

PUDUMJEE INDUSTRIES LIMITED



PUDUMJEE

**Annual Report
2011 – 2012**

PUDUMJEE INDUSTRIES LIMITED

DIRECTORS :

SHYAM M. JATIA (Chairman & Managing Director)
A. S. DAYAL
R. C. SARAF
A. K. SOMANY
G. N. JAJODIYA
R. P. SHROFF

BANKERS :

STATE BANK OF INDIA
IDBI BANK LIMITED
BANK OF INDIA
AXIS BANK LIMITED

SOLICITORS :

KANGA & COMPANY

AUDITORS :

KHARE & COMPANY

REGISTERED OFFICE :

THERGAON, PUNE – 411 033

REGISTRAR & TRANSFER AGENTS :

SATELLITE CORPORATE SERVICES PRIVATE LTD.
B-302, SONY APARTMENT,
OPP. ST. JUDE HIGH SCHOOL,
OFF ANDHERI KURLA ROAD,
JARIMARI, SAKINAKA,
MUMBAI – 400 072

Demat Stock code : INE105C01023

EQUITY SHARES ARE LISTED AT :

BOMBAY STOCK EXCHANGE AND
NATIONAL STOCK EXCHANGE, MUMBAI.

NOTICE

The Forty Seventh Annual General Meeting of the shareholders of **Pudumjee Industries Limited** will be held at the Registered Office of the Company at Thergaon, Pune - 411 033 on Monday, the 27th day of August, 2012 at 9.00 a.m. (ST) to transact the following business:

1. To receive and adopt the audited Balance Sheet as on 31st March, 2012, the Profit & Loss Account and Cash Flow Statement for the year ended on that date, together with the Reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. G. N. Jajodiya, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. A. K. Somany, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.
"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956 and subject to such approval(s), sanction(s) as may be necessary and subject to such modification(s) as may be required and which Mr. Shyam Mahabirprasad Jatia may accept, Mr. Shyam Mahabirprasad Jatia be and is hereby appointed as Managing Director of the Company for a period of five years with effect from 1st April, 2012 AND THAT consent be and is hereby accorded to the following remuneration, payments, benefits and amenities and the terms of appointment of the said Mr. Shyam Mahabirprasad Jatia with power to the Board of Directors to alter and vary from time to time at its discretion the remuneration, commission and other terms so however that they do not exceed the permissible limits laid down under the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force, namely:
 - a) The Managing director shall, subject to the supervision and control of the Board of Directors, be in overall charge of the Company's activities and in particular attend to all matters concerning production planning, manufacture, finance, marketing and administration and shall perform such other duties and services and exercise such other powers as shall, from time to time, be entrusted to him by the Board of Directors.
 - b) Remuneration of ₹ 75,000/- per month including dearness allowance.
 - c) Payment of commission of an amount computed at four percent of the net profits of the Company as determined in accordance with the Companies Act, 1956 SO HOWEVER THAT such remuneration and commission together with the value of perquisites does not exceed the limits prescribed under that Act.
 - d) Rent free furnished residential accommodation, Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof.
 - e) Expenses on electricity, gas, water and furnishing, of the residential accommodation.
 - f) Actual medical expenses including hospitalization, nursing home charges, surgical charges, insurance premium and traveling expenses incurred for himself and family.
 - g) Leave travel assistance to cover air or first class air conditioned railway fare for himself, his wife and dependant children once in a year.
 - h) Membership including entrance and other fees for clubs.
 - i) Personal accident insurance premium.
 - j) Participation in the Provident Fund and Pension/Superannuation Schemes.
 - k) Gratuity as per the Company's rules applicable to its Executive Staff Members.
 - l) i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave.
ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.
 - m) Maintenance of telephones at the entire cost of the Company at his place of residence.

PUDUMJEE INDUSTRIES LIMITED

- n) Exclusive free use of a motor car for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as Chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.

PROVIDED THAT in the event of absence or inadequacy of profits in any year the said remuneration as stated in clause (b) above together with the payments, benefits and amenities shall nevertheless be paid or allowed as minimum remuneration for such year".

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The Explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of above mentioned item No. 5 is annexed hereto.

The Register of Members and share Transfer Books of the Company will be closed from Friday, the 17th day of August, 2012 to Monday, the 27th day of August, 2012, both days inclusive.

The proxy in order to be effective, must be deposited at the Registered office of the Company not less than 48 hours before commencement of the meeting.

Mr. G. N. Jajodiya and Mr. A. K. Somany, whose appointment is to be considered by Annual General Meeting as mentioned above do not hold any shares in the Company. Mr. S. M. Jatia holds 972187 share in the Company.

Members who hold shares in dematerialized form are requested to bring their CLIENT ID and DP ID numbers for easy identification of attendance at the meeting.

Members holding shares in dematerialised form are requested to intimate any change in their address, bank details etc. to their respective DPs and those holding shares in physical form are to intimate the above said changes to the Registrar and Share Transfer Agents of the Company.

Members who have not encashed their dividend warrants pertaining to 2009-10 may approach the Company /its Registrar, for obtaining payment thereof.

By Order of the Board of Directors,

J. W. Patil
Asst. Company Secretary

Registered Office:
Thergaon, Pune – 411 033
Dated: 29th May, 2012

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956

The following Explanatory Statement sets out all the material facts relating to item No. 5 of the Special Business mentioned in the accompanying Notice dated 29th May, 2012 convening the 47th Annual General Meeting.

RESOLUTION NO. 5

Mr. S. M. Jatia was appointed as the Managing Director of the Company with effect from 1st April, 2007. It is proposed to appoint him as managing director for a further period of five years, subject to the approval of shareholders in General Meeting. A Special Resolution is proposed for his reappointment for a period of five years with effect from 1st April, 2012.

Mr. Jatia has been the Managing Director of the Company since 1984 and has a long and varied business experience of over 38 years. The Board of Directors are of the opinion that it would be in the interest of the Company to appoint Mr. Jatia as its Managing Director on terms and conditions as mentioned in the proposed resolution in the accompanying notice and commend the resolution for your approval. These terms and conditions have the approval of the remuneration committee. According to Article 142(2) of the Articles of Association of the Company, the Managing Director, while he continues to hold this office, shall not be subject to retirement by rotation.

Except Mr. S. M. Jatia, no other Director is interested in this resolution.

By Order of the Board of Directors,

J. W. Patil

Asst. Company Secretary

Registered Office:

Thergaon, Pune – 411 033

Dated: 29th May, 2012

Communication to Members

1. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with Satellite Corporate Services Private Limited.

Please note that member will be entitled to be furnished, free of cost, with a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto upon receipt of a requisition from you, any time, as a member of the Company.

2. As a measure of economy and in accordance with the Circular of 8th February, 2011 of Ministry of Corporate Affairs, it has been decided by the Board of Directors not to attach/give accounts of the subsidiary in the Company's Annual Report.

However, the annual accounts of the subsidiaries namely, Pudumjee Hygiene Products Ltd., and Pudumjee Holding Ltd., and the related detailed information shall be supplied to the shareholders of the Company on a requisition made in this regard. The Annual Accounts of the subsidiaries are open for inspection by shareholders at the Registered Office during office hours.

3. Mr. Y. R. Doshi & Co., Cost Accountants, are cost auditor, who have filed the cost audit report for the financial year 2010-11 on 20.09.2011 (Due date 30.09.2011)

PUDUMJEE INDUSTRIES LIMITED

DIRECTORS' REPORT

The Directors present the Forty Seventh Annual report on the working of the Company for the year ended 31st March, 2012, together with the Statement of Accounts for that year.

FINANCIAL RESULTS

	<u>2011-2012</u> ₹ In Lacs	<u>Previous Year</u> ₹ In Lacs
Gross profit before interest and depreciation	521.48	298.37
Adjusting therefrom interest of	377.79	393.87
And Depreciation of	166.57	166.31
The net profit/(Loss) comes to	(22.88)	(261.81)
Adding thereto income for earlier years of	7.55	—
The balance of profit brought forward from last year of	1,070.02	1,226.33
The total comes to	<u>1,054.69</u>	<u>964.52</u>
Adjusting against this amount the following namely:		
Provision for Taxation of	0.50	0.50
Provision for deferred tax expense/(saving) of	(1.00)	(106.00)
Totalling to	<u>(0.50)</u>	<u>(105.50)</u>
There remains a balance of	<u>1,055.19</u>	<u>1,070.02</u>

Which the Directors propose to carry forward to next year's accounts.

CONSOLIDATED FINANCIAL STATEMENTS

As required by Listing Agreements with the Stock Exchanges, the Consolidated Financial Statements prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India are attached.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:-

- i. in the preparation of annual accounts, the applicable accounting standards have been followed and there have not been any material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year on 31st March, 2012 and of the loss of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
- iv. the directors have prepared the annual accounts on a going concern basis.

OPERATIONS

During the year under review the Company's operations were satisfactory and through concerted efforts it was possible to contain the losses suffered in the last year by judiciously changing the product mix. The costs were contained despite rising trend therein. The steep depreciation of Rupee has put higher pressures on the margins and the Management would concentrate its efforts to contain its impact to the maximum possible extent by suitably updating the product mix, wherever possible.

With regard to Company's Real Estate business in Partnership, Villas are under construction and inventory is expected to be liquidated soon in the normal course.

The wholly-owned subsidiary of the Company; namely; Pudumjee Hygiene Products Limited's margins remained under pressure during the year, due to contracted selling prices for the institutional business and exposure to fluctuating prices of purchased tissue paper jumbo rolls. A third party converting facility in Rajasthan has also been set up which is now operating and is expected to help in reducing cost.

Pudumjee Holding Limited, a Company which was recently incorporated has also become a wholly owned subsidiary of your Company. The Company is expected to engage in the activities relating to investment and finance.

The labour relations in the Company have remained cordial.

DIRECTORS

Messrs G. N. Jajodiya and A. K. Somany will retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

Members are requested to appoint Auditors to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

STATEMENTS UNDER SECTIONS 217(1)(e) AND 217(2A)

Statement giving details as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 is attached and marked Annexure 'A'.

During the year under review no employee had drawn remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended to date.

REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance, in accordance with the guidelines of the Securities & Exchange Board of India and Clause 49 of the Listing Agreements with the Stock Exchanges, is attached and marked Annexure 'B'.

On behalf of the Board of Directors,

Place : Mumbai

Dated : 29th May, 2012

SHYAM M. JATIA

Chairman

PUDUMJEE INDUSTRIES LIMITED

ANNEXURE "A" TO DIRECTORS' REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012.

I CONSERVATION OF ENERGY:

(a) Measures taken:

Provision of Wire Part on the additional Vacuum Pumps.

Continuous checking and analysis of energy consumption and operating parameters.

(b) Proposals:

Replacement of suction press roll vacuum pump by energy efficient pump.

Replacement of old motors with energy efficient motors.

(c) Impact of measures at (a) and (b) above on reduction of energy consumption:

Impact of measures at (a) and (b) above would result in savings of about ₹ 16 Lacs per annum

(d) Power and Fuel Consumption:

	2011-12	Previous Year
i) Electricity :		
Purchased		
- Units (KWH in Lacs)	214.30	183.27
- Total Amount (₹ In Lacs)	1,429.41	1,010.87
- Average Rate/KWH (₹)	6.67	5.52
ii) Steam Coal used in Boiler		
(Grade 'C' or Grade 'D' whichever is available)		
Quantity (MT)	16,837	14,338
Total Cost (₹ In lacs)	849.15	663.60
Average Rate/MT (₹)	5,043	4,628
iii) Fuel Oil		
- Quantity (KL)	2	135
- Total Cost (₹ In Lacs)	0.52	34.82
- Average Rate/KL (₹)	26,000	25,793
iv) Consumption per tone of paper produced:		
- Electricity (KWH)	1,030	990
- Fuel Oil (K. Ltrs)	-	0.007
- Steam Coal (MT)	0.809	0.775

As we are a specialty paper mill, the requirement of energy varies widely with the quality of paper being manufactured and this would fluctuate annually depending upon the product mix and the raw material mix being utilized for different grades and at different times.

II RESEARCH AND DEVELOPMENT:

- | | | |
|---|---|---|
| 1 | Specific Areas in which R & D carried out by the Company. | (a) Development of new grades of poster papers for Flexible packaging, crepe tissue grades, diaper etc.
(b) Use of alternative waste paper pulp, dyes and chemicals for cost reduction and quality improvement in various grades. |
| 2 | Benefits derived as a result of above R & D | (a) New Products development like sanitary paper, flexible packaging etc.
(b) Improved production leading to cost saving. |
| 3 | Future Plan of action | (a) Development of value added products Like wax coated paper, masking tape etc.
(b) Use of alternate chemicals for cost reduction & quality improvement, like OBA, retention improvement chemicals in RC grades.
(c) Water conservation in line with new standards.
(d) Cost reduction by replacing virgin pulp using low cost furnish. |
| 4 | Expenditure on R & D | ₹ in Lacs |
| | (a) Capital | — |
| | (b) Recurring | Negligible |
| | (c) Total | — |
| | (d) Total R & D expenditure as a percentage of Turnover | Negligible |

III TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

- | | |
|--|---|
| (a) Efforts in brief made towards Technology absorption, adaptation and innovation | Modification of doctor holders by provision of suitable plates having lateral screw arrangement. |
| (b) Benefits derived as a result of the above efforts | (a) Improved quality and saving in chemical.
(b) Improvement in doctoring and reduction in operating nip load. |
| (c) No new technology was imported in last five years. | |

IV FOREIGN EXCHANGE EARNINGS AND OUTGO:

- 1 During the year the Company has exported 1762 MT of paper valued at ₹ 988.71 lacs compared to 1389 MT of paper valued at ₹ 713.38 lacs during 2010-11. There are good prospects for export of paper. The efforts are continuing.
- 2 Foreign Exchange earned and used were ₹ 988.71 lacs and ₹ 5137.34 lacs, respectively.

On Behalf of the Board

SHYAM M JATIA
Chairman

Mumbai,
Dated : 29th May, 2012.

PUDUMJEE INDUSTRIES LIMITED

ANNEXURE "B" TO DIRECTORS' REPORT CORPORATE GOVERNANCE DISCLOSURES

As required by Clause 49 of the Listing Agreements of the Stock Exchanges and guidelines issued by Securities & Exchange Board of India, the Company has complied with all the requirements of the Code of Corporate Governance.

The Company's Philosophy on Code of Governance

Essentially the Company's philosophy on Corporate Governance envisages transparency with integrity in all its dealings with its stakeholders, including shareholders, employees, lenders and others.

Code of Conduct

In tune with the corporate philosophy stated in the preceding para, the Board of Directors of the Company in its meeting held on 29th October, 2005 laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company in terms of the requirements of revised Clause 49. The Code of Conduct is displayed at the Company's website www.pudumjeeindustries.com. Affirmation regarding compliance with the Code of Conduct had been obtained from all Board Members and Senior Management Personnel of the Company. As required, a declaration duly signed by the Chairman and Managing Director to the effect is appended.

Board of Directors

The Board has a strength of six directors. The Board consists of eminent persons with considerable professional expertise and experience.

All Directors, except Mr. S. M. Jatia, who is Chairman and Managing Director, are non executive independent directors on the Board.

Name	Category	Number of other Directorships & Committee Memberships/Chairmanships held			Attendance Particulars (No. of Board Meetings held in 2011-12 - 5)	
		Directorships in other companies incorporated in India		Committee Memberships		Committee Chairmanships
		Public	Private			
Mr. S. M. Jatia *	CMD/PR	6	5	-	-	5
Mr. A. S. Dayal	NED/IND	3	6	2	-	2
Mr. R. C. Saraf	NED/IND	4	1	-	-	4
Mr. A. K. Somany	NED/IND	1	1	-	-	-
Mr. G. N. Jajodiya*	NED/IND	1	1	-	-	5
Mr. R. P. Shroff*	NED/IND	-	-	-	-	5

* Attended the Annual General Meeting held on 29th August, 2011.

CMD: Chairman & Managing Director, NED: Non Executive Director, IND: Independent Director, PR: Promoter Director, WTD: Whole Time Director.

During the year 2011-12, Five Board Meetings were held on 26th May, 2011, 29th July, 2011, 31st October, 2011, 14th January, 2012 and 10th February, 2012.

ANNUAL REPORT 2011–2012**Details of Remuneration paid to Directors during the year ended 31st March, 2012.****Amount in ₹**

Name	Sitting fees	Salaries	Perquisites	Commission	Total
Mr. S. M. Jatia	-	9,00,000	4,37,372	-	13,37,372
Mr. A. S. Dayal	4,000	-	-	-	4,000
Mr. R. C. Saraf	8,500	-	-	-	8,500
Mr. A. K. Somany	-	-	-	-	-
Mr. G. N. Jajodiya	11,000	-	-	-	11,000
Mr. R. P. Shroff	8,000	-	-	-	8,000

Mr. S. M. Jatia is entitled to commission @ 4% of the profits of the Company. Perquisites includes housing with electricity, gas, etc., medical expenses, leave travel assistance, club fees, accident insurance premium, and contribution to provident fund etc., but excludes provision for Gratuity. There are no severance fees, Stock Options and notice period in case of the Managing and Whole Time Director.

Non Executive Directors draw no remuneration except by way of sitting fees for each meeting of Board or Committee thereof attended by them within the limits prescribed by law in this regard.

None of the Directors, except Promoter Director hold any share in the Company.

Appointment of Directors :

Resolutions have been proposed for re-appointment of Mr. G. N. Jajodiya and Mr. A. K. Somany as directors of the Company on their retirement by rotation.

A special Resolution has been proposed for the appointment of Mr. S. M. Jatia as Managing Director of the Company.

Mr. G. N. Jajodiya

Mr. G. N. Jajodiya was appointed in the year 2001 as Director of the Company. Mr. Jajodiya is a Bachelor of Commerce and Master in Business Management and has about 17 years of business experience. He is not chairman or member of any other company's committee. He is a director of Pudumjee Hygiene Products Ltd. and Malprabha Commercial Pvt. Ltd.

Mr. A. K. Somany

Mr. A. K. somany was appointed as director in the year 1991 and since then he has been reappointed from time to time by rotation. Mr. somany is a well known businessman with over 37 years of experience in the business and finance. He is a director of following other companies.

Soma Textiles and Industries Ltd., and KGPL Inds. and Finvest Pvt. Ltd.

Mr. S. M. Jatia

Mr. S. M. Jatia has been Managing Director of the company since 1984 and has a long and varied experience over 38 years in production planning, finance, marketing etc. He holds 9,72,187 shares of ₹ 2/- each in the Company.

He is director of Fujisan Technologies Ltd., Pudumjee Hygiene Products Ltd., Pudumjee Investment & Finance Co. Ltd., Pudumjee Plant Laboratories Ltd., Pudumjee Holding Ltd., Remi Elektro Technik Ltd., Apposite Trading Pvt. Ltd., Chem Mach Pvt. Ltd., Gelid Commercial Pvt. Ltd., Manju Vidhan Agriculture Pvt. Ltd., and Suma Commercial Pvt. Ltd.

He is not chairman or member of any other company's committee.

PUDUMJEE INDUSTRIES LIMITED

Board Procedure :

Five Board Meetings were held during the year. Detailed Agenda is sent to each Director well in advance of the meetings. The Directors are briefed at each Board Meeting regarding performance and working by the functional heads. In addition to matters statutorily requiring Board's approval, all major decisions of policy, strategic formulations, capital expenditure, new investments, major accounting policies are considered by the Board.

Management Discussion and Analysis :

The Company is engaged in the business of manufacture of Crepe Tissues for the hygiene industry and other specialty products like Packaging Tissues, Carbon Base paper etc. Despite increased competition owing to installation of additional capacities by the competitors, the Company's products are well received in the market. The Company continues to direct its strategy in reducing costs especially with regard to raw material utilization to minimize the impact of rising cost.

The residential project of Real Estate business in Tirupur, being carried out by the Company in Partnership is progressing with an addition of 7 Villas under construction and the unsold inventory is in the process of being liquidated in the normal course.

The existing internal controls of the Company are periodically reviewed by the Audit Committee and are considered to be adequate.

The Company employs about 160 employees and its relations with the labour have been cordial.

Pudumjee Hygiene Products Ltd., the wholly-owned subsidiary of the Company, successfully sells its products under the "Greenlime" brand in the premium segment of hygiene products. The presence of the Company in the Retail Market is constantly increasing.

Committee of Directors :

The Board has constituted a Committee of Directors under the provisions of Section 292 of the Companies Act, 1956 consisting of Messrs S. M. Jatia, G. N. Jajodiya and R. P. Shroff.

Audit Committee :

The Audit Committee comprises of Mr. R. C. Saraf (Chairman), Mr. A. S. Dayal, Mr. G. N. Jajodiya and Mr. R. P. Shroff all of whom are non executive independent Directors.

The terms of reference of the Audit Committee include.

- Review of quarterly/half yearly and annual financial statements.
- Review of the Company's financial reporting system.
- Review of the internal control and audit system.
- Review of the Company's financial and risk management policies.
- To consider the matter of appointment/re-appointment etc. of Statutory Auditors and their remuneration.
- Reviewing with the management and external and internal auditors the adequacy of internal audit systems;
- Reviewing of internal audit function.

The Committee had held four meetings during the financial year 2011-2012 viz. the first for consideration of Annual Accounts for the year ending 31st March, 2011, the second for consideration for 1st quarter results for the period ending 30th June, 2011, the third for considering half yearly/quarterly results for the period ending 30th September, 2011 and the fourth to consider quarterly results for the quarter ended 31st December, 2011 respectively.

Mr. G. N. Jajodiya attended all four meetings and Mr. R. C. Saraf and R. P. Shroff attended three meetings and Mr. A. S. Dayal attended two meetings.

The Statutory and Internal Auditors had invariably attended all the Audit Committee Meetings.

Shareholders'/Investors' Grievance Committee:

The committee comprises of Mr. R. C. Saraf (Chairman), Mr. S. M. Jatia, and Mr. G. N. Jajodiya. Its terms of reference include review of complaints of shareholders/investors, the Company's performance on redressal of complaints and to look into the correspondence with Securities & Exchange Board of India (SEBI) and the Stock Exchanges concerning investors complaints.

Mr. J. W. Patil, Assistant Company Secretary is the compliance officer.

This committee specially looks into redressing of shareholders' and investors' complaints such as transfer of shares, non receipt of share certificates, non receipt of declared dividends etc.

No complaint was received from investors and also from Stock Exchanges during the year.

As on 31st March, 2012 there were no transfers pending to be executed.

Remuneration Committee :

The Committee presently consist of three non executive directors namely, Mr. R. C. Saraf, Mr. G. N. Jajodiya and Mr. R. P. Shroff. No meeting of the committee was held during the financial year 2011-12.

General Body Meetings :

The last three Annual General Meetings of the Company were held at the Registered Office of the Company at Thergaon, Pune - 411 033 on 31st August, 2009, 30th August, 2010 and 29th August, 2011 at 9.00 a.m. (ST).

No Special Resolution was proposed through Postal Ballot at the Annual General Meetings held on 31st August, 2009, 30th August, 2010 and 29th August, 2011.

No Special Resolution is proposed to be included at the ensuing Annual General Meeting through Postal Ballot.

Disclosures:

- a) There were no transactions of material nature with the promoters, the directors or the management, their subsidiaries that had any potential conflict with the interest of the Company at large.
- b) No penalties or strictures were imposed on the Company by any of the Stock Exchanges, Securities & Exchange Board of India or any Statutory Authority on any matter related to capital market, during the last three years.
- c) None of personnel has been denied access to the Audit Committee.
- d) All the mandatory requirements of the revised clause 49 of the Listing Agreement have been complied with as detailed in this Annexure "B". Non mandatory requirements have been complied with in so far as they relate to appointment of remuneration committee and having unqualified financial statements.
- e) In terms of listing agreement, the Company has its "Risk Management Policy and Mitigation Measures" and is adopted by the Board. The Board/Audit committee periodically reviews the risks and the measures to mitigate the same.

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Means of Communication :

- a) The quarterly and half yearly un-audited financial results were published in "Financial Express" and in "Loksatta" (in Marathi Language)
- b) These results are also posted on Company's website www.pudumjeeindustries.com and are also available on SEBI's website www.sebi.gov.in
- c) The Company has created a dedicated e mail for investor's complaints viz. Inv_compl_pail@pune.pudumjee.com
- d) The Management discussion and Analysis is part of the Annual report of the Directors to the shareholders of the Company.
- e) The code of conduct adopted by the Board of Directors is also posted on Company's aforesaid website.

General Information for Shareholders:

- a) Annual General Meeting :
 - Date & Time : 27th day of August, 2012 at 9.00. a.m. (ST)
 - Venue : Registered office of the Company at Thergaon, Pune - 411 033
- b) Financial Year : 1st April to 31st March
- c) Financial Calendar:
 - (Tentative)
 - Date of Book Closure : Friday, the 17th August, 2012 to Monday, the 27th August, 2012
 - Last date for receipt of proxy forms : 25th August, 2012 (Before 9.00 a.m)
 - Board Meeting for consideration of unaudited results for first three quarters : By last week of succeeding month
 - Listing on Stock Exchanges :

<u>Name of Stock Exchange</u>	<u>Stock Code</u>
Bombay Stock Exchange Ltd.	516092
Phiroze Jeejeebhoy Towers, 25 th Floor, Dalal Street, Mumbai 400 001	
The National Stock Exchange of India Ltd.,	PDUMJEIND
Exchange Plaza, 5 th Floor, Plot No. C/1. G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	

Listing fees for the year 2012-13 for all above Stock Exchanges have been paid by the Company.
- Demat : NSDL and CDSL for Equity shares (Stock code INE105C01023)

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d) Market Price Data and Share Price Performance:

Month	National Stock Exchange of India Ltd.		Bombay Stock Exchange Ltd.		BSE 500 Index (Closing)
	High (₹)	Low (₹)	High (₹)	Low (₹)	
April, 2011	22.95	17.60	23.40	18.30	7,427.14
May, 2011	20.40	17.40	20.95	18.00	7,233.85
June, 2011	20.50	17.30	21.25	17.00	7,265.32
July, 2011	24.75	18.90	24.40	18.55	7,111.31
August, 2011	22.00	19.00	22.15	18.25	6,487.22
September, 2011	19.80	15.95	19.75	15.80	6,385.76
October, 2011	19.45	15.15	20.40	15.55	6,763.26
November, 2011	19.50	14.80	21.00	14.95	6,117.00
December, 2011	16.00	13.00	16.85	13.70	5,778.68
January, 2012	20.00	12.15	19.95	13.80	6,549.31
February, 2012	20.00	16.60	19.70	17.15	6,857.28
March, 2012	19.65	14.25	18.85	15.00	6,759.63

- e) Registrar & Share transfer Agents (Share transfer and communication regarding share certificates, dividend and change of address) : Satellite Corporate Services Pvt. Ltd.
Unit: Pudumjee industries Ltd.
B-302, Sony Apartment, Opp. St. Jude High School,
Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai - 400 072
Tel: 022-28520461/28520462 Fax: 022-28511809
e-mail: service@satellitecorporate.com

This is a common Agency looking after the work related to Share Registry in terms of both, physical and electronic connectivity (as per directions of SEBI)
- f) Share Transfer System : The Company's shares, being in compulsory demat list are transferable through Depository System. However the share transfers in the physical form are being processed and the share certificates returned within a period of 30 days from the date of receipt subject to the documents being in order in all respects.

PUDUMJEE INDUSTRIES LIMITED

g) Shareholding pattern and distribution of shares as on 31st March, 2012. Face Value of shares of Rs. 2/- each

SHARE HOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING		
Category	No. of Shares	%	No. of Shares	No. of Shareholders	Shares held in each class
Promoters	130,08,662	72.27	1 - 2,500	3,501	17,53,223
Banks/ Institutions	1,56,500	0.87	2,501 - 5,000	75	3,06,782
Bodies Corporate	15,17,770	8.43	5,001 - 10,000	38	2,84,462
Public	33,17,068	18.43	10,001 - 20,000	17	2,39,644
			20,001 & Above	43	154,15,889
Total	180,00,000	100.00		3,674	180,00,000

- h) Dematerialisation of Shares : 95.74% of the shares were held in dematerialized form as on 31st March, 2012.
Your Company confirms that the Promoter's holdings were converted into electronic form and the same is in line with the circulars issued by SEBI.
The trading in equity shares of the Company by all investors is permitted only in dematerialized form.
On and from 1st February, 2005, for the convenience of the shareholders, the Company is required by SEBI to pay the custody charges to the Depositories viz. NSDL & CDSL and as such the shareholders are requested to take advantage by dematerialising their shares at the earliest.
- i) Details of unclaimed shares as per amended listing Clause 5A II : Pursuant to the amendment to the Listing Agreement by inserting Clause 5A, the Company's Registrar and Transfer Agents have sent reminders to those shareholders whose share certificates have been returned undelivered and remained unclaimed so far. The company will initiate appropriate steps on unclaimed shares by transferring it to one folio in the name of "Unclaimed Suspense Account" if no reply is received from the shareholder(s), and the voting rights on such shares shall remain frozen till they are entered in the name of rightful owner of the shares.
- j) Liquidity : The total number of shares transferred in the non demat segment during 2011-12 were 4,000.
- k) Plant Location : Thergaon, Pune - 411 033.

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- l) Investors Correspondence
- a) For transfer/dematerialisation and any other enquiry relating to the shares of the Company. : Satellite Corporate Services Pvt. Ltd.
: Unit: Pudumjee industries Ltd.
B-302, Sony Apartment, Opp. St. Jude High School,
Off Andheri Kurla Road, Jarimari, Sakinaka Mumbai - 400 072
Tel: 022-28520461/28520462 Fax: 022-28511809
e-mail: service@satellitecorporate.com
(Note: Shareholders holding shares in Electronic Mode should address all correspondence concerning their holdings or transfers to their respective Depository Participants.)
- b) Any Other Enquiry : The Asst. Company Secretary
Pudumjee industries Ltd.,
Thergaon, Pune – 411 033
Tel: 91-020-30613333 Fax: 91-020-30613388 / 27273294
e-mail: sk@pune.pudumjee.com
Dedicated e mail id for Investors complaints:
Inv_compl_pail@pune.pudumjee.com
- m) Compliance Certificate : The certificate of compliance with the requirements of Corporate Governance by the Company issued by M/s. Khare & Company, the auditors of the Company, is annexed.
- n) Qualifications in Auditors' Report : The Auditors have not expressed any qualification/adverse remark in their Report.
- o) Transfer of unclaimed amounts to Investors' Education and Protection Fund. : During the year there was no amount due to be credited with Investor Investors' Education and Protection Fund.

On behalf of the Board of Directors,

Mumbai
Dated : 29th May, 2012

SHYAM M. JATIA
Chairman

PUDUMJEE INDUSTRIES LIMITED

**CORPORATE GOVERNANCE REPORT OF
PUDUMJEE INDUSTRIES LIMITED**

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of amended Clause 49 of the Listing Agreement, Code of Conduct, as approved by the Board of Directors of the Company in its meeting held on 29th October, 2005 has been displayed at Company's website www.pudumjeeindustries.com All the members of the Board and the Senior Management personnel have affirmed the compliance with the Code for the year ended 31st March, 2012.

Mumbai

Dated : 29th day of May, 2012

S. M. JATIA

Chairman & Managing Director

AUDITORS' CERTIFICATE

The Shareholders of,
Pudumjee Industries Ltd.
Thergaon, Pune 411 033.

We have reviewed the records and documents concerning implementation of Corporate Governance procedures set by the Company during the financial year ended 31st March, 2012 and furnished to us for our review.

Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review, and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements entered into, by the Company with various Stock Exchange of India.

In our opinion and to the best of our information and according to the explanations given to us we certify that company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For **KHARE & CO.**
Chartered Accountants
(FRN 105100W)

Y. P. SHUKLA
Proprietor.
Membership No. 16203

Place : Mumbai,
Dated : 29th May, 2012

PUDUMJEE INDUSTRIES LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of **Pudumjee Industries Limited** as at 31st March, 2012 and the Profit and Loss Account and Cash Flow Statements annexed thereto for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c) In our opinion, the said Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards as referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
- d) The said Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- e) On the basis of information and explanations given to us, and representations obtained by the Company and taken on record by the Board of Directors, we report that, there are no directors of the Company who are disqualified under section 274(1) (g) of the Act, from being appointed as directors during the year.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii. In the case of Profit and Loss Account, of the loss for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and according to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate, we further state that :-

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- b) As explained to us, the fixed assets have been physically verified by the Management at the end of the year. It has been reported to us that, no material discrepancies have been noticed on such verification;
- c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year;

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- ii a) It is reported that, the inventories have been physically verified by the management at the end of the year;
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- c) The Company has maintained proper records of inventories and as explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records;
- iii a) The Company has taken unsecured loan aggregating ₹ 5903.50 lacs during the year from two Companies, covered in the register maintained under Section 301 of the Companies Act, 1956.
- b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan taken are not prima facie prejudicial to the interest of the Company;
- c) The payment of the principal amount and interest thereon is also regular;
- d) There are no overdue amounts in respect of loans taken by the Company ;
- e) The Company has granted unsecured loan aggregating ₹ 1961.55 lacs during the year to three Companies and a firm covered in the register maintained under Section 301 of the Companies Act, 1956.
- f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan taken are not prima facie prejudicial to the interest of the Company;
- g) The payment of the principal amount and interest thereon is also regular;
- h) There are no overdue amounts in respect of loans given by the Company;
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and also for the sale of goods and services. There are no continuing failure to correct major weaknesses in the internal control;
- v. a) According to the information and explanations given to us, the transactions that need to be entered in the register maintained U/s 301 of the Companies Act, 1956, have been so entered;
- b) According to the information and explanations given to us, these transactions have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available;
- vi. The Company has not accepted any deposits from the public;
- vii The Company has appointed independent internal auditors and in our opinion the internal audit system is commensurate with the size and nature of its business ;
- viii. We have broadly reviewed the records maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However no detailed examination of such accounts and records have been carried out by us;
- ix a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other outstanding statutory dues have been regularly deposited during the year with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears as on 31st March, 2012 for a period of more than six months from the date they became payable;

PUDUMJEE INDUSTRIES LIMITED

c) The disputed Statutory dues aggregating ₹ 377.33 lacs that have not been deposited on account of disputes and matters pending before appropriate authorities are as under:-

S. No.	Nature of the Dues	Forum where the dispute is Pending	Amount ₹ in lacs
1	Excise Duty	CESTAT Mumbai (Department's appeal)	151.77
2	Service Tax	CESTAT	0.38
3	Service Tax	Dy. Commissioner (Central Excise)	0.27
4	Custom Duty	Supreme Court (Deptt. Appeals)	43.47
5	Excise duty	CESTAT (Deptt. Appeals)	0.26
6	Excise duty	Dy. Commissioner (Central Excise)	1.87
7	Sales Tax	High Court, M. P.	179.31

- x. The Company has no accumulated losses and the Company has not incurred cash Loss during the year under report. However, the Company has incurred cash loss in the immediately preceding financial year;
- xi. According to the information and explanations given to us, the Company has not made any default in repayment of dues to financial institutions or banks or debenture holders;
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans on the basis of security by way of pledge of shares debentures and other securities;
- xiii The Company is not a nidhi, mutual benefit fund or a society;
- xiv The Company is not dealing or trading in shares securities, debentures and other investments;
- xv The Company has given guarantees for loans and other credit facilities taken by others from banks and according to the information and explanations given to us, the terms and conditions of such guarantees are not prejudicial to the interest of the Company :
- xvi According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained;
- xvii In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment;
- xviii According to the information and explanations given to us, during the year under report the Company has not made any allotment of shares to any person;

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- xix According to the information and explanations given to us the Company has not issued any debentures and hence the question of creating security or charge therefore does not arise;
- xx During the year under report, no public issue has been made by the Company;
- xxi To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For KHARE & CO.
Chartered Accountants
(FRN 105100W)

Y. P. SHUKLA
Proprietor
Membership No. 16203

Place : Mumbai,
Dated : 29th May, 2012.

PUDUMJEE INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As at 31/03/2012 (₹. in lacs)	As at 31/03/2011 (₹. in lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	360.00	360.00
(b) Reserves and Surplus	2	3,653.82	3,668.04
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	4,137.53	3,600.29
(b) Deferred tax liabilities (Net)		73.00	74.00
(c) Other Long-term Liabilities	4	53.32	55.10
(d) Long term provisions	5	110.30	95.17
(3) Current Liabilities			
(a) Short-term borrowings	6	1,249.87	363.34
(b) Trade payables	7	1,554.41	1,213.86
(c) Other current liabilities	8	181.53	135.82
(d) Short-term provisions	9	16.38	15.16
Total		11,390.16	9,580.78
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Owned Tangible assets	10	2,248.57	2,363.30
(ii) Capital work-in-progress		3.71	16.28
(b) Non-current investments	11	1,773.16	1,768.16
(c) Long term loans and advances	12	2,261.22	774.50
(2) Current assets			
(a) Inventories	13	2,557.95	2,118.55
(b) Trade receivables	14	2,050.38	1,603.36
(c) Cash and Bank Balances	15	64.19	32.33
(d) Short Term Loans & Advances	16	430.98	904.30
Total		11,390.16	9,580.78

OTHER NOTES AS PER NOTE 24

As per our Report of date attached

For **KHARE & CO.**,
Chartered Accountants

Y. P. SHUKLA
Proprietor

Place : Mumbai
Dated : 29th May, 2012

On behalf of the Board

SHYAM M. JATIA
Chairman & Managing Director

R. C. SARAF
Director

Place : Mumbai
Dated : 29th May, 2012

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	Year Ended 31.03.2012 (₹. in lacs)	Year Ended 31.03.2011 (₹. in lacs)
I. Revenue from operations	17	13,208.92	10,275.99
Less : Excise Duty		645.17	333.35
Net Revenue from Operations		12,563.75	9,942.64
II. Other Income	18	196.16	449.27
III. Total Revenue (I + II)		12,759.91	10,391.91
IV. <u>Expenses:</u>			
(1) Cost Of Materials Consumed	19	7,909.09	6,419.24
(2) Trade Purchases		443.84	832.36
(3) Changes in Inventories of Finished Goods, Work-in-Process and Stock in Trade	20	(378.67)	(321.61)
(4) Employees' Cost	21	550.91	446.48
(5) Finance Cost	22	377.79	393.87
(6) Foreign Exchange Loss/(Gain)		163.26	(18.93)
(7) Depreciation	10	166.57	166.31
(8) Other Expenses	23	3,550.00	2,736.00
Total Expenses		12,782.79	10,653.72
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(22.88)	(261.81)
VI. Exceptional items/Extraordinary Items		-	-
VII. Profit/(Loss) before tax (V- VI)		(22.88)	(261.81)
VIII. Tax expense:			
(1) Current tax		0.50	0.50
(2) Deferred tax		(1.00)	(106.00)
IX. Profit/(Loss) for the Year (VII-VIII)		(22.38)	(156.31)
X. Earning per equity share:			
Basic & Diluted		(0.12)	(0.87)
(See note No.24.13)			

OTHER NOTES AS PER NOTE 24

As per our Report of date attached

For **KHARE & CO.,**
Chartered Accountants**Y. P. SHUKLA**
ProprietorPlace : Mumbai
Dated : 29th May, 2012**J. W. PATIL**
Assistant Company Secretary

On behalf of the Board

SHYAM M. JATIA
Chairman & Managing Director**R. C. SARAF**
DirectorPlace : Mumbai
Dated : 29th May, 2012

PUDUMJEE INDUSTRIES LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT
31ST MARCH, 2012**

NOTE '1' - SHARE CAPITAL	AS AT 31.03.2012	AS AT 31.03.2011
	(₹. in lacs)	(₹. in lacs)
AUTHORISED		
12,50,00,000 Equity Shares of ₹ 2/- each	2,500.00	2,500.00
	2,500.00	2,500.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,80,00,000 Equity Shares of ₹ 2/- each	360.00	360.00

1.1 The reconciliation of the number of Equity shares outstanding :

Particulars	AS AT 31.03.2012	AS AT 31.03.2011
	No. of Shares	No. of Shares
Equity Shares at the beginning and end of the year	18,000,000	18,000,000

1.2 The details of Shareholders holding more than 5% shares

Name of the Shareholder	AS AT 31.03.2012		AS AT 31.03.2011	
	No. of Shares	% held	No. of Shares	% held
Pudumjee Investment & Finance Co.Ltd.	3,945,790	21.92	3,945,790	21.92
Thacker & Co.Ltd.	2,509,837	13.94	2,509,837	13.94
Shree Global Tradefin Ltd.	999,995	5.56	999,995	5.56
Mr.Shyam M Jatia	972,187	5.40	972,187	5.40
Pudumjee Pulp & Paper Mills Ltd.	956,725	5.32	366,724	2.04

NOTE '2' - RESERVES & SURPLUS	AS AT 31.03.2012	AS AT 31.03.2011
	(₹. in lacs)	(₹. in lacs)
GENERAL RESERVE		
As per last Balance Sheet	1,360.00	1,360.00
SHARE PREMIUM ACCOUNT		
As per last Balance sheet	1,197.48	1,197.48
CAPITAL RESERVE		
On Reissue of forfeited shares	0.44	0.44
CAPITAL SUBSIDY RESERVE		
As per last Balance Sheet	40.00	40.00
RESERVE FOR DOUBTFUL DEBTS		
(see Note 5)	0.71	0.10
SURPLUS IN PROFIT & LOSS ACCOUNT		
Balance in Profit & Loss Account	1,070.02	1,226.33
Add :		
Prior Period Income	7.55	-
Profit/(Loss) for the year	(22.38)	(156.31)
	1,055.19	1,070.02
	3,653.82	3,668.04

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT
31ST MARCH, 2012 (Contd.)**

	AS AT <u>31.03.2012</u> (₹. in lacs)	AS AT <u>31.03.2011</u> (₹. in lacs)
NOTE '3' - LONG TERM BORROWINGS		
(A) Secured Borrowings		
FROM BANK		
TERM LOAN	310.39	535.39
(Secured by first charge on the Fixed Assets of the Company) (See Note (a) below)		
Total (A)	<u>310.39</u>	<u>535.39</u>
Notes (a) : Excluding Rs. 180.00 lacs (Last year ₹ 135.00 lacs) shown under "Current maturities of Long Term Debt" under Note 8. Repayable in 20 equal quarterly installments beginning with 30.9.2010.		
(b) : There has been no default in repayment of loan and payment of interest.		
(B) Unsecured Borrowings		
Deposits from Associates	<u>3,827.14</u>	<u>3,064.90</u>
Total (B)	<u>3,827.14</u>	<u>3,064.90</u>
Total (A) +(B)	<u><u>4,137.53</u></u>	<u><u>3,600.29</u></u>
NOTE '4' - OTHER LONG TERM LIABILITIES		
Sundry Creditors	<u>53.32</u>	<u>55.10</u>
	<u>53.32</u>	<u>55.10</u>
NOTE '5' - LONG TERM PROVISIONS		
Provision for Diminution in value of Long term Investments		
As per Last Balance Sheet	<u>60.00</u>	<u>60.00</u>
	<u>60.00</u>	<u>60.00</u>
Less : Deducted per contra from Investment	<u>60.00</u>	<u>60.00</u>
	-	-
Provision for Doubtful Debts & Advances		
As per last Balance Sheet	78.32	149.99
Less : Written Back	-	71.67
	<u>78.32</u>	<u>78.32</u>
Less : Debts & Advances considered Doubtful per contra	<u>77.61</u>	<u>78.22</u>
	0.71	0.10
Less : Surplus provision shown under Reserves & Surplus	<u>0.71</u>	0.10
	-	-
Provision for Gratuity	<u>110.30</u>	<u>95.17</u>
	<u>110.30</u>	<u>95.17</u>

PUDUMJEE INDUSTRIES LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT
31ST MARCH, 2012 (Contd.)**

	AS AT 31.03.2012 (₹. in lacs)	AS AT 31.03.2011 (₹. in lacs)
NOTE `6` - SHORT TERM BORROWINGS		
A) Secured Borrowings from Bank		
Cash Credit repayable on demand (Secured by hypothecation of stock, stores and book debts and second charge on fixed assets of the company ranking pari passu among the consortium banks.)	1,185.22	290.71
B) Unsecured Borrowings		
Other Deposits	64.65	72.63
Total	<u>1,249.87</u>	<u>363.34</u>
Note (a) : There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.		
NOTE `7` - TRADE PAYABLE		
Acceptances	981.55	831.56
Sundry Creditors	<u>572.86</u>	<u>382.30</u>
	<u>1,554.41</u>	<u>1,213.86</u>
NOTE `8` - OTHER CURRENT LIABILITIES		
Current Maturities of :		
Long Term Secured Debts	180.00	135.00
Unclaimed dividend	0.79	0.79
Interest on Loans accrued but not due	0.74	0.03
	<u>181.53</u>	<u>135.82</u>
NOTE `9` - SHORT TERM PROVISIONS		
Provision for Leave Encashment	16.38	15.16
	<u>16.38</u>	<u>15.16</u>

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012 (Contd.)**NOTE '10' - TANGIBLE FIXED ASSETS (At Cost)** (₹. in lacs)

TYPE OF ASSETS	Cost upto 31.3.2011	Additions/ Transfers during the Period	Deductions/ Transfers during the Period	Balance Cost upto 31.03.2012	Depreciation upto 31.3.2011	Depreciation for the year	Depreciation on sold Assets and on deductions written back	Depreciation Balance as on 31.03.2012	Net Book Value as on 31.03.2012	Net Book value as on 31.3.2011
Land - Freehold	7.10	-	-	7.10	-	-	-	-	7.10	7.10
Building	251.70	-	-	251.70	161.00	7.74	-	168.74	82.96	90.70
Machinery	3,628.68	75.77	32.39	3,672.06	1,425.08	146.56	7.55	1,564.09	2,107.97	2,203.60
Furniture & Fixtures	115.44	1.26	-	116.70	69.34	8.20	-	77.54	39.16	46.10
Vehicles	27.17	-	6.00	21.17	11.37	4.07	5.65	9.79	11.38	15.80
Total	4,030.09	77.03	38.39	4,068.73	1,666.79	166.57	13.20	1,820.16	2,248.57	2,363.30
Previous year	3,994.75	35.34	-	4,030.09	1,500.48	166.31	-	1,666.79	2,363.30	2,494.27

PUDUMJEE INDUSTRIES LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2012 (Contd.)**

	AS AT 31.03.2012 (₹. in lacs)	AS AT 31.03.2011 (₹. in lacs)	
NOTE '11' - NON CURRENT INVESTMENTS			
LONG TERM INVESTMENTS (AT COST)			
TRADE INVESTMENTS :			
Investment in Subsidiary Companies :			
150,00,000	Equity shares of Pudumjee Hygiene Products Ltd. of ₹ 10/- each fully paid up. (unquoted)	1,500.00	1,500.00
50,000	(Last year Nil) Equity Shares of Pudumjee Holding Ltd. Shares of ₹ 10/- each fully paid up. (unquoted)	5.00	-
Investments In Associates;			
34,12,850	Equity shares of Pudumjee Pulp & Paper Mills Ltd. of ₹ 10/- each fully paid (quoted)	267.16	267.16
6,75,000	Equity shares of Pudumjee Plant Laboratories Ltd. of ₹ 10/- each. fully paid (unquoted)	60.00	60.00
Investment In Partnership firm :			
	Investment in Capital of Prime Developers	1.00	1.00
		1,833.16	1,828.16
Less :	Provision for Diminution in value of Long Term Investments, deducted per contra	60.00	60.00
		1,773.16	1,768.16
Aggregate amount of quoted investments			
	Cost	267.16	267.16
	Market Value	523.87	725.23
Aggregate amount of unquoted investments			
	Cost	1,566.00	1,561.00

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2012 (Contd.)**

	AS AT 31.03.2012 (₹. in lacs)	AS AT 31.03.2011 (₹. in lacs)
NOTE '12' - LONG TERM LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Prepaid Expenses	0.96	1.38
Security Deposits	33.61	103.13
Loans & Advances to Subsidiary/Associates	2,141.71	610.57
Advance Income Tax	27.56	6.10
(Less Provision for Tax)		
Advances recoverable in cash or in kind		
Considered Good	59.12	57.11
Considered Doubtful	1.74	3.79
deducted per contra		
	<u>2,261.22</u>	<u>774.50</u>
NOTE '13' - INVENTORIES		
Raw material (At cost)	759.39	746.00
Raw material in Transit (At Cost)	34.53	28.33
Work-in-process (At cost)	173.89	123.80
Finished Paper	978.97	732.23
(At lower of cost or market value.)		
Finished Paper in Transit	95.96	14.12
(At lower of cost or market value.)		
Stores, Spare Parts Etc.(At Cost)	514.41	473.80
Loose Tools (At Cost)	0.80	0.27
	<u>2,557.95</u>	<u>2,118.55</u>
NOTE '14' - TRADE RECEIVABLES (Unsecured)		
Debts outstanding for a period exceeding six months from due date		
Considered Good	19.51	6.58
Considered Doubtful	75.87	74.43
	95.38	81.01
Other Debts		
Considered Good	2,030.87	1,596.78
	2,126.25	1,677.79
Less : Provision for Doubtful Debts deducted per contra	75.87	74.43
	<u>2,050.38</u>	<u>1,603.36</u>
	<u>2,050.38</u>	<u>1,603.36</u>

PUDUMJEE INDUSTRIES LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2012 (Contd.)**

	AS AT 31.03.2012 <u>(₹. in lacs)</u>	AS AT 31.03.2011 <u>(₹. in lacs)</u>
NOTE '15' - CASH & BANK BALANCES		
Cash on hand as per books	1.84	0.86
On other accounts with Banks	37.09	30.22
Cheques on hand	24.47	0.46
Unpaid Dividends with Banks	0.79	0.79
	<u>64.19</u>	<u>32.33</u>
NOTE '16' - SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Capital Advances	34.15	10.68
Prepaid Expenses	6.19	5.77
Security Deposit	69.92	-
Advance to/balance in current account with a firm in which the company is a partner	109.87	604.21
Advance Income Tax for Current year (Less Provision for Current year Tax)	20.85	39.64
Advances to employees of the Company	6.68	6.75
Advances recoverable in cash or in kind	183.32	237.25
	<u>430.98</u>	<u>904.30</u>

**NOTES ANNEXED TO AND FORMING PART OF THE
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

		YEAR ENDED 31.03.2012		YEAR ENDED 31.03.2011
		<u>(₹. in lacs)</u>		<u>(₹. in lacs)</u>
NOTE '17' - REVENUE FROM OPERATIONS				
PAPER	12,659.49		9,347.70	
Less : Excise Duty	<u>645.08</u>	12,014.41	<u>333.30</u>	9,014.40
TRADE SALE		467.74		855.16
MISCELLANEOUS SALES	26.13		24.53	
Less : Excise Duty	<u>0.09</u>	26.04	<u>0.05</u>	24.48
OTHER OPERATING REVENUE		<u>55.56</u>		48.60
NET REVENUE FROM OPERATIONS		<u><u>12,563.75</u></u>		<u><u>9,942.64</u></u>
NOTE '18' - OTHER INCOME				
DIVIDENDS				
Others		10.24		10.24
MISCELLANEOUS INCOME		10.98		94.58
INTEREST RECEIVED FROM OTHERS		174.75		344.45
PROFIT ON SALE/TRANSFER OF FIXED ASSETS (NET)		0.19		-
		<u><u>196.16</u></u>		<u><u>449.27</u></u>
NOTE '19' - COST OF MATERIAL CONSUMED				
CONSUMPTION OF RAW MATERIALS		7,181.53		5,572.62
CONSUMPTION OF STORES COLOURS, CHEMICALS etc.		<u>727.56</u>		<u>846.62</u>
		<u><u>7,909.09</u></u>		<u><u>6,419.24</u></u>
NOTE '20' - CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROCESS AND STOCK-IN-TRADE				
STOCK AT COMMENCEMENT				
Finished Paper	746.35		514.65	
Work-in-Process				
- Pulp	18.02		17.23	
- Paper	<u>105.78</u>	870.15	<u>16.66</u>	548.54
STOCK AT CLOSE				
Finished Paper	1,074.93		746.35	
Work-in-Process				
- Pulp	1.68		18.02	
- Paper	<u>172.21</u>	1,248.82	<u>105.78</u>	870.15
		<u><u>(378.67)</u></u>		<u><u>(321.61)</u></u>

PUDUMJEE INDUSTRIES LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)**

	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
	(₹. in lacs)	(₹. in lacs)
NOTE '21' - EMPLOYEES' COST		
SALARIES, WAGES, BONUS etc.		
Salaries, Wages, gratuity & Bonus	483.06	393.83
Contribution to Provident & Other		
Funds (Including Administrative Charges)	38.82	35.37
Employees State Insurance	1.40	1.98
Workmen & Staff Welfare Expenses	27.63	15.30
	<u>550.91</u>	<u>446.48</u>
NOTE '22' - INTEREST & FINANCIAL COST		
INTEREST ON BORROWINGS	373.22	408.74
OTHER FINANCIAL CHARGES	47.34	30.93
	420.56	439.67
LESS : INTEREST RECEIVED ON TRADE DEBTS	42.77	45.80
	<u>377.79</u>	<u>393.87</u>
NOTE '23' - OTHER EXPENSES		
PROCESSING CHARGES	244.76	-
FUEL, POWER & WATER	2450.46	1862.37
RENT	4.96	5.00
RATES & TAXES	11.17	11.61
REPAIRS & MAINTENANCE		
Machinery	363.23	361.57
Buildings	10.05	5.35
Others	1.51	1.36
	374.79	368.28
INSURANCE	3.62	4.05
PACKING,CARTAGE,CUTTING,BALING,FREIGHT ETC.	308.84	261.15
DEVELOPMENT & RESEARCH EXPENSES	6.35	5.20
COMMISSION ON SALES	39.26	21.19
BAD DEBTS & ADVANCES WRITTEN OFF	-	72.80
DIRECTORS' FEES	0.32	0.30
EXCISE DUTY ON STOCK	21.86	34.47
OFFICE & MISCELLANEOUS EXPENSES	83.61	89.58
	<u>3,550.00</u>	<u>2,736.00</u>

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH, 2012**

NOTE '24' -**24.1 The value of raw materials consumed**

	<u>2011-2012</u> Value (₹.in lacs)	<u>2010-2011</u> Value (₹.in lacs)
Pulp	3,174.71	1,540.09
Waste Paper	4,006.82	4,032.53
	<u>7,181.53</u>	<u>5,572.62</u>

24.2 Trade Purchases

	<u>2011-2012</u>	<u>2010-2011</u>
Pulp	406.10	648.75
Others	37.74	183.61
	<u>443.84</u>	<u>832.36</u>

24.3 Value of Direct imports calculated on CIF basis during the financial year

	<u>2011-2012</u>	<u>2010-2011</u>
Raw Material	4,591.26	2,867.11
Components & Spare Parts	163.01	217.81
Capital Goods	8.84	2.25
Goods for resale	340.15	599.62

24.4 Expenditure in foreign currency during the financial year on account of

	<u>2011-2012</u>	<u>2010-2011</u>
Royalty, know-how, interest, professional consultation, travelling, subscription and periodicals etc.	34.08	17.47

24.5 Value of raw materials, spares parts and components consumed during the financial year and the percentage thereof

	<u>Value</u> (₹. in lacs)	<u>%</u>	<u>Value</u> (₹. in lacs)	<u>%</u>
Raw Materials :				
Direct Imports	5,760.10	80.21	4,489.64	80.57
Others	1,421.43	19.79	1,082.98	19.43
Total:	<u>7,181.53</u>	<u>100.00</u>	<u>5,572.62</u>	<u>100.00</u>
Spare Parts & Components:				
Direct Imports	244.03	23.48	240.03	20.91
Others	795.35	76.52	907.95	79.09
Total:	<u>1,039.38</u>	<u>100.00</u>	<u>1,147.98</u>	<u>100.00</u>
	<u>(₹. in lacs)</u>		<u>(₹. in lacs)</u>	

24.6 Remittance In Foreign Currency On Account Of Dividend

	<u>2011-2012</u>	<u>2010-2011</u>
Amount Remitted during the year in foreign currencies on account of Dividend to NRI share holders.	Nil	2.95

PUDUMJEE INDUSTRIES LIMITED

NOTE '24' - (Contd.)

	<u>2011-2012</u> (₹. in lacs)	<u>2010-2011</u> (₹. in lacs)
24.7 Export of goods calculated on FOB basis		
Export of goods calculated on FOB basis (Earning in foreign Exchange)	988.71	713.38
Deemed Exports	<u>2.18</u>	-
	<u>990.89</u>	<u>713.38</u>
24.8 Payments made to Auditors:	<u>2011-12</u> (₹. in lacs)	<u>2010-2011</u> (₹. in lacs)
Audit fees	1.50	1.50
Taxation matters	0.60	0.60
Others	1.85	1.85
	<u>3.95</u>	<u>3.95</u>
24.9 To the best of knowledge of the company, none of the creditors are 'Small enterprise' within its meaning under clause (m) of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006 & therefore principal amount, interest paid/payable or accrued is NIL.		
24.10 Land admeasuring about 1,400 Sq.Meters has been acquired by Municipal Corporation for road widening purpose in the earlier years. The Company is entitled to TDR with an out side chance of cash compensation, which is yet to be determined and as such this will be included when finally decided since the relevant documentation is yet to be finalised and executed.		
24.11 (a) Contingent Liabilities not provided for in respect of:	<u>AS AT</u> <u>31.03.2012</u> (₹.in lacs)	<u>AS AT</u> <u>31.03.2011</u> (₹.in lacs)
i) Bank Guarantees and Letters of Credit in favour of suppliers of raw materials, spares etc.*	160.01	270.73
ii) Guarantee for other Companies *	156.22	170.27
iii) Claims against the Company not acknowledged as debts for excise duty, property tax and commercial claims etc. **	518.18	477.09
* Will not affect the future Profitability.		
** May affect the future profitability to the extent indicated, if such liabilities crystallise.		
(b) Commitments not provided for in respect of:	108.21	29.96
i) Estimate of contracts remaining to be executed on capital accounts		

NOTE '24' - (Contd.)

24.12 Following significant accounting policies have been adopted in preparation and presentation of the financial statements:

- a) Fixed Assets are valued at cost.
- b) Borrowing costs comprising interest etc. relating to projects are capitalised up to the date of its completion and other borrowing costs are charged to Profit and Loss Account in the year of their accrual.
- c) Depreciation on Machinery & Building has been provided on Straight Line Method and that on the other Assets on Written Down Value method in accordance with Schedule XIV of the Companies Act, 1956 as in force as on the date of Balance Sheet.
- d) Finished paper stock is valued at lower of cost or market value. All other inventories are valued at lower of cost on First In First Out method or realisable value.
- e) Investments are classified into current and long term investments. Current Investments are stated at lower of cost or fair value. Long term investments are stated at cost, less provision for permanent diminution in value, if any.
- f) (i) Contributions to defined contribution schemes, namely, Provident Fund and Superannuation Fund is made at a pre-determined rates and are charged to the Profit & Loss Account.
(ii) Contributions to the defined benefit scheme, namely, Gratuity Fund & provision for the remaining Gratuity and for Leave encashment are made on the basis of actuarial valuations made in accordance with the revised Accounting Standard (AS) 15 at the end of each Financial Year and are charged to the Profit & Loss Account of the year.
(iii) Actuarial gains & losses are recognized immediately in the Profit & Loss Account.
- g) Foreign Exchange Transactions are recorded at the then prevailing rate. Closing balances of Assets & Liabilities relating to foreign currency transactions are converted into rupees at the rates prevailing on the date of the Balance Sheet The difference for transactions are dealt with in the Profit & Loss account.
- h) Revenue recognition is postponed to a later year only when it is not possible to estimate it with reasonable accuracy.
- i) Factors giving rise to any indication of any impairment of the carrying amount of the company's assets are appraised at each balance sheet date to determine and provide /revert an impairment loss following accounting standard AS 28 for impairment of assets.

24.13 Computation of basic and diluted Earning Per Share (EPS)

	AS AT		AS AT
	31.03.2012		31.03.2011
(a) Net Profit after tax as per Profit & Loss Account :			
After current and deferred Tax	₹ (22.38) lacs	₹	(156.31) lacs
(b) No. of Equity shares of Rs.2/- each :	180.00 lacs		180.00 lacs
(c) Basic EPS			
After current and deferred Tax (a / b)	₹ (0.12)	₹	0.87

PUDUMJEE INDUSTRIES LIMITED

NOTE '24' - (Contd.)

24.14 (a) The Deferred Tax Liabilities/ (Deferred Tax Assets) into major components is as under :

	AS AT 31.03.2012 (₹. in lacs)	AS AT 31.03.2011 (₹. in lacs)
In respect of Depreciation	308	287
In respect of allowances and disallowances under various provisions of Income Tax Act.	(85)	(83)
Business Loss	<u>(150)</u>	<u>(130)</u>
Net Deferred Tax Liability	<u>73</u>	<u>74</u>

(b) The deferred Tax Asset in respect of carry forward of losses and tax credit has been worked out on the basis of assessment orders, returns of income filed for subsequent assessment years and estimate of the taxable income for the year ending 31st March, 2012.

24.15 Related party disclosures (Accounting Standard 18) :

a) Subsidiary Company

Pudumjee Hygiene Products Ltd.
Pudumjee Holding Ltd.

b) Associate Firms/ Companies

a) Pudumjee Pulp & Paper Mills Ltd.
b) Pudumjee Plant Laboratories Limited
c) Pudumjee Investments and Finance Co.Ltd.
d) Prime Developers

c) Key Management personnel

Mr. S. M.Jatia
Managing Director

NOTE '24' - (Contd.)

d) Transactions with related Parties

(₹. in lacs)

	2011-2012 (2010-2011)		Maximum during the year	Key Management Personnel
	Subsidiary Companies	Associate Companies/ Firm		
a) i) Interest bearing Inter Corporate Deposits etc.obtained during the year		5175.00 (2,235.85)		
ii) Interest bearing Inter Corporate Deposits etc.given during the year	1210.00 (75.00)	751.55 (924.69)		
b) i) Interest paid during the year		218.43 (285.18)		
ii) Interest charged during the year	64.98 (100.92)	102.77 (240.60)		
c) Inter Corporate Deposits obtained outstanding including interest Pudumjee Pulp and Paper Mills Ltd.		3,686.59 (2,995.06)		
d) Intercompany Deposits Given outstanding including interest.				
Prime Developers		- (494.87)	494.87 (1,645.78)	
Pudumjee Hygiene Products Ltd.	1356.48 (593.83)		1356.48 (1,738.88)	
Pudumjee Plant Laboratories Ltd.		785.23 (16.75)	785.23 (700.00)	
e) Sales made during the year	-	480.19 (886.11)		
f) Purchases/Processing Charges of goods made during the year		1,645.79 (913.58)		
g) Reimbursement of common services and purchase of utilities during the year.		88.76 (317.94)		
h) Remuneration paid	- (-)	- (-)		12.98 (11.88)
i) Outstanding as creditor		89.08 (90.77)		
j) Counter Guarantee given to banks for loans to	156.22 (170.27)	- (-)		
k) Amount Receivable Pudumjee Holding Ltd.	2.56 (-)		5.00 (-)	
Prime Developers (Partner's current A/c)		109.87 (109.34)	109.87 (109.34)	
l) Share of Profit from firm		0.54 (1.49)		

(Figures in brackets relate to previous year)

PUDUMJEE INDUSTRIES LIMITED

NOTE '24' - (Contd.)

24.16 The details of the firm 'Prime Developers' in which the Company has invested are as under:

Name of the Partners	Capital ₹. in lacs	Sharing Ratio	
		Profit	Loss
Prime Textiles Ltd.	1.00	50.00%	66.66%
Pudumjee Industries Ltd.	1.00	12.50%	16.67%
Aristo Reality Developers Ltd.	-	25.00%	-
Suma Commercial Pvt.Ltd.	-	12.50%	16.67%
Share of Profit during the year		₹ 0.54 Lac	Nil
		(last year ₹ 1.49 Lacs)	

24.17 The following are the disclosures required under revised Accounting Standards (AS) 15 in respect of Employee Benefits :

- An amount of ₹ 31.77 lacs (Last year ₹ 28.68 lacs) has been recognized as an expenses for defined contribution plans by way of Company's contribution to Provident Funds & Super annuation Fund.
- The defined benefits plans comprise of Gratuity Plan and Leave Encashment Plan. The Gratuity Plan is partly funded with Life Insurance Corporation of India under its Cash Accumulation Plan.
- Expenses recognized during the year and reconciliation of the Assets & Liabilities recognized in Balance Sheet as at 31.03.2012 :

	Gratuity (Partly funded) (₹. in lacs)		Leave Encashment (Unfunded) (₹. in lacs)	
	2011-2012	2010-2011	2011-2012	2010-2011
i) The present value of defined benefit obligations at the commencement of the Year	203.76	211.02	15.16	14.91
ii) Current Service cost	15.03	8.25	0.92	1.72
iii) Interest cost	16.81	17.41	1.25	1.23
iv) Actuarial (Gain)/Loss	5.66	(18.92)	4.56	(0.88)
v) Benefits (Paid)	(19.59)	(14.00)	(5.52)	(1.82)
vi) Past Service Cost	-	-	-	-
vii) The present value of defined benefit obligations at the close of the Year	221.67	203.76	16.37	15.16
viii) The fair value of plan assets at the close of the year	111.36	108.60	-	-
ix) The Past service cost not yet recognized	-	-	-	-
x) Expected return on plan assets	(9.45)	(9.02)	-	-
xi) Written back in Profit & Loss Account	0.95	13.72	-	-

Expenses aggregating ₹ 37.56 lacs (Last year ₹ 11.69 lacs) covered under items (ii),(iii),(iv),(vi) and (x) above have been debited to the Profit & Loss Account under the Head "Salaries,Wages, Bonus etc.

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NOTE '24' - (Contd.)

d) Actuarial assumptions	2011-2012	2010-2011	2011-2012	2010-2011
i) Rate of interest (per annum)	8.50%	8.25%	8.50%	8.25%
ii) Salary growth (per annum)	6.00%	5.50%	6.00%	5.50%
iii) Withdrawal rate (Per annum)	1.00%	1.00%	1.00%	1.00%
iv) Expected return on Plan Assets	9.15%	9.00%	-	-
v) Mortality rates [LIC(1994.96) ultimate]	-	-	-	-

24.18 The items and figures for the previous year have been recast & regrouped wherever necessary to conform to this year's presentation.

SIGNATURES TO NOTES 1 TO 24

As per our report of date attached

For **KHARE & CO.**,
Chartered Accountants

Y. P. SHUKLA
Proprietor

Place : Mumbai
Dated : 29th May, 2012

J. W. PATIL
Assistant Company Secretary

On behalf of the Board

SHYAM M. JATIA
Chairman & Managing Director

R. C. SARAF
Director

Place : Mumbai
Dated : 29th May, 2012

PUDUMJEE INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Pursuant to clause 32 of the listing agreements with Stock Exchanges)

	(₹ in Lacs)	
	<u>2011-2012</u>	<u>2010-2011</u>
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before Taxation & Extraordinary items	(22.88)	(261.81)
Adjustments For :		
Depreciation	166.57	166.31
Interest and Financial Charges	377.79	393.87
Provision for Doubtful debts written Back	-	(71.67)
Other Income	(185.72)	(356.18)
	<u>358.64</u>	<u>132.33</u>
	335.76	(129.48)
Operating Profit before Working Capital Changes		
(Increase)/Decrease in Inventory	(439.40)	22.02
(Increase)/Decrease in Debtors	(448.46)	37.01
(Increase)/Decrease in Advances	(1,008.68)	2,390.21
Increase /(Decrease) in Liabilities	355.12	372.12
	<u>(1,541.42)</u>	<u>2,821.36</u>
Cash(Used in) Generated from operations	(1,205.66)	2,691.88
Income Tax (paid) / Refund Received (Net)	14.43	29.68
Cash flow before Extraordinary items	(1,191.23)	2,721.56
Extraordinary items	-	-
Net Cash(used in)/from Operating Activities	(1,191.23)	2,721.56
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase Of Fixed Assets	(64.46)	(41.83)
Sale Proceeds Of Fixed Assets	32.93	-
Investments in Shares	(5.00)	(500.00)
Interest Received	199.92	355.11
Dividend Received	10.24	10.24
Share of Partnership Firm	0.54	1.49
Net Cash(used in)/from Investing Activities	174.17	(174.99)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	7,039.42	3,573.81
Repayment of borrowings	(5,570.65)	(5,749.38)
Payment of Interest	(419.85)	(440.08)
Dividend paid	-	(36.00)
Net Cash(used in)/from Financing Activities	1,048.92	(2,651.65)
Net change in cash & Cash Equivalents (A+B+C)	31.86	(105.08)
Cash & Cash Equivalents (Opening Balance)	32.33	137.41
Cash & Cash Equivalents (Closing Balance)	64.19	32.33

Note: Figures in brackets represent Cash Outflows.

Compiled from the Audited Accounts of the Company referred to
in our report of date attached

For **KHARE & CO.**
Chartered Accountants

Y. P. SHUKLA
Proprietor

Mumbai
Dated : 29th May, 2012

On behalf of the Board

SHYAM M. JATIA
Chairman & Managing Director

R. C. SARAF
Director

Mumbai
Dated : 29th May, 2012

**STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

(Rupees in Lacs)

	Particulars	Pudumjee Hygiene Products Ltd.	Pudumjee Holding Ltd.
A	The Financial Year of the Subsidiary Companies	Year Ending 31st March, 2012	Year Ending 31st March, 2012
B	a) No. of shares held by Pudumjee Industries Ltd. in the subsidiary company	150,00,000 equity shares of ₹ 10 each	50,000 equity shares of ₹ 10 each
	b) Extent of Holding	100%	100%
C	The net aggregate of profits/(Losses) of the subsidiary companies so far as it concerns the members of Pudumjee Industries Ltd.		
	a) not dealt with in the accounts of Pudumjee Industries Ltd. for the year ended 31st March, 2012 amounted to:		
	i) for the subsidiary's financial year ended as in A above	-239.59	-2.61
	ii) for the previous financial years of the subsidiaries since they became holding company's subsidiaries.	-1361.78	NIL
	b) dealt with in the accounts of Pudumjee Industries Ltd. for the year ended 31st March, 2012 amounted to:		
	i) for the subsidiary's financial year ended as in A above	NIL	NIL
	ii) for the previous financial years of the subsidiaries since they became holding company's subsidiaries.	NIL	NIL

On behalf of the Board,

SHYAM M. JATIA
Chairman & Managing Director

R. C. SARAF
Director

J. W. PATIL
Assistant Company Secretary

Mumbai, Dated : 29th May, 2012

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
THE BOARD OF DIRECTORS,
PUDUMJEE INDUSTRIES LTD.

We have audited the attached Consolidated Balance Sheet of PUDUMJEE INDUSTRIES LIMITED ("the Company") and its subsidiaries as at 31st March, 2012, and the Consolidated Profit and Loss Account for the year then ended annexed thereto and the consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of one of the subsidiary Companies, whose financial statements reflect total assets of ₹ 1769.16 lacs as at 31st March, 2012. These financial statements have been audited by other auditors whose report have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, and read together with Accounting Standard (AS) 23, Accounting for investments in Associates in consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiary, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2012; and
- b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

For KHARE & CO.,
Chartered Accountants,
FRN 105100W

Y.P.SHUKLA
Proprietor.
Membership No. 16203

Place : Mumbai,
Date : 29th May, 2012

PUDUMJEE INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As at 31.3.2012 (₹. in lacs)	As at 31.3.2011 (₹. in lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	360.00	360.00
(b) Reserves and Surplus	2	2,047.41	2,306.26
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	4,137.53	3,600.29
(b) Deferred tax liabilities (Net)		73.00	74.00
(c) Other Long-term Liabilities	4	53.32	55.10
(d) Long term provisions	5	120.02	104.16
(3) Current Liabilities			
(a) Short-term borrowings	6	1,406.09	533.60
(b) Trade payables	7	1,905.00	2,193.37
(c) Other current liabilities	8	181.53	135.82
(d) Short-term provisions	9	16.38	15.16
Total		10,300.28	9,377.76
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	2,398.51	2,476.40
(ii) Intangible assets		152.60	170.54
(iii) Capital work-in-progress		8.50	19.06
(b) Non-current investments	11	268.16	268.16
(c) Long term loans and advances	12	1,164.28	373.73
(2) Current assets			
(a) Inventories	13	3,158.93	2,804.59
(b) Trade receivables	14	2,523.01	2,286.80
(c) Cash and Bank Balances	15	86.13	40.87
(d) Short Term Loans & Advances	16	540.16	937.61
Total		10,300.28	9,377.76

OTHER NOTES AS PER NOTE 24

As per our Report of date attached

For **KHARE & CO.**,
Chartered Accountants

Y. P. SHUKLA
Proprietor

Place : Mumbai
Dated : 29th May, 2012

On behalf of the Board,

SHYAM M. JATIA
Chairman & Managing Director

J. W. PATIL
Assistant Company Secretary

R. C. SARAF
Director

Place : Mumbai
Dated : 29th May, 2012

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2012**

	Note No.	Year Ended 31.03.2012 (₹. in lacs)	Year Ended 31.03.2011 (₹. in lacs)
I. Revenue from operations	17	17,698.93	18,405.42
Less : Excise Duty		645.17	333.35
Net Revenue from Operations		<u>17,053.76</u>	<u>18,072.07</u>
II. Other Income	18	146.25	396.43
III. Total Revenue (I + II)		<u>17,200.01</u>	<u>18,468.50</u>
IV. <u>Expenses:</u>			
(1) Cost Of Materials Consumed	19	7,909.09	6,419.24
(2) Trade Purchases		4,328.73	8,292.20
(3) Changes in Inventories of Finished Goods, Work-in-Process and Stock in Trade	20	(293.61)	(423.19)
(4) Employees' Cost	21	756.66	657.58
(5) Finance Cost	22	412.80	421.16
(6) Foreign Exchange Loss/(Gain)		163.70	(18.93)
(7) Depreciation	10	204.99	202.70
(8) Other Expenses	23	3,982.73	3,240.38
Total Expenses		<u>17,465.09</u>	<u>18,791.14</u>
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(265.08)	(322.64)
VI. Exceptional items/Extraordinary Items		-	-
VII. Profit/(Loss) before tax (V- VI)		<u>(265.08)</u>	<u>(322.64)</u>
VIII. Tax expense:			
(1) Current tax		0.50	0.50
(2) Deferred tax		(1.00)	(106.00)
IX. Profit/(Loss) for the Year (VII-VIII)		<u>(264.58)</u>	<u>(217.14)</u>
X Earning per equity share:			
Basic & Diluted		(1.47)	(1.21)
(See note No.24.13)			

OTHER NOTES AS PER NOTE 24

As per our Report of date attached

For **KHARE & CO.,**
Chartered Accountants

Y. P. SHUKLA
Proprietor

Place : Mumbai
Dated : 29th May, 2012

On behalf of the Board,

SHYAM M. JATIA
Chairman & Managing Director

R. C. SARAF
Director

Place : Mumbai
Dated : 29th May, 2012

PUDUMJEE INDUSTRIES LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012**

NOTE '1' - SHARE CAPITAL	AS AT 31.03.2012	AS AT 31.03.2011
	(₹. in lacs)	(₹. in lacs)
AUTHORISED		
12,50,00,000 Equity Shares of ₹ 2/- each	2,500.00	2,500.00
	2,500.00	2,500.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,80,00,000 Equity Shares of ₹ 2/- each	360.00	360.00

1.1 The reconciliation of the number of Equity shares outstanding :

Particulars	AS AT 31.03.2012	AS AT 31.03.2011
	No. of Shares	No. of Shares
Equity Shares at the beginning and end of the year	18,000,000	18,000,000

1.2 The details of Shareholders holding more than 5% shares

Name of the Shareholder	AS AT 31.03.2012	AS AT 31.03.2011	No. of Shares	% held	No. of Shares	% held
Pudumjee Investment & Finance Co.Ltd.	3,945,790	3,945,790	3,945,790	21.92	3,945,790	21.92
Thacker & Co.Ltd.	2,509,837	2,509,837	2,509,837	13.94	2,509,837	13.94
Shree Global Tradefin Ltd.	999,995	999,995	999,995	5.56	999,995	5.56
Mr.Shyam M Jatia	972,187	972,187	972,187	5.40	972,187	5.40
Pudumjee Pulp & Paper Mills Ltd.	956,725	366,724	366,724	5.32	366,724	2.04

NOTE '2' - RESERVES & SURPLUS	AS AT 31.03.2012	AS AT 31.03.2011
	(₹. in lacs)	(₹. in lacs)
GENERAL RESERVE		
As per last Balance Sheet	1,360.00	1,360.00
SHARE PREMIUM ACCOUNT		
As per last Balance sheet	1,197.48	1,197.48
CAPITAL RESERVE		
On Reissue of forfeited shares	0.44	0.44
CAPITAL SUBSIDY RESERVE		
As per last Balance Sheet	40.00	40.00
RESERVE FOR DOUBTFUL DEBTS		
(see Note 5)	0.71	0.10
SURPLUS IN PROFIT & LOSS ACCOUNT		
Balance in Profit & Loss Account	(291.76)	(74.62)
Add :		
Prior Period Income	5.12	-
Profit/(Loss) for the year	(264.58)	(217.14)
	(551.22)	(291.76)
	2,047.41	2,306.26

**NOTES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012 (Contd.)**

	AS AT 31.03.2012 (₹. in lacs)	AS AT 31.03.2011 (₹. in lacs)
NOTE '3' - LONG TERM BORROWINGS		
(A) Secured Borrowings		
FROM BANK		
TERM LOAN	310.39	535.39
(Secured by first charge on the Fixed Assets of the Company) (See Note (a) below)		
Total (A)	<u>310.39</u>	<u>535.39</u>
Notes (a) :	Excluding Rs. 180.00 lacs (Last year ₹ 135.00 lacs) shown under "Current maturities of Long Term Debt" under Note 8. Repayable in 20 equal quarterly installments beginning with 30.9.2010.	
(b) :	There has been no default in repayment of loan and payment of interest.	
(B) Unsecured Borrowings		
Deposits from Associates	3,827.14	3,064.90
Total (B)	<u>3,827.14</u>	<u>3,064.90</u>
Total (A) +(B)	<u><u>4,137.53</u></u>	<u><u>3,600.29</u></u>
NOTE '4' - OTHER LONG TERM LIABILITIES		
Sundry Creditors	53.32	55.10
	<u>53.32</u>	<u>55.10</u>
NOTE '5' - LONG TERM PROVISIONS		
Provision for Diminution in value of Long term Investments		
As per Last Balance Sheet	60.00	60.00
	<u>60.00</u>	<u>60.00</u>
Less : Deducted per contra from Investment	60.00	60.00
	<u>60.00</u>	<u>60.00</u>
	-	-
Provision for Doubtful Debts & Advances		
As per last Balance Sheet	88.32	159.99
Less : Written Back	30.00	71.67
	<u>118.32</u>	<u>88.32</u>
Less : Debts & Advances considered Doubtful per contra	117.61	88.22
	<u>0.71</u>	<u>0.10</u>
Less : Surplus provision shown under Reserves & Surplus	0.71	0.10
	<u>0.71</u>	<u>0.10</u>
Provision for Gratuity	120.02	104.16
	<u>120.02</u>	<u>104.16</u>

PUDUMJEE INDUSTRIES LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012 (Contd.)**

	AS AT 31.03.2012 (₹. in lacs)	AS AT 31.03.2011 (₹. in lacs)
NOTE '6' - SHORT TERM BORROWINGS		
A) Secured Borrowings from Bank		
Cash Credit repayable on demand (Secured by hypothecation of stock, stores and book debts and second charge on fixed assets of the company ranking pari passu among the consortium banks.)	1,341.44	460.97
B) Unsecured Borrowings		
Other Deposits	64.65	72.63
Total	<u>1,406.09</u>	<u>533.60</u>
Note (a) : There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.		
NOTE '7' - TRADE PAYABLE		
Acceptances	981.55	831.56
Sundry Creditors	<u>923.45</u>	<u>1,361.81</u>
	<u>1,905.00</u>	<u>2,193.37</u>
NOTE '8' - OTHER CURRENT LIABILITIES		
Current Maturities of :		
Long Term Secured Debts	180.00	135.00
Unclaimed dividend	0.79	0.79
Interest on Loans accrued but not due	0.74	0.03
	<u>181.53</u>	<u>135.82</u>
NOTE '9' - SHORT TERM PROVISIONS		
Provision for Leave Encashment	16.38	15.16
	<u>16.38</u>	<u>15.16</u>

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012 (Contd.)

NOTE '10' - TANGIBLE FIXED ASSETS (At Cost)

(₹. in lacs)

TYPE OF ASSETS	Cost upto 31.3.2011	Additions/ Transfers during the Period	Deductions/ Transfers during the Period	Balance Cost upto 31.03.2012	Depreciation upto 31.3.2011	Depreciation for the year	Depreciation on sold Assets and on deductions written back	Depreciation Balance as on 31.03.2012	Net Book Value as on 31.03.2012	Net Book value as on 31.3.2011
TANGIBLE ASSETS:										
OWN ASSETS:										
Land - Freehold	7.10	-	-	7.10	-	-	-	-	7.10	7.10
Building	256.97	-	-	256.97	161.45	7.83	-	169.28	87.69	95.52
Machinery	3,674.47	84.10	32.39	3,726.18	1,446.58	154.89	7.55	1,593.92	2,132.26	2,227.89
Furniture & Fixtures	161.26	2.26	0.05	163.47	98.47	11.35	0.05	109.77	53.70	62.79
Vehicles	27.17	-	6.00	21.17	11.37	4.07	5.65	9.79	11.38	15.80
Sub-Total	4,126.97	86.36	38.44	4,174.89	1,717.87	178.14	13.25	1,882.76	2,292.13	2,409.10
LEASED ASSETS:										
Machinery (Given on lease)	98.08	46.87	-	144.95	30.78	7.79	-	38.57	106.38	67.30
Total (A)	4,225.05	133.23	38.44	4,319.84	1,748.65	185.93	13.25	1,921.33	2,398.51	2,476.40
INTANGIBLE ASSETS:										
Trade Mark	9.74	1.12	-	10.86	0.97	1.09	-	2.06	8.80	8.77
Product Branding	179.75	-	-	179.75	17.98	17.97	-	35.95	143.80	161.77
Total (B)	189.49	1.12	-	190.61	18.95	19.06	-	38.01	152.60	170.54
Total (A) + (B)	4,414.54	134.35	38.44	4,510.45	1,767.60	204.99	13.25	1,959.34	2,551.11	2,646.94
Previous year	4,334.73	79.84	0.03	4,414.54	1,564.93	202.70	0.03	1,767.60	2,646.94	2,769.80

PUDUMJEE INDUSTRIES LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012 (Contd.)**

	AS AT 31.03.2012 (₹. in lacs)	AS AT 31.03.2011 (₹. in lacs)	
NOTE '11' - NON CURRENT INVESTMENTS			
LONG TERM INVESTMENTS (AT COST)			
TRADE INVESTMENTS :			
Investments In Associates;			
34,12,850	Equity shares of Pudumjee Pulp & Paper Mills Ltd. of ₹ 10/- each fully paid (quoted)	267.16	267.16
6,75,000	Equity shares of Pudumjee Plant Laboratories Ltd. of ₹ 10/- each. fully paid (unquoted)	60.00	60.00
Investment In Partnership firm:			
	Investment in Capital of Prime Developers	1.00	1.00
		328.16	328.16
Less :	Provision for Diminution in value of Long term Investments deducted per contra	60.00	60.00
		268.16	268.16
Aggregate amount of quoted investments			
	Cost	267.16	267.16
	Market Value	523.87	725.23
Aggregate amount of unquoted investments			
	Cost	61.00	61.00

**NOTES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012 (Contd.)**

	AS AT 31.03.2012		AS AT 31.03.2011
	(₹. in lacs)		(₹. in lacs)
NOTE '12' - LONG TERM LOANS & ADVANCES			
(Unsecured, considered good unless otherwise stated)			
Prepaid Expenses	10.45		13.99
Security Deposits	77.59		141.84
Loans & Advances to Associates	785.23		16.74
Advance Income Tax	27.56		6.10
(Less Provision for Tax)			
Advances recoverable in cash or in kind			
Considered Good	265.19	198.85	
Considered Doubtful	1.74	3.79	195.06
deducted per contra			
	<u>1,164.28</u>		<u>373.73</u>
NOTE '13' - INVENTORIES			
Raw material (At cost)	759.39		746.00
Raw material in Transit (At Cost)	34.53		28.33
Work-in-process (At cost)	173.89		123.80
Finished Paper	978.97		732.23
(At lower of cost or market value.)			
Finished Paper in Transit	95.96		14.12
(At lower of cost or market value.)			
Stores, Spare Parts Etc.(At Cost)	514.41		473.80
Loose Tools (At Cost)	0.80		0.27
Trade Goods (At Cost)	600.98		686.04
	<u>3,158.93</u>		<u>2,804.59</u>
NOTE '14' - TRADE RECEIVABLES (Unsecured)			
Debts outstanding for a			
period exceeding six months from due date			
Considered Good	148.66	161.40	
Considered Doubtful	115.87	84.43	
	<u>264.53</u>	245.83	
Other Debts			
Considered Good	2,374.35	2,125.40	
	<u>2,638.88</u>	2,371.23	
Less : Provision for Doubtful			
Debts deducted per contra	115.87	84.43	
	<u>2,523.01</u>		2,286.80
	<u>2,523.01</u>		<u>2,286.80</u>

PUDUMJEE INDUSTRIES LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012 (Contd.)**

	AS AT 31.03.2012	AS AT 31.03.2011
	(₹. in lacs)	(₹. in lacs)
NOTE '15' - CASH & BANK BALANCES		
Cash on hand as per books	2.17	1.01
On other accounts with Banks	53.33	33.65
Cheques on hand	24.47	0.46
Deposit with Bank for Margin Money (with maturity beyond 12 months)	5.09	4.69
On other Deposit Account with Bank	0.28	0.27
Unpaid Dividends with Banks	0.79	0.79
	<u>86.13</u>	<u>40.87</u>
NOTE '16' - SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	34.15	10.68
Prepaid Expenses	32.26	14.42
Security Deposit	69.92	-
Advance to/balance in current account with a firm in which the company is a partner	109.87	604.21
Advance Income Tax for Current year (Less Provision for Current year Tax)	24.62	45.16
Advances to employees of the Company	6.68	6.75
Advances recoverable in cash or in kind	262.66	256.39
	<u>540.16</u>	<u>937.61</u>

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

	YEAR ENDED 31.03.2012		YEAR ENDED 31.03.2011	
	(₹. in lacs)		(₹. in lacs)	
NOTE '17' - REVENUE FROM OPERATIONS				
PAPER	12,659.49		9,347.70	
Less : Excise Duty	<u>645.08</u>	12,014.41	<u>333.30</u>	9,014.40
TRADE SALE		4,957.75		8,984.59
MISCELLANEOUS SALES	26.13		24.53	
Less : Excise Duty	<u>0.09</u>	26.04	<u>0.05</u>	24.48
OTHER OPERATING REVENUE		<u>55.56</u>		48.60
NET REVENUE FROM OPERATIONS		<u><u>17,053.76</u></u>		<u><u>18,072.07</u></u>
NOTE '18' - OTHER INCOME				
DIVIDENDS				
Others		10.24		10.24
MISCELLANEOUS INCOME		22.80		108.63
INTEREST RECEIVED FROM OTHERS		112.98		277.53
PROFIT ON SALE/TRANSFER OF FIXED ASSETS (NET)		0.23		0.03
		<u><u>146.25</u></u>		<u><u>396.43</u></u>
NOTE '19' - COST OF MATERIAL CONSUMED				
CONSUMPTION OF RAW MATERIALS		7,181.53		5,572.62
CONSUMPTION OF STORES COLOURS, CHEMICALS etc.		<u>727.56</u>		<u>846.62</u>
		<u><u>7,909.09</u></u>		<u><u>6,419.24</u></u>
NOTE '20' - CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROCESS AND STOCK-IN-TRADE				
STOCK AT COMMENCEMENT				
Finished Paper	746.35		514.65	
Trade Goods (At Cost)	686.04		584.46	
Work-in-Process				
- Pulp	18.02		17.23	
- Paper	<u>105.78</u>	1,556.19	<u>16.66</u>	1,133.00
STOCK AT CLOSE				
Finished Paper	1,074.93		746.35	
Trade Goods (At Cost)	600.98		686.04	
Work-in-Process				
- Pulp	1.68		18.02	
- Paper	<u>172.21</u>	1,849.80	<u>105.78</u>	1,556.19
		<u><u>(293.61)</u></u>		<u><u>(423.19)</u></u>

PUDUMJEE INDUSTRIES LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)**

	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
	(₹. in lacs)	(₹. in lacs)
NOTE '21' - EMPLOYEES' COST		
SALARIES, WAGES, BONUS etc.		
Salaries, Wages, gratuity & Bonus	688.81	604.93
Contribution to Provident & Other		
Funds (Including Administrative Charges)	38.82	35.37
Employees State Insurance	1.40	1.98
Workmen & Staff Welfare Expenses	27.63	15.30
	<u>756.66</u>	<u>657.58</u>
NOTE '22' - INTEREST & FINANCIAL COST		
INTEREST ON BORROWINGS	408.23	436.03
OTHER FINANCIAL CHARGES	47.34	30.93
	455.57	466.96
LESS : INTEREST RECEIVED ON TRADE DEBTS	42.77	45.80
	<u>412.80</u>	<u>421.16</u>
NOTE '23' - OTHER EXPENSES		
PROCESSING CHARGES	244.76	-
FUEL, POWER & WATER	2450.46	1862.37
RENT	63.07	53.98
RATES & TAXES	11.17	11.61
REPAIRS & MAINTENANCE		
Machinery	363.23	361.57
Buildings	10.05	5.35
Others	1.99	3.78
INSURANCE	7.25	6.95
PACKING,CARTAGE,CUTTING,BALING,FREIGHT ETC.	372.45	398.58
DEVELOPMENT & RESEARCH EXPENSES	6.35	5.20
COMMISSION ON SALES	49.68	92.87
BAD DEBTS & ADVANCES WRITTEN OFF	0.07	81.93
PROVISION FOR DOUBTFUL DEBTS	30.00	-
DIRECTORS' FEES	0.32	0.30
EXCISE DUTY ON STOCK	21.86	34.47
OFFICE & MISCELLANEOUS EXPENSES	350.02	321.42
	<u>3,982.73</u>	<u>3,240.38</u>

**NOTES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT AND THE CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

NOTE '24'

- 1 Following significant accounting policies have been adopted in preparation and presentation of the financial statements :
- a) Investments are classified into current and long term investments. Current Investments are stated at lower of cost and fair value. Long Term Investments are stated at cost, less provision for permanent diminution in value, if any.
 - b) Finished goods are valued at lower of cost or market value. All other inventories are valued at cost based on First In, First Out method.
 - c) Fixed Assets are valued at cost.
 - d) Borrowing costs comprising interest etc. relating to project are capitalised up to the date of its completion and other borrowing costs are charged to profit and loss account in the year of their accrual.
 - e) Depreciation on Machinery & Building has been provided on Straight Line Method and that on the other Assets on written Down Value method in accordance with Schedule XIV of the Companies Act, 1956 as in force as on the date of Balance Sheet. Depreciation/Amortisation is charged @10% on Trade Mark and Product Branding.
 - f) (i) Contributions to defined contribution schemes, namely, Provident Fund and Superannuation Fund is made at a pre-determined rates and are charged to the Profit & Loss Account.
(ii) Contributions to the defined benefit scheme, namely, Gratuity Fund & provision for the remaining Gratuity and for Leave encashment are made on the basis of actuarial valuations made in accordance with the revised Accounting Standard (AS) 15 at the end of each Financial Year and are charged to the Profit & Loss Account of the year.
(iii) Actuarial gains & losses are recognized immediately in the Profit & Loss Account.
 - g) Revenue recognition is postponed to a later year only when it is not possible to estimate it with reasonable accuracy.
 - h) Foreign currency transactions are recorded at the then prevailing rate. Closing balances of assets and liabilities relating to foreign currency transactions are converted into Rupees at the rates prevailing on the date of the Balance Sheet. The difference for transactions are dealt with in the Profit and Loss Account of the year.
 - i) Factors giving rise to any indication of any impairment of the carrying amount of the assets are appraised at each balance sheet date to determine and provide /revert an impairment loss following accounting standard AS-28 for impairment of assets.

	AS AT 31.03.2012	AS AT 31.03.2011
2 Basic & Diluted EPS:		
a) Net profit/(Loss) after tax as per Profit & Loss Account After current and deferred Tax	₹ (264.58) Lacs	₹ (217.14) Lacs
b) Number of Equity Shares outstanding during the year	180 Lacs	180 Lacs
c) Basic & Diluted EPS: After current and deferred Tax (a / b)	₹ (1.47)	₹ (1.21)

PUDUMJEE INDUSTRIES LIMITED

NOTE '24' (Contd.)

3 a) Break up of Deferred Tax Liabilities / (deferred Tax Assets) into major components is as under:

	AS AT	AS AT
	31.03.2012	31.03.2011
	(₹ in lacs)	(₹ in lacs)
In respect of Depreciation	308	287
In respect of allowances and disallowances under various provisions of Income Tax Act.	(85)	(83)
Business Loss	(150)	(130)
Net Deferred Tax Liability	<u>73</u>	<u>74</u>

- b) The Deferred Tax Asset in respect of carry forward of losses has been worked out on the basis of assessment orders, returns of income filed for subsequent assessment years and estimate of the taxable income for the year ending 31st March, 2012
- c) No Deferred Tax Asset has been recognised in respect of losses of subsidiary company in view of prevailing circumstances.

4 Related Party Disclosures (Accounting Standard 18)

a) **Associate Companies / Firm**

- Pudumjee Pulp & Paper Mills Ltd.
- Pudumjee Plant Laboratories Ltd.
- Pudumjee Investments and Finance Co.Ltd.
- Prime Developers
- Pudumjee - G. Crop. Developers

b) **Key Management Personnel**

- Mr. S. M. Jatia
- Managing Director

NOTE '24' (Contd.)

c) Transactions with related Parties	2011-2012		(₹ in lacs)
	(2010-2011)	Associate Companies/Firms	Maximum during the year
			Key Management personnel
a) i) Interest bearing Inter Corporate Deposits etc.obtained during the year	5,175.00 (2,235.85)		
ii) Interest bearing Inter Corporate Deposits etc.given during the year	751.55 (924.69)		
b) i) Interest paid during the year	218.43 (285.18)		
ii) Interest charged during the year	102.77 (240.60)		
c) Inter corporate deposits etc.receivable/payable including interest. Pudumjee Pulp & Paper Mills Ltd.(payable)	3,686.59 (2,995.06)		
d) Inter corporate deposits Given outstanding including interest Prime Developers	— (494.87)	494.87 (1,645.78)	
Pudumjee Plant Laboratories Ltd.	785.23 (16.75)	785.23 (700.00)	
e) Sales made during the year	480.19 (886.11)		
f) Purchases/Processing charges of goods made during the year	1,645.79 (913.58)		
g) Reimbursement of common services and purchase of utilities during the year.	88.76 (317.94)		
h) Remuneration paid	— (—)		12.98 (11.88)
i) Outstanding as Creditor Pudumjee Pulp and Paper Mills Ltd.	89.08 (90.77)		
j) Amount Receivable- Prime Developers (Partners correct A/c.)	109.87 (109.34)	109.87 (109.34)	
k) Guarantee given to bank	— (—)		
l) Share of Profit from Firm	0.54 (1.49)		

(Figures in brackets relate to previous year)

PUDUMJEE INDUSTRIES LIMITED

NOTE '24' - (Contd.)

5. Segment Reporting (Accounting Standard 17)	31.03.2012		(₹ in Lacs)
Information about business segments.	(31.03.2011)	Paper	Hygiene & Other Products Total
SEGMENT REVENUE			
From External Customers	12,508.19	4,490.01	16,998.20
	(10,942.23)	(8,521.44)	(19,463.67)
From Inter Segments	—	—	—
	(—)	(—)	(—)
Total Revenue	12,508.19	4,490.01	16,998.20
	(10,942.23)	(8,521.44)	(19,463.67)
SEGMENT RESULTS	135.34	-142.81	- 7.47
	(-242.32)	(30.75)	(-211.57)
Unallocated corporated expenses			15.91
			(12.18)
Operating Profit/(Loss)			-23.38
			(-223.75)
Interest Expenses			408.23
			(433.95)
Interest Income & Dividend Income			165.99
			(333.57)
Income from Partnership firm (engaged in Real Estate Activity)			0.54
			(1.49)
Expenditure in respect of Investments			—
			(—)
Income Taxes including Deferred Tax			0.50
			(-105.50)
Profit/(Loss) from ordinary activities			- 264.58
			(-217.14)
Extra ordinary Income/(Expenditure)			—
			(—)
Net Profit/(Loss) as per Profit & Loss Account			- 264.58
			(-217.14)
OTHER INFORMATION			
Total carrying amount of Segment Assets	7,431.09	1,765.39	9,196.48
	(6,660.64)	(1,952.15)	(8,612.79)
Add: Unallocated Corporate Assets			1,103.80
			(820.79)
Total Assets as per Balance Sheet			10,300.28
			(9,433.58)
Total carrying amount of Segment Liabilities	1,735.20	360.26	2,095.46
	(1,380.05)	(1,044.32)	(2,424.37)
Add: Unallocated Corporate Liabilities			8,204.82
			(7,009.21)
Total Liabilities as per Balance Sheet			10,300.28
			(9,433.58)

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NOTE '24' - (Contd.)

5. Segment Reporting (Accounting Standard 17) Information about business segments.	31.03.2012 (31.03.2011)		(₹ in Lacs) Total
	Paper	Hygiene & Other Products	
Capital expenditure incurred during the year	64.46 (41.83)	59.33 (44.41)	123.79 (86.24)
Depreciation for the year	166.57 (166.31)	38.42 (36.39)	204.99 (202.70)
Other Non cash Expenditure	— (—)	— (—)	— (—)
Sales Revenue by geographical Segments			
INDIA	11,518.33 (10,228.85)	4,490.01 (8,521.44)	16,008.34 (18,750.29)
OUTSIDE INDIA	989.86 (713.38)	— (—)	989.86 (713.38)
	12,508.19 (10,942.23)	4,490.01 (8,521.44)	16,998.20 (19,463.67)

- (i) The Paper segment relates to manufacture & marketing of Pulp & Paper, Hygiene segment relates to Marketing and distribution of Hygiene & other Products.
- (ii) Figures in bracket relate to previous year.

PUDUMJEE INDUSTRIES LIMITED

NOTE '24' - (Contd.)

6. Following are the disclosures required under revised Accounting Standards (AS) 19 in respect of Operating Lease :-

- a 1. The Company had entered into lease agreements for commercial as well as for residential premises on usual terms and conditions for period ranging from 11 months to 10 years by placing refundable deposits. One of the lease agreements provide for non cancellable lease upto 30th September, 2012 though the tenure, without renewal, expires on 30th September, 2015, In respect of this agreement the future minimum lease payment is as under :

Particulars	Warehouse & Administrative	
	31/03/2012	31/03/2011
i) not later than one year	₹44.94 lacs	₹42.89 lacs
ii) later than one year and not later than five years	₹116.84 lacs	₹161.75 lacs
iii) later than five years	NIL	NIL

2. All such lease payments are recognized in Profit & Loss Account as rent paid.

- b 1. The Company has entered into lease agreement in terms of which it has given plant and machinery on lease on the usual terms and conditions and such payments received have been recognized in the Profit & Loss Account ₹ 8.24 lacs (Last year ₹ 7.63 lacs) and included in lease rent under Other Income

7 Office & Miscellaneous expenses includes remuneration of all satutory auditors.

	<u>2011-2012</u>	<u>2010-2011</u>
	(₹In lacs)	(₹In lacs)
Audit fees	1.88	1.88
Taxation matters	0.70	0.70
Management & Other Services	1.93	1.93
	<u>4.51</u>	<u>4.51</u>

NOTE '24' - (Contd.)

8 Land admeasuring about 1,400sq.Meters has been acquired by Municipal Corporation for Road Widening purpose in the earlier years. The Parent Company is entitled to TDR with an outside chance of cash compensation ,which is yet to be determined and as such this will be included when finally decided since the relevent documentation is yet to be finalised and executed.

9 The details of the firm 'Prime Developers' in which the parent Company has invested are as under:

Name of the Partners	Capital	Sharing Ratio	
	(₹ in lacs)	Profit	Loss
Prime Textiles Ltd.	1.00	50.00%	66.66%
Pudumjee Industries Ltd.	1.00	12.50%	16.67%
Aristo Realty Developers Ltd.	—	25.00%	—
Suma Commercial Pvt.Ltd.	—	12.50%	16.67%
Share of Profit during the year		₹ 0.54 Lacs	Nil
		(last year ₹ 1.49 Lac)	

10 The investment in Pudumjee Pulp & Paper Mills Ltd. is accounted for in accordance with AS-13 and not under equity method under AS 23 in view of extent and nature of holding.

PUDUMJEE INDUSTRIES LIMITED

NOTE '24' - (Contd.)

11 a Details of Subsidiary / Associate Companies:

Name of the Company	Country of Incorporation	Proportion of Ownership interest	Minority Interest	Financial Accounting Year ended
I) Subsidiary Companies				
a) Pudumjee Hygiene Products Ltd.	India	100 %	Nil	31.03.2012
b) Pudumjee Holding Ltd.	India	100 %	Nil	31.03.2012
II) Associate Companies / Firms				
a) Pudumjee Pulp & Paper Mills Ltd.	India	8.32 %	N.A.	31.03.2012
b) Pudumjee Plant Laboratories Ltd.	India	27.11 %	N.A.	31.03.2012
c) Pudumjee Investments and Finance Co.Ltd.	India	Nil	N.A.	31.03.2012
d) Prime Developers (Firm)	India	50 %	N.A.	31.03.2012
e) Pudumjee - G.Corp.Developers.	India	Nil	N.A.	31.03.2012

b During the year Pudumjee Hygiene Products Ltd. subsidiary of the parent company Pudumjee Industries Ltd, has incurred a loss of ₹ 239.59 lacs for the year ending 31st March 2012, which has been appropriately dealt with in these consolidated financial statements.

c Financial information of Pudumjee Hygiene Products Ltd.subsidiary of the parent company

	Pudumjee Hygiene Products Ltd.		Pudumjee Holding Ltd.	
	31.3.2012 (₹ in lacs)	31.3.2011 (₹ in lacs)	31.3.2012 (₹ in lacs)	31.3.2011 (₹ in lacs)
i) Share Capital	1,500.00	1,500.00	5.00	—
ii) Reserves	(1,603.80)	(1,361.78)	(2.61)	—
iii) Total Assets	1,769.16	1,890.81	5.00	—
iv) Total Liabilities	1,769.16	1,890.81	5.00	—
v) Investments	—	—	—	—
vi) Turnover	4,490.01	8,129.43	—	—
vii) Profit/(Loss) Before Taxation	(239.59)	(60.83)	(2.61)	—
viii) Provision for Taxation	—	—	—	—
ix) Profit/(Loss) After Taxation	(239.59)	(60.83)	(2.61)	—
x) Proposed Dividend	—	—	—	—

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NOTE '24' - (Contd.)

12 (a) Contingent Liabilities not provided for in respect of :

	AS AT	AS AT
	31.03.2012	31.03.2011
	(₹ In lacs)	(₹ In lacs)
(i) Bank Gurantees and Letter of credit in favour of suppliers of raw materials,Spares etc.*	160.01	270.73
(ii) Claims against the Companies not acknowledged as debts for excise duty, property tax,and commercial claims etc.**	518.18	477.09
* Will not affect the future profitability.		
** May affect the future profitability to the extent indicated if such liabilities crystallize.		
(b) Cmmittments not provided for in respect of: Estimate of contracts remaining to be executed on Capital A/cs.	108.21	29.96

13 The following are the disclosures required under revised Accounting Standards (AS) 15 in respect of Employee Benefits :

- An amount of ₹ 31.77 lacs (last year ₹ 28.68 lacs) has been recognized as an expenses for defined contribution plans by way of Company's contribution to Provident Funds & Super annuation Fund.
- The defined benefits plans comprise of Gratuity Plan and Leave Encashment Plan.The Gratuity Plan is partly funded with Life Insurance Corporation of India under its Cash Accumulation Plan.
- Expenses recognized during the year and reconciliation of the Assets & Liabilities recognized in Balance Sheet as at 31.03.2012 :

	2011-2012		2010-2011	
	Gratuity (Partly funded) (₹ in lacs)	Leave Encashment (Unfunded) (₹ in lacs)	Gratuity (Partly funded) (₹ in lacs)	Leave Encashment (Unfunded) (₹ in lacs)
i) The present value of defined benefit obligations at the commencement of the Year	212.74	15.16	221.19	14.91
ii) Current Service cost	18.05	0.92	11.38	1.72
iii) Interest cost	17.58	1.25	18.25	1.23
iv) Actuarial (Gain)/Loss	2.61	4.56	(21.90)	(0.88)
v) Benefits Paid	(19.59)	(5.52)	(16.18)	(1.82)
vi) Past Service Cost	—	—	—	—
vii) The present value of defined benefit obligations at the close of the Year	231.39	16.37	212.74	15.16
viii) The fair value of plan assets at the close of the year	111.36	—	108.60	—
ix) The Past service cost not yet recognized	—	—	—	—
x) Expected Return of Plan Assets	(9.45)	—	(9.02)	—
ix) Written back in Profit & Loss Account	0.95	—	13.72	—

Expenses aggregating ₹ 38.29 lacs (last year ₹ 12.68 lacs) under items (ii),(iii),(iv),(vi) and (x) above have been debited to the Profit & Loss Account under the Head "Salaries,Wages,Bonus etc."

PUDUMJEE INDUSTRIES LIMITED

NOTE '24' - (Contd.)

d) Actuarial assumptions

	2011-2012		2010-2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
i) Rate of interest (per annum) Parent Co.	8.50%	8.50%	8.25%	8.25%
Subsidiary Co-	8.75%	—	—	—
ii) Salary growth (per annum) Parent Co-	6.00%	6.00%	5.50%	5.50%
Subsidiary Co-	6.00%	—	6.00%	—
iii) Withdrawal rate (per annum)	1.00%	1.00%	1.00%	1.00%
iv) Expected return on Plan Assets	9.15%	—	9.00%	—
v) Mortality rates [LIC(1994.96) ultimate]	—	—	—	—

14 The items and figures for the previous year have been recast & regrouped wherever necessary to conform to this year's presentation.

As per our report of date attached

On behalf of the Board,

For KHARE & CO.
Chartered Accountants

SHYAM M. JATIA
Chairman & Managing Director

Y. P. SHUKLA
Proprietor
F.R.No. 105100W

J. W. PATIL
Assistant Company Secretary

R. C. SARAF
Director

Mumbai, Dated : 29th May, 2012

Mumbai, Dated : 29th May, 2012

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Pursuant to clause 32 of the listing agreements with Stock Exchanges)

	<u>2011-2012</u>	<u>2010-2011</u>
	(<u>₹ in Lacs</u>)	(<u>₹ in Lacs</u>)
A Cash Flow from Operating Activities		
Net Profit / (Loss) before Taxation & Extraordinary items	(265.08)	(322.64)
Adjustments For :		
Depreciation	204.99	202.70
Interest and Financial Charges	412.80	421.16
Provision for Doubtful Debts	30.00	—
Profit on sale of fixed Assets	(0.23)	(0.03)
Provision for Doubtful Debts Written Back	(3.58)	(71.67)
Other Income	<u>(123.76)</u>	<u>(295.68)</u>
	<u>520.22</u>	<u>256.48</u>
	255.14	(66.16)
Operating Profit before Working Capital Changes		
(Increase)/Decrease in Inventory	(354.34)	(79.56)
(Increase)/Decrease in Debtors	(307.07)	140.77
(Increase)/Decrease in Advances	(308.36)	1,210.73
Increase /(Decrease) in Liabilities	<u>(354.84)</u>	<u>1,076.63</u>
	<u>(1,324.61)</u>	<u>2,348.57</u>
Cash(Used in) Generated from operations	<u>(1,069.47)</u>	<u>2,282.41</u>
Income Tax (paid) / Refund Received (Net)	<u>19.95</u>	<u>29.67</u>
	19.95	29.67
Cash flow before Extraordinary items	<u>(1,049.52)</u>	<u>2,312.08</u>
(Expenses) /Income of earlier years	5.12	—
Net Cash(used in)/from Operating Activities	<u>(1,044.40)</u>	<u>2,312.08</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase Of Fixed Assets	(123.79)	(86.24)
Sale Proceeds Of Fixed Assets	25.42	0.03
Interest Received	135.09	287.61
Dividend Received	10.24	10.24
Share of Partnership Firm	0.54	1.49
Net Cash(used in)/from Investing Activities	<u>47.50</u>	<u>213.13</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	7,068.38	3,624.13
Repayment of borrowings	(5,570.65)	(5,749.38)
Dividend Paid	—	(36.00)
Payment of Interest	<u>(455.57)</u>	<u>(466.96)</u>
Net Cash(used in)/from Financing Activities	<u>1,042.16</u>	<u>(2,628.21)</u>
Net change in cash & Cash Equivalents (A+B+C)	45.26	(103.00)
Cash & Cash Equivalents (Opening Balance)	40.87	143.87
Cash & Cash Equivalents (Closing Balance)	<u>86.13</u>	<u>40.87</u>

Note: Figures in brackets represent Cash Outflows.

Compiled from the Audited Accounts of the Company referred to in our Report of date attached

For **KHARE & CO.**
Chartered Accountants

Y. P. SHUKLA
Proprietor

Mumbai, Dated : 29th May, 2012

J.W. PATIL
Assistant Company Secretary

On behalf of the Board,
SHYAM M. JATIA
Chairman & Managing Director

R. C. SARAF
Director

Mumbai, Dated : 29th May, 2012

PROXY FORM

PUDUMJEE INDUSTRIES LIMITED

Registered Office :
Thergaon, Pune 411 033.

I/We of in the
district of being a member/members of the above named
Company hereby appoint of in the
district of or failing him of
in the district of as my/our proxy to vote for me/us on my/our behalf at the
Annual General Meeting of the Company to be held on the 27th day of August 2012 and at any adjournment thereof.

Signed at this day of 2012.

Revenue
Stamp

Signature

This form must be deposited at the Company's Registered Office not less than 48 hours before the holding of the Meeting.
Please affix Revenue Stamp of 15 paise.

PUDUMJEE INDUSTRIES LIMITED

Registered Office :
Thergaon, Pune 411 033.

ATTENDANCE SLIP

Please complete and sign this attendance slip and hand over at the entrance of the meeting hall.

I hereby record my presence at the Forty Seventh Annual General Meeting of the Company at its Registered
Office at Thergaon, Pune 411 033 at 9.00 a.m. on Monday, the 27th day of August, 2012.

Name of Shareholder

Folio No./Depository A/c No.

Name of Proxy (If any)

No. of Shares held

Signature of Member / Proxy

BOOK-POST

If undelivered, please return to :

Pudumjee Industries Ltd.,
(Formerly known as Pudumjee Agro Industrial Ltd.)
Thergaon, Pune – 411 033.