in ₹	13,11,67,602	2,66,34,484

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note : 14 Inventories

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
a) Raw materials (includes Goods-in-transit ₹ Nil, Previous year ₹ 98,62,114)	13,83,99,936	11,06,87,266
b) Work-in-progress (Refer note 14.1)	3,17,425	3,56,743
c) Finished goods	1,48,55,331	1,53,08,837
d) Stores and spares	5,04,96,085	4,31,69,777
e) Consumables (includes Goods-in-transit ₹ 1,17,37,877, Previous year ₹ 23,06,884)	1,37,86,526	34,39,188
f) Packing material stock	4,11,444	6,12,409
Total in ₹	21,82,66,747	17,35,74,220

14.1 Details of inventory of work- in- progress

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
Multilayer Testliner and Testliner Paper	3,17,425	3,56,743

Note : 15 Trade Receivables

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	64,37,654	29,21,288
Other Trade receivables	32,57,38,840	39,66,17,949
Total in ₹	33,21,76,494	39,95,39,237

Note : 16 Cash and cash equivalents

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
A) Cash and cash equivalents		
(a) Cash on hand	1,66,889	2,38,879
(b) Balances with banks		
- In current accounts	1,74,218	1,36,652
Total Cash and cash equivalents (A)	3,41,107	3,75,531
B) Other bank balances		
i) In other deposit accounts original maturity more than 3 months	56,16,302	53,08,860
ii) In earmarked accounts *		
- Balances held as margin money	49,45,168	49,49,822
- In deposit accounts	45,000	45,000
- Unclaimed dividend accounts	4,91,342	7,53,830
Total Other bank balances (B)	1,10,97,812	1,10,57,512
Total Cash and cash equivalents (A+B) in ₹	1,14,38,919	1,14,33,043

*Restricted cash balance.

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note :17 Short Terms Loans and Advances

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
Unsecured and considered good		
a) Loans and advances to employees	3,73,475	4,32,101
b) Prepaid expenses	58,32,491	53,78,190
c) Balances with government authorities		
Cenvat credit receivable	2,04,06,127	1,09,63,719
Custom duty advance	1,11,890	2,03,983
Vat credit receivable	46,58,402	46,44,776
Advance Income Tax	12,853	15,982
d) Advance to vendors	75,19,261	1,28,02,887
Total in ₹	3,89,14,499	3,44,41,638

Note :18 Other Current Assets

Particulars	₹	
	As at 31 March, 2017	As at 31 March, 2016
Interest accrued on fixed deposits, margin money deposits etc.	5,64,698	9,01,253
Insurance claim relating to fire (Refer note 18.1 below)	4,22,99,098	-
Other insurance claims	19,13,680	24,92,706
Total in ₹	4,47,77,476	33,93,959

18.1 Fire occurred at one of the raw material godowns of the Company on 31st August, 2016 resulting into loss of raw material inventory. The Company has lodged an insurance claim for loss of raw material inventory based on its assessment and taking into consideration terms and conditions of insurance policy and believes that the same will be accepted and sanctioned by the insurance company. Accordingly, an insurance claim of ₹ 4,22,99,098/- to the extent of loss of raw material inventory has been accounted as insurance claim receivable under 'other current assets'.

Note : 19 Revenue from Operations

Particulars	₹	
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Sale of products (Refer note 19.1)	2,37,62,32,130	2,49,27,43,900
Income from windmills	3,11,74,214	2,91,00,111
Total in ₹	2,40,74,06,344	2,52,18,44,011
Other operating revenue		
Export incentive	-	89,858
Revenue from Operations (Gross)	2,40,74,06,344	2,52,19,33,869
Less : Excise duty	(14,25,30,829)	(14,95,10,464)
Revenue from Operations (Net)	Total in ₹ 2,26,48,75,515	2,37,24,23,405

19.1 Information relating to products sold

Particulars	₹	
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Multilayer Testliner and Testliner Paper	2,37,62,32,130	2,49,27,43,900
Total in ₹	2,37,62,32,130	2,49,27,43,900

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note : 20 Other Income

Particulars	₹	
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Interest income on fixed deposits, margin money deposits etc.	10,32,000	10,52,847
Dividend income from other long-term investments	7,014	7,725
Foreign exchange fluctuation expenses (net)	3,42,856	-
Interest on income tax refund	-	758
Miscellaneous income	5,57,100	66,479
Total in ₹	19,38,970	11,27,809

Note : 21 Cost of materials consumed

Particulars	₹	
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Opening stock	11,06,87,266	11,96,10,497
Add: Purchases	1,49,85,15,823	1,46,71,22,332
	1,60,92,03,089	1,58,67,32,829
Less: Closing stock	13,83,99,936	11,06,87,268
Total in ₹	1,47,08,03,153	1,47,60,45,563

21.1 Materials consumed comprise :

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of raw material Imported				
Imported waste paper	59,43,81,397		60,60,15,309	
Colour and chemical	11,26,92,595		14,58,12,125	
Total of Imported	70,70,73,992	48.07	75,18,27,434	50.94
Indigenous				
Indian waste paper	70,08,57,915		65,50,00,924	
Colour and chemical	6,28,71,246		6,92,17,205	
Total of Indigenous	76,37,29,161	51.93	72,42,18,129	49.06
Total	1,47,08,03,153	100.00	1,47,60,45,563	100.00

22. Change in Inventories of Finished Goods and Work in Progress :

Particulars	₹	
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Inventories at the end of the year		
Finished goods	1,48,55,331	1,53,08,837
Work-in-progress	3,17,425	3,56,743
Total in ₹	1,51,72,756	1,56,65,580
Inventories at the beginning of the year		
Finished goods	1,53,08,837	4,47,67,917
Work-in-progress	3,56,743	3,20,794
Total in ₹	1,56,65,580	4,50,88,711
Total in ₹	4,92,824	2,94,23,131

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note : 23 Employee Benefits Expense

Particulars	₹	
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Salaries and wages	12,05,42,206	11,96,59,609
Contribution to provident fund and pension scheme (Refer note 23.1)	17,64,715	16,96,896
Gratuity expenses (Refer Note 23.2)	7,99,723	5,44,141
Staff welfare expenses	33,10,244	28,72,820
Total in ₹	12,64,16,888	12,47,73,466

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, 2017	For the year ended 31 March, 2016
Employer's contribution to provident fund	7,11,375	6,38,148
Employer's contribution to pension scheme	10,53,340	10,58,748
Total in ₹	17,64,715	16,96,896

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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, 2017		For the year ended 31 March, 2016	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Funded	Non Funded	Non Funded	Non Funded
A Components of employer's expense				
Current service cost	3,65,314	5,63,973	3,75,016	4,76,243
Interest cost	2,84,748	4,29,016	2,57,291	3,62,416
Actuarial losses/(gains)	72,376	44,47,387	(1,52,332)	33,94,334
Total Expenses	7,22,438	54,40,376	4,79,975	42,32,993
B Net Liability recognized in the Balance Sheet				
Present value of defined benefit obligation	39,08,622	62,43,345	35,24,104	53,09,601
Fair value of plan assets	11,32,778	-	-	-
Net Liability recognized in the Balance sheet (Refer Note 6 and 10)	27,75,844	62,43,345	35,24,104	53,09,601
C Change in Fair Value of Plan Assets				
Contribution by the Employer	12,44,890	-	-	-
Benefits paid from the fund	(1,85,293)	-	-	-
Actuarial losses/(gains) on Plan Assets-Due to Experience	73,181	-	-	-
Fair Value of plan Assets at the end of the period	11,32,778	-	-	-
D Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	35,24,104	53,09,601	32,40,439	45,64,435
Current service cost	3,65,314	5,63,973	3,75,016	4,76,243
Interest cost	2,84,748	4,29,016	2,57,291	3,62,416
Actuarial losses/(gains) due to change in Financial Assumption	2,72,394	3,33,586	(44,861)	(53,134)
Actuarial losses/(gains) due to Experience	(1,26,837)	41,13,801	(1,07,471)	34,47,468
Benefits paid from the fund	(1,85,293)	-	-	-
Benefits paid Directly by the Employer	(2,25,808)	(45,06,632)	(1,96,310)	(34,87,827)
Present value of DBO at the end of the year (Refer note 6 and 10)	39,08,622	62,43,345	35,24,104	53,09,601
E Actuarial assumptions:				
Discount rate	7.34%	7.34%	8.08%	8.08%
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	2016-17	2015-16	2014-15	2013-14
Gratuity				
Present value of DBO	39,08,622	35,24,104	32,40,439	24,38,862
Experience gain / (loss) adjustments on plan liabilities	1,26,837	1,07,471	26,728	(27,464)
Compensated absences				
Present value of DBO	62,43,345	53,09,601	45,64,435	35,56,317
Experience gain / (loss) adjustments on plan liabilities	41,13,801	34,47,468	31,14,986	31,16,684
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA
Prescribed contribution for Next Year (12 Months)				
Gratuity	10,45,970	-	-	-
Compensated absences	-	-	-	-

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

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.

Shree Samrat Pulp and Paper Private Limited

- The group's joint venture "Shree Samrat Pulp and Paper Private Limited" has non funded defined benefit plan for qualifying employees. The Company has made provision of ₹ 77,285 for gratuity for qualifying employees.
- The company has recognised ₹ 1,95,913 on account of compensated absences in the statement of profit and loss.

Note : 24 Finance Costs

Particulars	₹	₹
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
a) Interest expense on Borrowings	4,39,37,318	4,45,82,606
Less: Interest capitalised	-	(4,32,348)
b) Other borrowing costs	38,34,727	40,74,942
Total in ₹	4,77,72,045	4,82,25,200

Note : 25 Other Expenses

Particulars	₹	₹
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Consumption of stores and spare parts (Refer note 25.1)	4,56,61,599	4,69,05,860
Power and fuel	27,84,39,865	27,86,72,219
Packing material consumed	2,03,04,828	2,06,10,160
Unloading charges	1,42,10,442	1,42,23,175
Insurance	50,00,436	49,80,277
Repairs and maintenance- Machinery	1,18,75,715	1,09,11,862
Repairs and maintenance- Building	9,08,607	10,31,172
Repairs and maintenance (others)	42,44,064	35,23,474
Increase/(decrease) of excise duty on inventory	(26,174)	(17,00,230)
Other manufacturing expenses	1,22,22,285	1,03,43,289
Selling expenses	1,26,91,794	1,20,69,127
Commission on sale	2,41,62,364	2,45,60,932
Audit fees (Refer note 25.2)	24,39,412	24,66,916
Consultancy fees	27,15,611	8,67,658
Foreign exchange fluctuation expenses (net)	-	12,74,891
Rent	13,28,138	12,33,374
Professional charges	32,39,430	32,03,915
Rates and taxes	11,25,587	3,81,644
Security charges	57,70,495	47,71,179
Stamp duty	-	30,250
Travelling expenses	24,83,988	40,42,281
Vehicle expenses	19,01,158	15,41,005
Expenditure on Corporate Social Responsibilities (Refer note 25.3)	32,64,400	13,17,300
Windmill expenses (net off claim)	67,65,285	52,26,355
Miscellaneous expenses	1,41,22,160	86,02,712
Total in ₹	47,48,51,489	46,09,90,597

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

25.1 Details of consumption of stores and spares

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	Amount in ₹	% of Consumption	Amount in ₹	% of Consumption
Consumption of stores and spares				
Imported	68,70,666	15.05	65,60,405	13.99
Indigenous	3,87,90,933	84.95	4,03,45,455	86.01
Total	4,56,61,599	100.00	4,69,05,860	100.00

25.2 Payment to Auditors as :

Particulars	₹	₹
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Payment to auditors comprise (net of service tax input credit, where applicable)		
To statutory auditors		
For audit	23,00,350	23,28,325
Tax Audit Fees	1,05,000	1,05,000
Out of pocket expenses	34,062	33,591
Total in ₹	24,39,412	24,66,916

25.3 Expenditure on Corporate Social Responsibilities in respect of parent company

Particulars	₹	₹
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
a) Gross Amount required to be spent by the company during the year	30,49,181	31,85,776
b) Amount spent during the year		
In Cash #	32,64,400	13,17,300
Total in ₹	32,64,400	13,17,300
This amount is spent for promoting health, education and sports. Amount spent on construction / acquisition of any assets is ₹ NIL. # Includes ₹ 18,68,476 for unspent amount of previous year incurred in the current year.		

Note : 26 Value of Imports on CIF basis

Particulars	₹	₹
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Raw materials	65,50,63,949	63,76,59,531
Stores and spares	1,90,01,465	56,27,838
Capital Goods	6,75,07,633	15,19,580

Note : 27 Expenditure in Foreign Currency

Particulars	₹	₹
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Travelling expenses	6,59,281	13,49,019

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note : 28 Earning in Foreign Exchange

Particulars	₹	₹
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
FOB value of Export	-	47,29,391

Note : 29 Earning Per Share

Particulars	₹	₹
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Profit for the year attributable to the equity shareholders	6,43,24,841	11,78,46,812
Weighted average number of equity shares	53,56,700	53,56,700
Earnings per share (Basic and Diluted)	12.01	22.00
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. Jointly Controlled Entity (JCE)	Shree Samrat Pulp and Paper Private Limited
ii. Key Management Personnel	Mr. Gautam D Shah, Mrs Bela G Shah, Mr. Pankaj Mansingka, Mr. Sandeep M Shah

30.2 Transactions with related parties during the year

Transactions with the related parties	₹	₹
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Managerial Remuneration paid to Key Management Personnel		
Mr. Gautam D Shah	50,18,873	99,79,907
Mrs. Bela G Shah	50,18,873	99,79,907

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note : 31 Additional information of enterprises consolidated as Subsidiary / Associate/ Joint Venture, as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount in ₹	As % of consolidated profit or loss	Amount in ₹
I. Parent				
Shree Ajit Pulp and Paper Limited	94.29%	87,64,67,717	99.49%	6,39,96,359
	94.49%	81,74,71,358	102.65%	12,09,75,929
II. Subsidiaries				
Indian				
Shree Samrudhi Industrial Papers Private Limited	0.64%	58,77,214	0.40%	2,54,678
	0.65%	56,22,536	0.23%	2,67,731
Foreign				NIL
				NIL
Minority Interests in all subsidiaries				NIL
				NIL
III. Associates (Investment as per the equity method)				NIL
				NIL
IV. Joint Venture (as per proportionate consolidation)				
Indian				
Shree Samrat Pulp and Paper Private Limited	5.07%	4,71,52,099	0.11%	73,804
	4.86%	4,20,78,295	(2.88%)	(33,96,848)
Foreign				NIL
				NIL
Total		92,94,97,030		6,43,24,841
<i>Total</i>		<i>86,51,72,189</i>		<i>11,78,46,812</i>

Previous year figures are shown in italics.

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 Windmill. The company does not have any secondary segment.

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Primary Segment Information :

Particulars	For the year ended 31 March, 2017			
	Business segments		Eliminations	Total
	Paper	Windmill		
	₹	₹	₹	₹
Revenue	2,23,37,01,301	3,11,74,214	-	2,26,48,75,515
Inter-segment revenue	2,34,33,23,294	2,91,00,111	-	2,37,24,23,405
	-	-	-	-
Total	2,23,37,01,301	3,11,74,214	-	2,26,48,75,515
	<i>2,34,33,23,294</i>	<i>2,91,00,111</i>	<i>-</i>	<i>2,37,24,23,405</i>
A. Segment result	15,41,15,765	1,75,27,617	-	17,16,43,382
	<i>25,24,92,651</i>	<i>1,69,74,001</i>	<i>-</i>	<i>26,94,66,652</i>
B. Unallocable expenses (net)				8,45,08,249
				9,16,33,550
C. Operating income (A-B)				8,71,35,133
				17,78,33,102
D. Other income (net)				19,38,970
				11,27,809
E. Profit before tax (C+D)				8,90,74,103
				17,89,60,911
F. Tax expense				2,47,49,262
				6,11,14,099
G. Profit for the year (E-F)				6,43,24,841
				11,78,46,812

Particulars	For the year ended 31 March, 2017		
	Business segments		Total
	Paper	Windmill	
	₹	₹	₹
Segment assets	1,62,90,36,973	10,96,72,701	1,73,87,09,674
	<i>1,39,91,46,258</i>	<i>11,68,65,886</i>	<i>1,51,60,12,144</i>
Unallocable assets			7,23,43,218
			5,22,03,446
Total assets			1,81,10,52,892
			1,56,82,15,590
Segment liabilities	23,20,51,014	7,44,008	23,27,95,022
	<i>19,41,42,812</i>	<i>3,67,851</i>	<i>19,45,10,663</i>
Unallocable liabilities			64,87,60,840
			50,85,32,738
Total liabilities			88,15,55,862
			70,30,43,401
Other information			
Capital expenditure (allocable)	15,15,76,465	-	15,15,76,465
	<i>2,68,13,168</i>	<i>-</i>	<i>2,68,13,168</i>
Capital expenditure (unallocable)			2,09,39,663
			32,59,502
Depreciation and amortisation (allocable)	4,33,40,020	68,81,313	5,02,21,333
	<i>4,17,14,887</i>	<i>68,99,755</i>	<i>4,86,14,642</i>
Depreciation and amortisation (unallocable)			71,82,650
			57,96,893
Other significant non-cash expenses (unallocable)			-
			-

Previous year figures are shown in italics.

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

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

Particulars	₹	₹
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Contingent liabilities		
Claims against the company not acknowledged as debt	28,36,620	28,36,620
Custom duty demand disputed by the Company relating to issues of classification [Deposit paid ₹ 5,52,911 (previous year ₹ 5,52,911)]	62,07,453	62,07,453
Service tax demand disputed by the Company relating to issues of applicability	9,30,268	9,30,268
Excise duty demand disputed by the Company (Deposit paid ₹ 15,132)	3,43,518	-
Income tax demand disputed by the company. (CIT (Appeals) has passed the order in favour of the company, for which department had gone into further appeal to ITAT.)	-	12,49,152
Future cash outflows in respect of above matters are determinable only on receipt of judgements /decisions pending at various forums /authorities and the company does not expect any outflow of resources.		
Commitments		
Estimate amount of contracts remaining to be executed on capital account and not provided for.	8,90,70,740	58,25,851

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 2017		For the year ended 31 March 2016	
	Forex (USD)	₹	Forex (USD)	₹
Import of Goods and Services	-	-	1,15,753	76,68,654
Particulars	Forex (EURO)	₹	Forex (EURO)	₹
Import of Goods and Services	95,700	66,31,838	12,750	9,58,740

Note : 35.1 Details of specified bank notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 by the Company and its subsidiary :-

Particulars	₹ SBNs	₹ Other Denomination Notes	₹ Total
Closing cash in hand as on 08.11.2016	2,00,000	41,659	2,41,659
(+) Permitted receipts	-	5,18,000	5,18,000
(-) Permitted payments	-	4,09,788	4,09,788
(-) Amount deposited in Banks	2,00,000	-	2,00,000
Closing cash in hand as on 30.12.2016	-	1,49,871	1,49,871

SHREE AJIT PULP AND PAPER LIMITED



Notes forming part of the consolidated financial statements

Note : 35.2 Details of specified bank notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 as disclosed in the financial statement of the Jointly Controlled Entity-

Particulars	₹SBNs	₹ Other Denomination Notes	₹ Total
Closing cash in hand as on 08.11.2016	29,000	28,213	57,213
(+) Permitted receipts	-	1,04,000	1,04,000
(-) Permitted payments	-	63,495	63,495
(-) Amount deposited in Banks	29,000	-	29,000
Closing cash in hand as on 30.12.2016	-	68,718	68,718

Note :36 The Board of Directors, at its meeting on May 27, 2017, have proposed a final dividend of ₹ 0.75/- per equity share of face value ₹ 10/- each for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved would result in a cash outflow of approximately ₹ 48,35,399 including corporate dividend tax.

Note :37 The company's subsidiary viz Shree Samrudhi Industrial Paper Private Limited has not commenced any business.

Note :38 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
CFO & CMD

Bela G Shah
Executive Director

Rakesh Kumar Kumawat
Company Secretary

Place : Vapi
Date : 27th May, 2017

SHREE AJIT PULP AND PAPER LIMITED



Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A" : Subsidiaries

(Amount in ₹)

1	Sr. No.	1
2	Name of the subsidiary	Shree Samrudhi Industrial Papers Pvt. Ltd.
3	The date since when subsidiary was acquired	02-04-2010
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2016 to 31-03-2017
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
6	Share capital	50,00,000
7	Reserves & surplus	8,77,213
8	Total Assets	60,42,825
9	Total Liabilities	1,65,412
10	Investments	Nil
11	Turnover	Nil
12	Profit before taxation	3,75,205
13	Provision for taxation	1,20,527
14	Profit after taxation	2,54,678
15	Proposed Dividend	Nil
16	Extent of shareholding (in %)	100%
1	Names of subsidiaries which are yet to commence operations	Shree Samrudhi Industrial Papers Pvt. Ltd.

Part "B" : Associates and Joint Ventures

(Amount in ₹)

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate companies and joint ventures

	Name of Associates / Joint Ventures	Shree Samrat Pulp and Paper Pvt. Ltd.
1	Latest audited Balance Sheet Date	31-03-2017
2	Date on which the associate or joint venture was associated or acquired	08-11-2010
3	Shares of Associates / Joint Ventures held by the company on the year end	-
	No.	54,75,000
	Amount of Investment in Associates / Joint Venture	5,47,50,000
	Extent of Holding %	50%
4	Description of how there is significant influence	
5	Reason why the associate / Joint venture is not consolidated	Not Applicable
6	Networth attributable to Shareholding as per latest audited Balance Sheet	4,71,52,098
7	Profit / Loss for the year	
	i. Considered in consolidated	73,804
	ii. Not Considered in Consolidated	Nil

For and on behalf of the Board of Directors

Gautam D Shah
CFO & CMD

Bela G Shah
Executive Director

Rakesh Kumar Kumawat
Company Secretary

Place : Vapi

Date : 27th May, 2017

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SHREE AJIT PULP AND PAPER LIMITED

CIN: L21010GJ1995PTC025135

Registered Office: Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi-396191
Email: investors@shreeajit.com • website: www.shreeajit.com • Tel: 0260 2437059 • Fax: 0260-2437090**Form No. MGT-11****Proxy form***[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the member (s)
Registered Address
E-mail Id
Folio No. / Client Id
DP Id

I/We, being the member (s) of shares of the above named company, hereby appoint

- (1) Name..... Address.....
E mail Id:..... Signature:, or falling him;
- (2) Name..... Address.....
E mail Id:..... Signature:, or falling him;
- (3) Name..... Address.....
E mail Id:..... Signature:

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty - Second Annual General Meeting of the Company, to be held on Wednesday the 27th September, 2017 at 11.00 A.M. at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi-396191 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1.	Adoption of Financial Statements including report of Board of Directors and Auditors for the year ended 31st March 2017.
2.	Declaration of dividend for the year 2016-2017.
3.	Re-appointment of Mr. Dansukhlal G. Shah, who retire by rotation, as Director.
4.	Ratification of Appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as the Statutory Auditors of the Company.

Signed this day of 2017

Signature of Shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

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SHREE AJIT PULP AND PAPER LIMITED

Regd. Office :

Survey No. 239, Near Mora Railway Crossing,
Village Solara, Via-Vapi - 396 191

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Standalone Annual Audited Financial Results

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(₹ in Lakh)

I.	SR. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	20875.53	20,875.53
	2	Total Expenditure	19971.90	20,394.89
	3	Net Profit/(Loss)	639.96	216.97
	4	Earnings Per Share in ₹	11.95	4.05
	5	Total Assets	17471.38	17,048.39
	6	Total Liabilities	8109.21	8,109.21
	7	Net Worth	9362.17	8,939.18
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II Audit Qualification (each audit qualification separately):				
	a	Details of Audit Qualification	An insurance claim of ₹ 4,22,99,098/- to the extent of loss of raw material inventory has been accounted as insurance claim receivable under 'other current assets' pending sanction by the insurance company.	
	b	Type of Audit Qualification	Qualified Opinion	
	c	Frequency of qualification	First time	
	d	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	The Company expects to receive the entire amount of insurance claim.	
	e	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		(i) Management's estimation on the impact of audit qualification:	-	
		(ii) If management is unable to estimate the impact, reasons for the same:	-	
		(iii) Auditors' Comments on (i) or (ii) above:	-	

For and on behalf of the Board of Directors
Shree Aji Pulp and Paper Limited

Gautam D Shah
Chairman & Managing Director/CFO

Place : Vapi
Date : 27th May, 2017

L.N.GARG
Laxminarayan J Garg
Audit Committee Chairman

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K.Bhatt
Partner

Place : Vapi
Date : 27th May, 2017

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Consolidated Annual Audited Financial Results

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(₹ in Lakh)

I.	SR. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	22668.15	22668.15
	2	Total Expenditure	21777.41	22200.40
	3	Net Profit/(Loss)	643.25	220.26
	4	Earnings Per Share in ₹	12.01	4.11
	5	Total Assets	18110.53	17687.54
	6	Total Liabilities	8815.56	8815.56
	7	Net Worth	9294.97	8871.98
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II	Audit Qualification (each audit qualification separately):			
	a	Details of Audit Qualification	An insurance claim of ₹ 4,22,99,098/- to the extent of loss of raw material inventory has been accounted as insurance claim receivable under 'other current assets' pending sanction by the insurance company.	
	b	Type of Audit Qualification	Qualified Opinion	
	c	Frequency of qualification	First time	
	d	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	The Company expects to receive the entire amount of insurance claim.	
	e	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		(i) Management's estimation on the impact of audit qualification:	-	
		(ii) If management is unable to estimate the impact, reasons for the same:	-	
		(iii) Auditors' Comments on (i) or (ii) above:	-	

For and on behalf of the Board of Directors
Shree Ajiit Pulp and Paper Limited

Gautam D Shan
Chairman & Managing Director/CFO

L.N. GARG
Laxminarayan J Garg
Audit Committee Chairman

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner

Place : Vapi
Date : 27th May, 2017

Place : Vapi
Date : 27th May, 2017