

## ANNEXURE-V

### CORPORATE GOVERNANCE

- Brief Statement of Company's Philosophy on Corporate Governance:  
The Company believes in adoption of best Corporate Governance practices. It constantly reviews Corporate Governance practices followed to ensure that they reflect new developments from time to time. It takes feedback into account in its periodic reviews to ensure relevance, effectiveness and responsiveness to the needs of investors and other stakeholders.
- Composition and Category of Directors, Relationship of Directors with each other and Directorship held in other Companies by the Directors of the Company.

Name of the Director	Category	Relationship with each other	Directorship in other Companies***	No. of Membership(s) / Chairmanship (s) of Board Committee in other Companies
Mr. Gautam D. Shah	Managing Director/ Promoter	Son of Dhansukhlal Shah	Nil	Nil
Mrs. Bela G. Shah *	Executive Director	Wife of Gautam Shah	Nil	Nil
Mr. Piyush R. Shah #	Marketing Director/ Promoter	-----	Nil	Nil
Mr. Dhansukhlal G. Shah	Non Executive/ Promoter	Father of Gautam Shah	Nil	Nil
Mr. Laxminarayan J. Garg	Non-Executive/ Independent	-----	Nil	Nil
Mr. Mitesh M. Mehta	Non-Executive/ Independent	-----	GCM Capital Advisors Ltd	Nil
Mr. Darshak B. Shah **	Non-Executive/ Independent	-----	Nil	Nil

Notes:

\* Mrs. Bela G. Shah was appointed as additional Director w.e.f. 7th February, 2015.

\*\* Mr. Darshak B. Shah was appointed as additional Director w.e.f. 11th July, 2014.

# Mr. Piyush R. Shah ceased to be a Director due to death w.e.f. 22nd January, 2015.

\*\*\* The Directorships, held by the Directors in other companies do not include directorships in private limited Company.

Details of Director seeking reappointment at the Annual General Meeting:

<b>Particulars</b>	Mr. Dhansukhlal G. Shah
Date of Birth	10/05/1936
Date of Appointment	23/03/1995
Qualifications	Intermediate
Expertise in specific functional area	Specializing in Management of Business Undertaking
Directorship held in other Public Companies	Nil
Membership / Chairmanships of committees of other public Companies (Includes only Audit and Shareholders / Investors Grievance Committee)	Nil
Number of Shares held in the Company	Nil

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

Sr No	Name of the Director	ATTENDANCE PARTICULARS	
		NO. OF BOARD MEETING	LAST AGM
1	Mr. Gautam D. Shah	6	Yes
2	Mrs. Bela G. Shah (from 7/02/2015)	0	No
3	Mr. Dhansukhlal G. Shah	6	No
4	Mr. Piyush R. Shah (upto 22/1/2015)	1	No
5	Mr. Laxminarayan J. Garg	6	Yes
6	Mr. Mitesh M. Mehta	3	No
7	Mr. Darshak B. Shah (from 11/7/2014)	3	Yes

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

Six (6) 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) 28th May, 2014 (2) 21st June, 2014 (3) 11th July, 2014 (4) 14th August, 2014 (5) 14th November, 2014 (6) 7th February, 2015

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.

## INFORMATION PLACED BEFORE THE BOARD:

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

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

## CODE OF CONDUCT:

The Board has laid down a code of conduct for all Board members and senior management of the Company. All Board members and senior management personnel have affirmed compliance with the code as on 31st March 2015. This report contains a declaration to this effect signed by the Managing Director.

## 3. BOARD COMMITTEES:

The Company has the following Standing Committees of the Board:

### i) AUDIT COMMITTEE:

The Audit Committee of the Company comprises of four Directors, of which three are independent directors, namely, Mr. Laxminarayan J. Garg – Chairman, Mr. Mitesh M. Mehta, Mr. Darshak B. Shah from 14/08/2014 member and Mr. Gautam D. Shah, Managing Director is the fourth member 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 clause 49 of the Listing Agreement and section 177 of the Companies Act, 2013, briefly as follows:

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

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

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

Sr No.	NAME OF MEMBER OF AUDIT COMMITTEE	ATTENDANCE PARTICULARS
1	Mr. Laxminarayan J. Garg	4
2	Mr. Mitesh M. Mehta	2
3	Mr. Darshak B. Shah (from 14/08/2014)	2
4	Mr. Gautam D. Shah	4

### ii) NOMINATION AND REMUNERATION COMMITTEE:

The Board has constituted the Nomination and Remuneration Committee, comprising of three Directors,

(1) Chairman Mr. Mitesh M. Mehta, Independent Director, (2) Mr. Laxminarayan J. Garg, member, Independent Director, and (3) Mr. Dhansukhlal G. Shah (upto 14/08/2014) member, Non Executive Director, Mr. Darshak B. Shah (from 14/08/2014) member, Independent Director. The Committee recommends remuneration payable to Executive Director and Managing Director, in terms of requirements of schedule V of the Companies Act, 2013.

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

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

Name of Director-Executive	Salary , Perquisites & Commissions ( ₹ in Lacs)
Mr. Gautam D. Shah -Managing Director	52.59 #
Mr. Piyush R. Shah- Director Marketing (upto 22/1/2015)	2.43
Mrs. Bela G. Shah-Executive Director (from 7/2/2015)	7.64#

# includes provision for Gratuity and Leave encashment.

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	0.35
Mr. Laxminarayan J. Garg	0.60
Mr. Mitesh M. Mehta	0.30
Mr. Darshak B. Shah	0.35

### iii) 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 over all improvement in the quality of services.

The Board has designated Mr. Ghanshyamkumar G. Dobariya, Company Secretary as the Compliance officer of the Company.

No. of complaints received during the year	No. of complaints resolved during the year
10	10
No. of transfers received during the year (in physical form)	No. of transfers attended during the year (in physical form)
29	29
No. of demat / remat request received during the year	No. of demat / remat requests attended during the year
14	14

### iv) 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, Non Executive Independent Director, and (3) Mr. Dhansukhlal G. Shah member, Non Executive Director.

## 4. ANNUAL GENERAL MEETING:

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

YEAR	LOCATION	DATE	TIME
2011-2012	At Regd. Office at Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi- 396191	29/09/2012	11 A.M.
2012-2013	-do-	05/08/2013	11 A.M.
2013-2014	-do-	29/09/2014	11 A.M.

During the year ended 31st March 2015, no resolutions have been passed by the Company's Shareholders through Postal Ballot.

## 5. DISCLOSURE:

- Disclosures on materially significant related party transactions, i.e.; Transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large: - None of the transactions with any of the Related Parties were in conflict with the interest of the Company.
- Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets during the last three years: - None.

## 6. CEO/CFO CERTIFICATION:

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

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

## 8. MEANS OF COMMUNICATION :

The unaudited quarterly and half yearly results for the periods ended 30th June 2014, 30th September 2014 and 31st December 2014 and audited results for the year ended 31st March 2015 were published in Indian Express (English) Baroda Edition, Financial Express (Gujarati) Ahmedabad Edition and Free Press Journal (English) Mumbai Edition and the said results were put on the Company's website : [www.shreeajit.com](http://www.shreeajit.com).

## 9. GENERAL SHARE HOLDERS' INFORMATION:

- a) ANNUAL GENERAL MEETING:  
Date and Time - Tuesday, 29th September, 2015 at 11.00A. M.  
Venue - At Regd. Office of the Company at: Survey No. 239, Near Morai Railway Crossing, Village Salvav, Via-Vapi-396 191, Dist. Valsad, (Gujarat).
- b) Financial Calendar (tentative)  
Results for the quarter ending June 30, 2015 - Second week of August 2015  
Results for the quarter / half year ending Sept. 30, 2015 - Second week of November 2015  
Results for the quarter ending December 31, 2015 - Second week of February 2016  
Results for the year ending March 31, 2016 - Last week of May 2016  
Annual General Meeting - Last week of September 2016.
- c) Book Closure Date:  
From Tuesday, 22nd September 2015 to Tuesday, 29th September 2015 (Both days inclusive) for Annual General Meeting and payment of dividend.
- d) Dividend Payment Date – 20/10/2015
- e) Listing of Equity Shares on Stock Exchanges:  
(i) Bombay Stock Exchange Ltd. -Mumbai  
(ii) Ahmedabad Stock Exchange Ltd. – Ahmedabad.  
(iii) Regional Stock Exchange - Vadodara Stock Exchange Ltd - Vadodara  
Annual Listing Fees for the year 2015-16 have been paid to Bombay Stock Exchange Limited and Ahmedabad Stock Exchange Limited. The Vadodara Stock Exchange Ltd. has informed the Company that the said Exchange is under the process of compulsory de-recognition and so as per instruction of SEBI, they are not issuing the listing fee bill for the year 2015-16.
- f) (a) Stock Code - Bombay Stock Exchange Ltd. – 538795  
- Ahmedabad Stock Exchange Ltd. – 52657/SHREEAJITP  
- Vadodara Stock Exchange Ltd. – 600252  
(b) Demat ISIN Nos. - In NSDL and CDSL – INE185C01017
- g) Market Price Data: (in ₹ per share):  
High and Low prices of the Company's Shares on BSE with corresponding BSE Sensex.

YEAR	High		Low	
	Shree Ajit Pulp and Paper Ltd. Price (₹)	BSE Sensex	Shree Ajit Pulp and Paper Ltd. Price (₹)	BSE Sensex
April 2014	51.10	22939.31	42.05	22197.51
May 2014	60.30	25375.63	42.00	22277.04
June 2014	70.00	25725.12	43.10	24270.20
July 2014	68.50	26300.17	47.70	24892.00
Aug. 2014	59.00	26674.38	42.20	25232.82
Sept 2014	60.85	27354.99	44.55	26220.49
Oct. 2014	71.50	27894.32	45.00	25910.77
Nov. 2014	86.85	28822.37	60.00	27739.56
Dec. 2014	84.00	28809.64	64.00	26469.42
January 2015	83.25	29844.16	56.00	26776.12
February 2015	111.90	29560.32	58.00	28044.49
March 2015	101.90	30024.74	73.50	27248.45

- h) Registrar and Transfer Agents:  
Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W) Mumbai – 400 078
- i) Share Transfer System:  
Presently share transfers which are received in physical form are processed and the Share Certificates returned within a period of 21 days from the date of receipt, subject to the documents being valid and complete in all respects.

j) Distribution of Share Holding As on 31/03/2015:

No. of Equity Shares	No. of Shares Held	% To Total Shares	No. of Shareholders	% To Total Shareholders
1 to 500	319838	5.97	945	76.89
501 to 1000	121797	2.27	145	11.80
1001 to 5000	218231	4.08	91	7.40
5001 to 10000	100859	1.88	15	1.22
10001 and above	4595975	85.80	33	2.69
<b>Total</b>	<b>5356700</b>	<b>100.00</b>	<b>1229</b>	<b>100.00</b>

Sr. No.	Category	No. of Shareholders	No. of Shares Held	% To Total Shares
1	Promoters	8	2540790	47.43
2	Public Financial Institutions	0	0	0
3	Bodies Corporate	21	38530	0.72
4	Clearing Member /Market Maker	8	18244	0.34
5	NRI	4	11588	0.22
6	Resident Individuals/HUF	1188	2747548	51.29
	<b>Total</b>	<b>1229</b>	<b>5356700</b>	<b>100</b>

k) Dematerialization of Shares:

As on 31st March, 2015, 628 Shareholders were holding 4464140 Equity Shares in Demat form, which constitutes 83.34% of the total share capital of the Company.

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

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

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

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

m) Address for correspondence:

For transfer / dematerialization of shares:

For shares held in physical form:

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

For shares held in demat form: To the Depository Participants

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

To the Secretarial Dept.

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

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

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

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend from Company
31/03/2008	29/09/2008	28/09/2015
31/03/2009	29/09/2009	28/09/2016
31/03/2010	17/08/2010	16/08/2017
31/03/2011	29/09/2011	28/09/2018
31/03/2012	29/09/2012	28/09/2019
31/03/2013	05/08/2013	04/08/2020
31/03/2014	29/09/2014	28/09/2021

## CEO / CFO Certificate under Clause 49 (V)

To,  
**The Board of Directors,**  
**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, 2015 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 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; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

Place : Vapi  
Date : May 28, 2015

**Gautam D Shah**  
Chief Financial Officer / Chairman and Managing Director

## DECLARATION ON CODE OF CONDUCT

As required by clause 49 (1) (D) of the Listing Agreement, it is hereby affirmed that all the Board Members and Senior Management Personnel have complied with Code of Conduct as on 31st March 2015.

Place : Vapi  
Date : May 28, 2015

**Gautam D Shah**  
Chairman and Managing Director

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
**The Board of Directors,**  
**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 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In 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 the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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 : 28th May, 2015

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