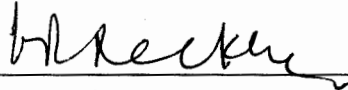
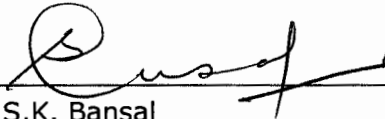


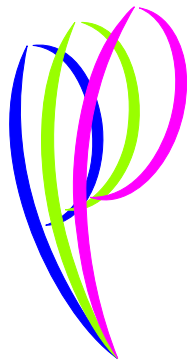


**FORM A**

1.	Name of the company	Pudumjee Pulp and Paper Mills Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- CEO/Managing Director CFO Auditor of the company Audit Committee Chairman	<p> Mr. V.P. Leekha (Managing Director)</p> <p> Mr. S.K. Bansal (Whole-time Director &amp; CFO)</p> <p> Mr. B. C. Dalal (Audit Committee Chairman)</p> <p><b>Auditor of the Company</b> <b>FOR KHARE &amp; CO.</b> Chartered Accountants, (Mr. Y. P. Shukla) Partner Proprietor Membership No. 16203 Khare &amp; Company Chartered Accountants</p> <p></p>

**PUDUMJEE  
PULP & PAPER MILLS  
LIMITED**



**PUDUMJEE**

**Annual Report  
2014 - 2015**



## **PUDUMJEE PULP & PAPER MILLS LIMITED**

### **DIRECTORS :**

A.K. JATIA (Executive Chairman w.e.f. 01.06.2014)  
V.O. SOMANI (Expired on 19.06.2015)  
V.P. LEEKHA  
S.K. BANSAL  
B.C. DALAL  
V.K. BESWAL  
GAUTAM KHAITAN  
NANDAN DAMANI  
MS. PREETI MEHTA (w.e.f. 1.11.2014)  
DR. ASHOK KUMAR (w.e.f. 2.03.2015)

### **BANKERS :**

STATE BANK OF INDIA  
IDBI BANK LIMITED  
BANK OF INDIA  
ING VYSYA BANK LTD.  
(NOW, KOTAK MAHINDRA BANK LTD.)

### **SOLICITORS :**

KANGA & COMPANY

### **AUDITORS :**

KHARE & COMPANY

### **REGISTERED OFFICE :**

THERGAON, PUNE 411 033.

### **REGISTRAR & TRANSFER AGENTS :**

KARVY COMPUTERSHARE PVT. LTD.,  
**UNIT : PUDUMJEE PULP & PAPER MILLS LTD.,**  
KARVY SELENIUM TOWER B, PLOT NO 31 & 32  
GACHIBOWLI, FINANCIAL DISTRICT, NANAKRAMGUDA,  
SERILINGAMPALLY, **HYDERABAD – 500 032.**

### **DEMAT STOCK CODE :**

INE606A01024

### **EQUITY SHARES ARE LISTED AT :**

BSE LTD. & NATIONAL STOCK EXCHANGE OF INDIA LTD.

## PUDUMJEE PULP & PAPER MILLS LIMITED

### NOTICE

The Fiftieth Annual General Meeting of the Shareholders of Pudumjee Pulp & Paper Mills Limited will be held at the Registered Office of the Company at Thergaon, Pune 411 033 on Saturday, the 19<sup>th</sup> day of September, 2015 at 12.00 noon (ST) to transact the following business :

- 1) To receive, consider and adopt the Audited standalone and consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2015 comprising the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Ved Prakash Leekha (DIN: 00048568), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To declare a dividend on equity shares of the Company for the year 2014-2015.
- 4) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the appointment of Messrs Khare & Co., Chartered Accountants (FRN 105100W), the Auditors of the Company from the conclusion of this meeting till the conclusion of 51<sup>st</sup> Annual General Meeting of the Company be and is hereby ratified on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee”.

#### SPECIAL BUSINESS

- 5) To appoint a Director in place of Ms. Preeti Mehta who was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> November, 2014 pursuant to Section 161 of Companies Act, 2013 and Article 126 of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provisions of Section 161 of the Companies Act, 2013 and being eligible offers herself for reappointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit, to pass the following Resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Ms. Preeti Mehta (DIN: 00727923), who submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) year with effect from 19<sup>th</sup> September, 2015 to 18<sup>th</sup> September, 2020”.

- 6) To appoint a Director in place of Dr. Ashok Kumar, who was appointed as an Additional Director of the Company with effect from 2<sup>nd</sup> March, 2015 pursuant to Section 161 of the Companies Act, 2013 and Article 126 of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provision of Section 161 of the Companies Act, 2013 and being eligible offer himself for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit to pass the following Resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or

re-enactment thereof for the time being in force), Dr. Ashok Kumar (DIN : 07111155) be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

- 7) 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 provisions of Section 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (the Act) and subject to such other approvals as may be necessary, Dr. Ashok Kumar (DIN: 07111155) be and is hereby appointed as an Executive Director of the Company for a period of Five (5) years with effect from 2<sup>nd</sup> March, 2015, AND THAT consent of the Company be and is hereby accorded to the following remuneration, payments, benefits and amenities for an initial period of 3 years and the terms of the appointment of Dr. Ashok Kumar, with a power to the Board of Directors to alter or vary from time to time at the discretion of Board of Directors, so however that they do not exceed the permissible limits laid down under Schedule V of the Act or any statutory modification(s) or re-enactment thereof for the time being in force, namely :

- a. He shall, subject to the supervision and control of the Board of Directors, perform such services and duties and exercise such powers as may from time to time be entrusted to him by the Board of Directors, Executives Chairman and Managing Director.
  - b. Remuneration at the rate of ₹ 5,20,000/- per month including Dearness Allowance.
  - c. Rent free furnished residential accommodation, the 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 at the rate of ₹ 1,65,000/- per month.
  - d. Expenses of electricity, gas and water, furnishing, of the residential accommodation.
  - e. Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges, and travelling expenses incurred for himself, his wife and dependent children.
  - f. Leave Travel Assistance to cover air and first class air conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
  - g. Membership fees including entrance and other fees for any two clubs.
  - h. Personal accident insurance premium.
  - i. Participation in the Provident Fund and Pension/Superannuation Scheme.
  - j. Gratuity as per the Company's rules applicable to its Executive staff members.
  - k.
    - i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave at the end of the tenure.
    - ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.
  - l. Maintenance of telephone at his place of residence and Mobile Phones at the entire cost of the Company.
  - m. 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”.

- 8) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

## PUDUMJEE PULP & PAPER MILLS LIMITED

“RESOLVED THAT in partial modification of special resolution passed at 49<sup>th</sup> Annual General Meeting held on 13<sup>th</sup> September, 2014 and pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the payment of following revised remuneration to Mr. Arunkumar Mahabirprasad Jatia (DIN : 01104256), Whole-time Director, designated as Executive Chairman with effect from 1<sup>st</sup> July, 2015 for the remaining period of his tenure upto 31<sup>st</sup> May, 2019 :

- (a) Remuneration at the rate of ₹ 6,50,000/- per month including Dearness Allowance.
- (b) Rent free furnished residential accommodation, the 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 at the rate of ₹12,00,000/- per month.
- (c) Expenses on electricity, gas, water and furnishing of the residential accommodation.
- (d) Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges in India or abroad and travelling expenses incurred for himself, his wife and dependent children.
- (e) Leave Travel Assistance to cover air or first class air-conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India and abroad.
- (f) Membership fees including entrance and other fees for any two clubs.
- (g) Personal accident insurance premium.
- (h) Benefits and Amenities :
  - a) Company's contribution to Provident Fund and Pension / Superannuation Fund as per Company's Rules;
  - b) Gratuity as per the Company's rules applicable to its Executive Staff Members.
- (i) (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.
- (j) Maintenance of telephones at his place of residence and mobile phones at the entire cost of the Company.
- (k) 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.

Minimum Remuneration : In the absence or inadequacy of profits in any financial year, the remuneration as stated in (a) above together with perquisites, benefits and amenities shall nevertheless be paid as minimum remuneration notwithstanding the fact that such remuneration is or may be in excess of the limits prescribed under the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorised to do all such acts, matters, deeds and things and to take such step as expedient or desirable to give effect to this Resolution.”

- 9) To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution :

## ANNUAL REPORT 2014–2015

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and the provisions of Clause 49(VII) of the Listing Agreement, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to the undernoted subsisting contracts already entered into and further authorized to deal in related party transaction(s) as under :

Sr. No.	Name of the Related Party	Nature of Transaction	Aggregate Amount of transaction in a year	Duration of Agreement
1	Pudumjee Hygeine Products Limited	Leave and License Agreement to provide office premises.	₹ 58000/- per Month.	2 Years w.e.f. 1 <sup>st</sup> October, 2014
2		Agreement for Purchase of tissue papers, Napkins, Towels, etc. at Market based rates	About ₹ 10 lacs for each financial year	Continuous arrangement.
3	Thacker & Company Limited	Leave and License Agreement to provide office premises	₹ 15000/- per Month.	5 Years w.e.f. 18 <sup>th</sup> December, 2013

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, deem necessary, and to execute all necessary documents”.

10) To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution:

“RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company, pursuant to Sections 73(2) and 76 of the Companies Act, 2013 (‘the Act’ which term includes any amendment or modification or re-enactment thereof) and other applicable provisions of the said Act or other laws, and subject to the conditions laid down in those provisions and the Companies (Acceptance of Deposits) Rules, 2014, to invite and accept deposits from the members of the Company and from the public in general, on such terms and conditions as the Board may decide, so however that the borrowing by way of fixed deposits, as above, shall not exceed the limits laid down under the Companies (Acceptance of Deposits) Rules, 2014 in force and as amended from time to time”.

11) To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby approves the remuneration of ₹1,35,000/- to Messrs Y.R. Doshi & Co., Cost Accountants in Practice (FRN 000003), who have been appointed by the Board of Directors of the Company as the Cost Auditors of the Company, to conduct the audit of the Cost Records of the Company relating to “PAPER” for the Financial Year ending 31<sup>st</sup> March, 2016.”

12. To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution:

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and subject to such approvals, sanctions as may be necessary, and in partial modification of the Special Resolution passed by the Shareholders at their Annual General Meeting held on 13<sup>th</sup> September, 2014, consent of the Company be and is hereby accorded to following revised remuneration payable to Mr. Ved Prakash Leekha (DIN : 00048568), the Managing Director of the Company, with effect from 01<sup>st</sup> April, 2015 till 31<sup>st</sup> March, 2017, the other provisions of the said Special Resolution remaining unaltered :



## PUDUMJEE PULP & PAPER MILLS LIMITED

- (a) Remuneration at the rate of ₹ 6,45,000/- per month including Dearness Allowance;
- (b) Rent free furnished residential accommodation, the 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 at the rate of ₹ 2,30,000/- per month.

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

13. To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution :

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and subject to such approvals, sanctions as may be necessary, and in partial modification of the Special Resolution passed by the Shareholders at their Annual General Meeting held on 13<sup>th</sup> September, 2014, consent of the Company be and is hereby accorded to following revised remuneration payable to Mr. S. K. Bansal (DIN: 00031115), the Whole-time Director of the Company, with effect from 01<sup>st</sup> April, 2015 till 31<sup>st</sup> March, 2017, the other provisions of the said Special Resolution remaining unaltered :

- (a) Remuneration at the rate of ₹ 5,20,000/- per month including Dearness Allowance;
- (b) Rent free furnished residential accommodation, the 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 at the rate of ₹ 1,65,000/- per month.

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

### Notes:

- 1) The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the above Items Nos. 5 to 13 is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
- 3) The Register of Members and Transfer Books of the Company will be closed from Tuesday, 8<sup>th</sup> September, 2015 to Saturday, 19<sup>th</sup> September, 2015 (both days inclusive).
- 4) The Dividend, when sanctioned, will be paid on and from 25<sup>th</sup> September, 2015 to those shareholders whose names stand on the Company's Register of members as holders of the shares on 19<sup>th</sup> September, 2015. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of the shares as at the close of business hours on 7<sup>th</sup> September, 2015 as per the details furnished by the Depositories for this purpose. The payment of Dividend will be subject to the provisions of Section 126 of the Companies Act, 2013.
- 5) Under the Companies Act, 1956 and 2013, dividends that are unclaimed for a period of seven years are required to be transferred to The Investor Education and Protection Fund (IEPF) administrated by

the Central Government. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 13<sup>th</sup> September, 2014 (date of last Annual General Meeting) on the website of the Company ([www.pudumjee.com](http://www.pudumjee.com)), as also on the website of the Ministry of Corporate Affairs.

The unclaimed Dividend for the year 2007-08 will be deposited to IEPF on or before 28<sup>th</sup> September, 2015.

As such, shareholders, who have not so far encashed dividend warrants of earlier years are requested to, immediately, return the outdated warrants to the Company or write to us to enable the Company to issue duplicate warrants/demand drafts in lieu thereof.

- 6) Members are requested to write/intimate to Company's Registrar and Transfer Agents for the purpose of changes, in their registered addresses, profile details for sending future communication(s), any query in connection with claiming the unclaimed and unpaid dividends, etc.
- 7) Documents referred to in the notice and the explanatory statement shall be available for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 2.00 p.m. to 4.00 p.m. except holidays, upto the date of the Meeting of the Company. The Register of Directors and Key Managerial Personnel and their Shareholdings and Register of Shareholders, are available for inspection at the Registered office of the Company.
- 8) As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
- 9) Further pursuant to Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Company needs to send the Notice, Annual Report electronically on the e-mail addresses as obtained from the Company/ Depositories/ Registrar and Share Transfer Agent to the members.

If you are holding the shares of the Company in dematerialized form and already registered your e-mail id, you would be receiving the Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode.

The members who hold shares in physical mode and have not registered their email id can request the Company to receive Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode by registering their valid email id with the Company / Registrar and Transfer Agents.

Members are requested to support this Green Initiative by registering/updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with Karvy Computershare Pvt. Ltd (in case of Shares held in physical form).

- 10) Members/proxies are requested to bring the copies of annual reports to the meeting.

**11) Voting through electronic means :**

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on all resolutions set forth in this Notice through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Computershare Pvt. Ltd., appointed for the purpose by the Company as authorised agency. Remote e-voting is optional.

## PUDUMJEE PULP & PAPER MILLS LIMITED

The detailed instructions for remote E-Voting are as under :

**A. In case a Member receives an e-mail from Karvy (for Members whose e-mail addresses are registered with the Company/Depositories) :**

- i. Open the e-mail and also open PDF file namely “PPPM E-VOTING PDF”/“<https://www.evoting@karvy.com>” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Open the internet browser and type the following URL:<https://www.evoting@karvy.com>.
- iii. Click on Shareholder – Login.
- iv. if you are already registered with Karvy for e-voting then you can use your existing user ID and password.
- v. if you are logging in for the first time, please enter the user ID and password provided in the e-mail as initial password.
- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- viii. Select “EVEN” (E-Voting Event Number) of Karvy Computershare Pvt. Ltd. Now you are ready for e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- x. Upon confirmation, the message “Vote cast successfully” will be displayed.
- xi. Once the vote on the resolution is cast, the Members shall not be allowed to change it subsequently.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail:- [savitajyotiassociates05@gmail.com](mailto:savitajyotiassociates05@gmail.com), with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) – Shareholders and e-voting user manual – Shareholders, available at the downloads section of [www.evoting.karvy.com](http://www.evoting.karvy.com).

**B. In case a Member receives physical copy of the Notice of AGM (for Members whose email address are not registered with the Company/ Depositories) :**

- i. Initial password is provided in the enclosed form : EVEN (E-voting Event Number), User ID and password.
- ii. Please follow all steps from Sl. No.(ii) to Sl. No.(xiii) above, to cast vote.

**C. Other Instructions :**

- i. The Remote e-voting period commences on Wednesday, the 16<sup>th</sup> September, 2015 (9.00 a.m. IST) and ends on Friday, the 18<sup>th</sup> September, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on **12<sup>th</sup> September, 2015**, may cast their vote electronically. The remote e-voting module shall be

disabled by Karvy Computershare Pvt. Ltd. for voting thereafter. The member who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **12<sup>th</sup> September, 2015**.
- iii. Mrs. Savita Jyoti, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- v. The results declared alongwith the Scrutiniser's Report shall be placed on the Company's website [www.pudumjee.com](http://www.pudumjee.com) and on the website of Karvy - [www.evoting.karvy.com](http://www.evoting.karvy.com) and communicated to the Stock Exchanges.
- vi. Those shareholders who do not have access to remote e-voting facility may write to Registrar and Share Transfer Agent, M/s. Karvy Computershare Pvt. Ltd. or to the Company for Ballot Paper which after filling up should reach to the Scrutinizer's, Ms. Savita Jyoti c/o M/s. Karvy Computershare Pvt. Ltd. on or before 15<sup>th</sup> September, 2015.

By Order of the Board,  
**Pudumjee Pulp & Paper Mills Limited,**

**R. M. KULKARNI**  
Company Secretary.

Registered Office:  
Thergaon, Pune-411033.  
Tel: +91-20-30613333,  
Fax : +91-20-3061 3388  
CIN: L21012MH1964PLC013058  
Web Site : [www.pudumjee.com](http://www.pudumjee.com).  
1<sup>st</sup> August, 2015

## **PUDUMJEE PULP & PAPER MILLS LIMITED**

### **ANNEXURE TO THE NOTICE**

#### **Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

The following Explanatory Statement sets out all the material facts relating to items of business as mentioned in Serial Nos. 5 to 13 under Special Business in the accompanying Notice dated 1<sup>st</sup> August, 2015 convening the Annual General Meeting.

#### **ITEM NO. 5**

During the year, the Board of Directors of the Company has appointed Ms. Preeti Mehta as an Additional Director of the Company at its meeting held of 1<sup>st</sup> November, 2014. She holds office upto the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013.

The Company has received declaration from her that, she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Pursuant to the recommendation of the Nomination and Remuneration Committee at its meeting held on 30<sup>th</sup> May, 2015 and in the opinion of the Board, she fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement and is independent to the management. She does not hold any equity shares in the Company.

The Company has also received notice in writing from a member along with deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Preeti Mehta for the office of director of the Company.

In view of above, it is proposed to appoint Ms. Preeti Mehta as an Independent Director of the Company for a term up to 5 (five) consecutive years commencing from the date of the this Annual General Meeting.

Names of companies in which she holds directorships and memberships /chairmanships of Board Committees, her shareholding in the Company, relationships amongst directors inter-se as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges, is provided in the Corporate Governance Report forming part of the Annual Report.

Ms. Preeti Mehta, B.A., LLB is an advocate and solicitor by profession and is a partner in Kanga & Co. a leading firm of solicitors in Mumbai. Keeping in view, her expertise and knowledge, it will be in the interest of the Company that Ms. Preeti Mehta is appointed as an Independent Director. Accordingly, the Board recommends the Ordinary Resolution for approval of the members.

Except Ms. Preeti Mehta, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, in the proposed Ordinary Resolution as set out in Item No. 5 of this Notice.

#### **ITEM NO. 6**

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on 14<sup>th</sup> February, 2015, has appointed Dr. Ashok Kumar as an Additional Director of the Company with effect from 2<sup>nd</sup> March, 2015. He holds office upto the date of the this Annual General Meeting pursuant to section 161 of the Companies Act, 2013. The Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company.

Dr. Ashok Kumar is M.E. (Chemical Engineer) and Ph.D. (Pulp Processing) and has wide and varied experience over three decades in the Paper Industry. He does not hold any Equity Share in the Company.

Except for Dr. Ashok Kumar, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, in the proposed Resolution.

The Board recommends the resolution for approval of the members. Members may note that Dr. Ashok Kumar is also proposed to be appointed as an Executive Director of the Company as per Resolution set out at Item No. 7 of the Notice.

#### **ITEM NO. 7**

Pursuant to sections 196 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act, the

appointment and remuneration payable to Dr. Ashok Kumar is proposed at the Annual General Meeting for members approval.

Nomination and Remuneration Committee at its Meeting held on 30<sup>th</sup> May, 2015 has recommended the appointment of Dr. Ashok Kumar as an Executive Director after satisfying all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment.

Dr. Ashok Kumar is M.E. (Chemical Engineer) and Ph.D. (Pulp Processing) and has wide and varied experience over three decades in the Paper Industry. He does not hold any Equity Share in the Company. The Board is of the view that Dr. Ashok Kumar's knowledge and experience will be of immense benefit and value to the Company and, therefore, recommends his appointment to the Members as per Resolution set out at Item No. 7 of the Notice.

Apart from Dr. Ashok Kumar who would be interested in his appointment and remuneration, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the proposed Special Resolution.

The Directors recommend the Special Resolution to the members for their approval.

**ITEM NO. 8**

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, at its meeting held on 17<sup>th</sup> May, 2014 appointed Mr. Arunkumar Mahabirprasad Jatia as a Whole-time Director designated as Executive Chairman of the Company for a period of 5 years with effect from 1<sup>st</sup> June, 2014 to 31<sup>st</sup> May, 2019. The said appointment and payment of remuneration to him for a period of three years was also approved by the shareholders at the Forty Ninth Annual General Meeting of the Company held on 13<sup>th</sup> September, 2014. Since at the time of appointment Mr. Jatia was a foreign citizen, his appointment was also approved by the Central Government vide its approval letter dated 17<sup>th</sup> November, 2014.

Mr. Jatia is associated with the Company for more than 17 years and has contributed towards the growth of Company. Mr. Jatia is B.S. (Finance & Business Economics) with wide experience in business and finance.

The Nomination and Remuneration Committee had at its meeting held on 30<sup>th</sup> May 2015, approved a revision in one of the components, detailed below, of remuneration payable to Mr. Arunkumar Mahabirprasad Jatia and recommended the same to the Board of Directors.

<b>Existing term of remuneration as approved by shareholders at the 49<sup>th</sup> Annual General Meeting held on 13<sup>th</sup> September, 2014</b>	<b>Proposed revision in Remuneration of Mr. Arunkumar Mahabirprasad Jatia</b>
Rent free furnished residential accommodation, the 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 at the rate of ₹ 2,00,000/- per month.	Rent free furnished residential accommodation, the 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 at the rate of ₹ 12,00,000/- per month.

The Board of Directors by a resolution passed on May 30, 2015 approved a revision in remuneration payable to Mr. Arunkumar Mahabirprasad Jatia, Executive Chairman with effect from 1<sup>st</sup> July, 2015 for the residual period of his tenure upto 31<sup>st</sup> May, 2019.

The revision in remuneration of Mr. Arunkumar Mahabirprasad Jatia as stated above is subject to the approval of the Members and of the Central Government, and other statutory authorities, if any. All other terms and conditions in respect of his appointment as approved at the Annual General Meeting held on 13<sup>th</sup> September, 2014 remain unchanged.

Except Mr. Arunkumar Mahabirprasad Jatia, promoter, who together with his children hold in aggregate 77,81,957 shares of the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, in the proposed Special Resolution.

The Resolution as set out in Item No. 8 of the Notice is recommended by the Directors to be passed as Special Resolution.

## PUDUMJEE PULP & PAPER MILLS LIMITED

A copy of the approval of Central Government dated 17<sup>th</sup> November, 2014, is open for inspection by the members at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on any working day except Sunday.

### ITEM NO. 9

Pursuant to the provisions of the Companies Act, 2013 and Revised clause 49 of the Listing Agreement provides that, all existing material related party contracts or arrangements which are likely to continue beyond March 31, 2015 shall be placed for approval of the shareholders in the first General Meeting subsequent to October 01, 2014.

In compliance with the above provisions the agreements already entered into and the transactions to be continued with the parties as specified in the proposed special resolution are placed for your approval. It may be noted that, the related parties to the transaction shall abstain from voting on such resolutions.

Pudumjee Hygiene Products Ltd and Thacker & Company Ltd. are related parties. Mr. A. K. Jatia may be deemed to be interested in these related parties.

None of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in proposed resolution.

The Resolution at Item No. 9 of the Notice is recommended by the Directors to be passed as a Special Resolution.

### ITEM NO. 10

The Board of Directors at their meeting held on 30<sup>th</sup> May, 2015 approved and recommended the invitation and acceptance of fixed deposits from the members and the General Public pursuant to Section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 to meet the working capital needs.

In compliance with the above provisions of the Act and the Rules, the Company is required to obtain approval of its shareholders for acceptance of Fixed Deposits from the members of the Company and as such, approval of the members by way of Special Resolution is being sought. It may be noted that the deposits to be accepted will be unsecured and as has been allowed by Central Government will be insured as and when insurance cover will be available in market or till 31<sup>st</sup> March, 2016 whichever is earlier.

Pursuant to the Companies (Acceptance of Deposits) Rules, 2014 proposed "Circular or circular in the form advertisement" for Deposit Scheme will be valid until expiry of the six months from the date of closure of Financial Year in which it is issued or until the date on which the financial statements are laid before the company in Annual General Meeting.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Special Resolution.

The Resolution at Item No. 10 of the Notice is recommended by the Directors to be passed as a Special Resolution.

### ITEM NO. 11

The Company is required under Section 148 of the Companies Act, 2013, to have the audit of its cost records relating to "PAPER" conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration of Messrs Y. R. Doshi & Co., the Cost Accountants to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending 31<sup>st</sup> March, 2016, at a remuneration of ₹ 1,35,000/- lacs.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors needs to be approved by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested,

financially or otherwise, in the proposed Ordinary Resolution.

The Resolution at Item No. 11 of the Notice is recommended by the Directors to be passed as a Ordinary Resolution.

**ITEM NO. 12**

Mr. Ved Prakash Leekha, the Whole-time Director of the Company since 1<sup>st</sup> April, 2000, was last re-appointed as Managing Director of the Company for a period of 5 years with effect from 1<sup>st</sup> April, 2014 and the remuneration and other benefits were fixed for a period of 3 years from that date.

The Management now proposes to revise his remuneration and other benefits with effect from 01<sup>st</sup> April, 2015 till 31<sup>st</sup> March, 2017 as given in the accompanying resolution.

Mr. Ved Prakash Leekha is a B.E. (Mechanical) and has been associated with the Company since 2000. He has a wide and varied experience of over four decades in Paper Industry. The Board of Directors and its Nomination and Remuneration Committee at their meetings held on 01<sup>st</sup> August, 2015 have approved and recommended the payment of the revised remuneration as aforesaid.

Except Mr. Ved Prakash Leekha, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, in the proposed Special Resolution.

The Resolution at Item No.12 of the Notice is recommended by the Directors to be passed as a Special Resolution.

**ITEM NO. 13**

Mr. Surendra Kumar Bansal was appointed as Whole-time Director of the Company with effect from 1<sup>st</sup> February, 2005, was last re-appointed for a period of 5 years with effect from 1<sup>st</sup> April, 2014 and the remuneration and other benefits were fixed for a period of 3 years from that date.

The Management now proposes to revise his remuneration and other benefits with effect from 01<sup>st</sup> April, 2015 till 31<sup>st</sup> March, 2017 as given in the accompanying resolution.

Mr. S.K. Bansal is a Bachelor of Commerce, Associate member of the Institute of Chartered Accountants of India and of the Institute of Company Secretaries of India and has been associated with the Company since 1984. He has a wide and varied experience in finance, accounts, corporate law and taxation matters. The Board of Directors and its Nomination and Remuneration Committee at their meetings held on 01<sup>st</sup> August, 2015 have approved and recommended the payment of the revised remuneration as aforesaid.

Except Mr. S. K. Bansal, who holds NIL shares, his relatives hold 206 shares of the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, in the proposed Special Resolution.

The Resolution at Item No.13 of the Notice is recommended by the Directors to be passed as a Special Resolution.

By Order of the Board,  
**Pudumjee Pulp & Paper Mills Limited,**

**R. M. KULKARNI**  
Company Secretary.

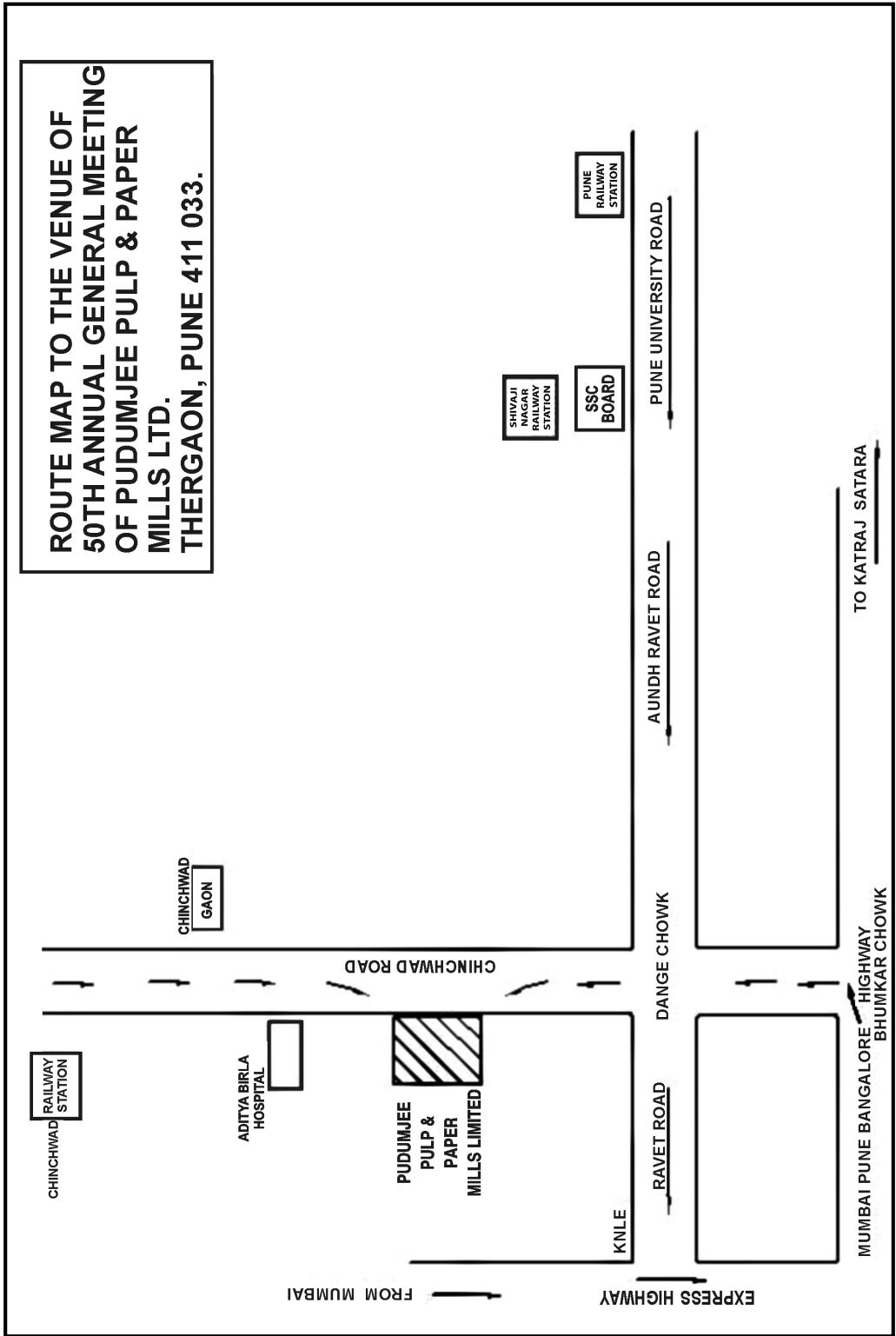
Registered Office:  
Thergaon, Pune-411033  
Tel : +91-20-30613333,  
Fax : +91-20-3061 3388  
CIN : L21012MH1964PLC013058  
Web Site : www.pudumjee.com.  
1<sup>st</sup> August, 2015



**PUDUMJEE PULP & PAPER MILLS LIMITED**

**PUDUMJEE PULP & PAPER MILLS LIMITED  
ROAD MAP - AGM VENUE**

**ROUTE MAP TO THE VENUE OF  
50TH ANNUAL GENERAL MEETING  
OF PUDUMJEE PULP & PAPER  
MILLS LTD.  
THERGAON, PUNE 411 033.**



## ANNUAL REPORT 2014–2015

Information pursuant to the requirements of paragraph (B) (iv) of Section II of Schedule V to the Companies Act, 2013 concerning remuneration payable to Messrs. A. K. Jatia, Executive Chairman, V. P. Leekha, Managing Director, S. K. Bansal, Whole-time Director and Dr. Ashok Kumar, Executive Director are furnished herein below:

### I. GENERAL INFORMATION :

Nature of Industry	Paper Manufacturing and Real Estate	
Date or expected date of commencement of commercial production	January, 1968	
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable	
Financial performance based on given indicators	Year ending 31 <sup>st</sup> March, 2015 (₹ in lacs)	
	Effective Capital	20,883.68
	Turnover	29,147.75
	Profit Before Tax	2,377.95
	Profit after Tax	2,026.95
	Dividend	15%
	Reserves (excluding revaluation reserve)	14,327.91
Foreign investments or collaborators, if any.	Not Applicable	

### II. INFORMATION ABOUT THE APPOINTEE :

Name of the Appointee	Mr. A. K. Jatia	Mr. V. P. Leekha	Mr. S. K. Bansal	Dr. Ashok Kumar
Background Details	Mr. A. K. Jatia is the Director of the Company since 1998 and designated as the Chairman of the Company during 2012-13. He is appointed for 5 years as Whole-time Director designated as Executive Chairman of the Company with effect from 1 <sup>st</sup> June, 2014. Mr. Jatia is a B.S. (Finance & Business Economics) and has a wide and varied experience of over 32 years in Finance & Foreign Trade.	Mr. V. P. Leekha is Whole-time Director of the Company since 2000. He was last re-appointment as Managing Director of the Company with effect from, 01 <sup>st</sup> April, 2014. Mr. V. P. Leekha is a B.E. (Mechanical) and has a wide and varied experience of over four decades in Paper Industry.	Mr. S. K. Bansal was appointed as Whole-time Director of the Company since 2005. He was last re-appointed as Whole-time Director of the Company for a period of 5 years with effect from 01st April, 2014.  Mr. S. K. Bansal is a Bachelor of Commerce and a member of the ICAI AND ICSI. He has over 32 years of experience in finance, legal and other matters.	Dr. Ashok Kumar is M.E. (Chemical Engineer) and Ph.D. (Pulp Processing) and has wide and varied experience over three decades in the Paper Industry.
Past / Existing remuneration	Remuneration at the rate of ₹9,22,305/- per month (including Dearness Allowance) Break up per month : Remuneration ₹6,50,000 + House Rent Allowance ₹2,00,000 + perquisites ₹72,305 (i.e., total yearly remuneration ₹1,10,67,660/-)	Remuneration at the rate of ₹5,87,268/- per month (including Dearness Allowance) Break up per month : Remuneration ₹4,50,000 + House Rent Allowance ₹1,20,000 + perquisites ₹17,268 (i.e., total yearly remuneration ₹70,47,216/-).	Remuneration at the rate of ₹5,83,723/- per month (including Dearness Allowance) Break up per month : Remuneration ₹4,45,000+ House Rent Allowance ₹1,15,000 + perquisites ₹23,723 (i.e., total yearly remuneration ₹70,04,676/-).	Not Applicable (Appointed as Executive Director with effect from 2 <sup>nd</sup> March, 2015)
Recognition or Awards	NIL	NIL	NIL	NIL
Job Profile and his suitability	As a Director of the Company since 1998, Mr. Jatia has had a vast and wide experience of business administration and finance and foreign trade for over 32 years and is a promoter Director. He is responsible for overall day to day operations of the Company under the supervision, control and guidance of the Board of Directors of the Company	As a Managing Director, Mr. V. P. Leekha, would be subject to the supervision and control of the Executive chairman and the Board of Directors, in overall charge of the Company's activities and in particular attend to all matters concerning production planning, manufacture, marketing and administration and shall perform such other duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board of Directors and the Executive Chairman of the Company.	Mr. S. K. Bansal is in charge of Company's Finance, Legal, commercial and administrative matters and performs such other duties and services and exercise such further powers as are from time to time, entrusted to him by the Board of Directors, Executive Chairman and Managing Director of the Company.	He is responsible for overall day to day operations of the Company under the supervision and control management of the Managing Director, Chairman and Board of Directors of the Company.

## PUDUMJEE PULP & PAPER MILLS LIMITED

	Mr. A.K. Jatia	Mr. V. P. Leekha	Mr. S. K. Bansal	Dr. Ashok Kumar
Remuneration Proposed	<ul style="list-style-type: none"> <li>Remuneration at the rate of ₹18,50,000/- per month (including Dearness Allowance) Break up per month : Remuneration ₹ 6,50,000 + House Rent Allowance ₹ 12,00,000 (i.e., total yearly remuneration ₹ 2,22,00,000/-).</li> <li>Mr. A. K. Jatia is entitled to perquisites such as gas, electricity, medical expenses, furnishings, LTA, club fees, personal accident insurance, telephone, cars etc., estimated perquisites say ₹ 75,000/- per month (i.e. total yearly perquisites ₹ 9,00,000/-). He is also entitled to the benefits of contribution to Provident Fund/Superannuation Scheme, Gratuity.</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration at the rate of ₹ 6,45,000/- per month including Dearness Allowance and</li> <li>Rent free furnished residential accommodation or an allowance in lieu thereof at the rate of ₹ 2,30,000/- per month. (i.e., total yearly remuneration ₹ 1,05,00,000/).</li> <li>Mr. V. P. Leekha is also entitled to the benefits of contribution to Provident Fund/Superannuation Scheme/ pension, Gratuity, and perquisites such as gas, electricity, medical expenses, furnishings, LTA, club fees, personal accident insurance, telephone, cars etc.</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration at the rate of ₹5,20,000/- per month including Dearness Allowance and</li> <li>Rent free furnished residential accommodation or an allowance in lieu thereof at the rate of ₹ 1,65,000/- per month. (i.e., total yearly remuneration ₹ 82,20,000/-).</li> <li>Mr. S. K. Bansal is also entitled to the benefits of contribution to Provident Fund/Superannuation Scheme, Gratuity, and perquisites such as gas, electricity, medical expenses, furnishings, LTA, club fees, personal accident insurance, telephone, cars etc.</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration at the rate of ₹ 5,20,000/- per month including Dearness Allowance and</li> <li>Rent free furnished residential accommodation or an allowance in lieu thereof at the rate of ₹ 1,65,000/- per month. (i.e., total yearly remuneration ₹ 82,20,000/-).</li> <li>Dr. Ashok Kumar is also entitled to the benefits of contribution to Provident Fund/Superannuation Scheme, Gratuity, and perquisites such as gas, electricity, medical expenses, furnishings, LTA, club fees, personal accident insurance, telephone, cars etc.</li> </ul>
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any,	NIL	NIL	Mr. S. K. Bansal holds NIL shares. His relatives holds 206 equity shares of the Company.	NIL

### III. OTHER INFORMATION :

Reasons of loss or inadequate profits	The Company had adequate profits for payment of managerial remuneration in the last year. However, the prevailing economic conditions of slow down and global competition in specialty segment of Paper may be putting considerable pressure on profitability.
Steps taken or proposed to be taken for improvement	The managements emphasis on cost reduction, appropriate product mix and quality improvement are expected in the long run to neutralize any inadequacy of profits.
Expected increase in productivity and profits in measurable terms.	With the aforesaid efforts and consequent full capacity utilization, the profits are targeted to be achieved to be adequate for managerial remuneration.
<b>IV. DISCLOSURES :</b>	As indicated above Under II "INFORMATION ABOUT THE APPOINTEE."

Except for Mr. A. K. Jatia, Mr. V. P. Leekha, Mr. S. K. Bansal and Dr. Ashok Kumar and with their respective shareholding, if any and their relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise in the proposed Resolutions.

By Order of the Board,  
**Pudumjee Pulp & Paper Mills Limited,**

**R. M. KULKARNI**  
Company Secretary.

Registered Office :  
Thergaon, Pune-411033  
Tel : +91-20-30613333,  
Fax : +91-20-3061 3388  
CIN: L21012MH1964PLC013058  
Web Site : www.pudumjee.com.  
1<sup>st</sup> August, 2015

## FINANCIAL HIGHLIGHTS (CONSOLIDATED)

₹ In Lacs  
As At 31<sup>st</sup> March

PARTICULARS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Shareholders Fund	19965	18121	15482	14266	13095	14685	14069	13929	13040	12518	12169
Borrowed Funds	11511	10423	10900	15000	8486	6823	5206	8218	6803	7038	4244
<b>TOTAL</b>	<b>31476</b>	<b>28544</b>	<b>26382</b>	<b>29266</b>	<b>21581</b>	<b>21508</b>	<b>19275</b>	<b>22147</b>	<b>19843</b>	<b>19556</b>	<b>16413</b>
Net Fixed Assets	17344	16342	16804	16476	9617	11082	11998	12727	12656	11783	10517
Investments	1418	2066	1654	1195	2115	2049	1006	967	896	829	819
Working Capital	12714	10136	7924	11595	9849	8377	6271	8453	6291	6944	5077
<b>TOTAL</b>	<b>31476</b>	<b>28544</b>	<b>26382</b>	<b>29266</b>	<b>21581</b>	<b>21508</b>	<b>19275</b>	<b>22147</b>	<b>19843</b>	<b>19556</b>	<b>16413</b>
Book value of Equity per share (₹)	49*	44*	38*	35*	32*	36*	172	170	159	153	148
Earning per share (₹)	5.06*	3.46*	4.03*	2.71*	1.80*	2.69*	4.42	6.43	5.61	5.88	7.48
Dividend per share (₹)	0.30*	0.30*	0.30*	0.30*	0.30*	0.30*	0.25*	1.20	1.20	1.20	1.20

\* ₹ 2/- per share

## PUDUMJEE PULP & PAPER MILLS LIMITED

### DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the 50<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2015.

#### FINANCIAL RESULTS :

	<u>2014-2015</u> ₹ In Lacs	<u>2013-2014</u> ₹ In Lacs
The gross profit before interest and Depreciation (including from discontinuing operations)	<b>3786.70</b>	3196.87
<b>Less :</b>		
i) Finance cost	<b>903.82</b>	868.17
ii) Depreciation	<b>504.93</b>	809.97
The net profit	<b>2377.95</b>	1518.73
<b>Add :</b>		
The balance of Profit brought forward from last year	<b>4878.80</b>	3734.97
Total	<b><u>7256.75</u></b>	<u>5253.70</u>
<b>Less :</b>		
Provision for Current Taxation	<b>448.00</b>	160.00
Provision/(Saving) for Deferred Taxation	<b>(97.00)</b>	(79.00)
Dividend on Equity Shares	<b>123.00</b>	123.00
Tax on Dividend	<b>25.04</b>	20.90
Transfer to General Reserve	<b>150.00</b>	150.00
Contribution to Corporate Social Responsibility Expenditure	<b>29.80</b>	NA
Total	<b><u>678.84</u></b>	<u>374.90</u>
Balance proposed to be carried forward to next year's accounts	<b><u><u>6,577.91</u></u></b>	<u><u>4878.80</u></u>

#### CONSOLIDATED FINANCIAL STATEMENTS :

Pursuant to Section 129, 134 of the Companies Act, 2013 (the Act), the Consolidated Financial Statement of the Company, and its subsidiaries prepared, in accordance with schedule III of the Act and Accounting Standards AS 21 and AS 23 forms part of this Annual Report.

#### DIVIDEND :

The Board of Directors recommends the payment of Dividend for the year ended 31<sup>st</sup> March, 2015 at the rate of ₹ 0.30 per share. If approved, the equity Dividend shall be paid, subject to the provisions of section 126 of the Companies Act, 2013 to those shareholders whose names stand on the Register of Members on 19<sup>th</sup> September, 2015.

The Dividend in respect of shares held in electronic form will be paid to the beneficial owners of the shares at the close of business hours on 7<sup>th</sup> September, 2015, as per the details furnished by depositories for the purpose.

**OPERATIONS :**

The Directors are happy to inform that the Company has registered significant improvement both in terms of revenue and profits over the last year's improved performance. This has been possible by combination of various efforts in the direction of cost reduction, product development and change in marketing strategy to address, the challenges posed by unfair competition in respect of overseas suppliers. The currently prolonged prevalent recessionary trend did put some impediments in these improvements but were substantially tackled through judicious marketing strategy. Consequently the Company achieved a much better capacity utilization of its resources. The efforts in the aforesaid area will be further intensified so as to move towards full utilization of the capacity and improvement in the Company's performance.

The Management is actively considering reviving expansion project at Mahad, earlier put on hold since 2012-13. The expansion when finalized, would also include progressive shifting of the existing production facilities at Pune to Mahad duly upgraded for more efficient operations. With this objective the Board of Directors of the Company has undertaken restructuring initiative for demerger of the Paper manufacturing business of the Company and the Board at its meeting held on 17th January, 2015 based on the Audit committee recommendation, has considered and approved a draft Scheme of Arrangement (Demerger) between the Company, Pudumjee Industries Limited, Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective shareholders and creditors.

The Scheme envisages transfer of paper manufacturing business of the Company, with all its assets and liabilities, into Pudumjee Paper Products Limited (PPPL), newly incorporated subsidiary company as Special Purpose Vehicle for the purpose. As part of the Scheme, Pudumjee Paper Products Limited shall also seek listing approval from stock exchanges in due course. The appointed date in respect of the Scheme is 1<sup>st</sup> April, 2014.

After receipt of all requisite approvals and satisfaction of the related conditions the Scheme will be effective and the record date will be determined for considering the shareholders entitlement to the equity shares of PPPL as per the ratio mentioned in the Scheme i.e. 37 (Thirty Seven) fully paid-up Equity Share of ₹ 1 each of PPPL for every 20 (Twenty) Equity Shares of ₹ 2 each held by the shareholders in the Company.

The Stock Exchanges (NSE, BSE & PSE) have conveyed their No- objection to the scheme of Arrangement. The Scheme shall further be subject to approval of the shareholders, Creditors and the Hon'ble Bombay High Court.

The demerger process when complete will enable the Company to focus on Real Estate business.

The Real Estate Business of the firm in which the Company is a Partner is satisfactorily progressing. One more building of 94 flats has been completed and the accounts include Company's share of profit of ₹ 13.53 crores in this respect. One more residential building for construction has been taken up during the year and despite recessionary pressure elsewhere the firm has been able to book all but few flats.

The construction of residential cum commercial complex taken up by the Company on its own, is awaiting certain statutory clearances.

The labour relations continued to remain peaceful.

**SUBSIDIARIES :**

As at 31<sup>st</sup> March, 2015, the Company has two subsidiaries namely Pudumjee Investment & Finance Co. Ltd., and Pudumjee Paper Products Limited (PPPL). During the Year the Company has invested in 2,55,000 Equity Shares of ₹ 1/- at premium of ₹ 19/- per equity share of PPPL. Accordingly, PPPL has become 'Subsidiary' of the Company with its 51% stake in PPPL. The PPPL is incorporated on 14<sup>th</sup> January, 2015 as a special purpose vehicle with a view to de-merge paper manufacturing business of the Company through De-merger process.

## **PUDUMJEE PULP & PAPER MILLS LIMITED**

### **PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES :**

Pursuant to Rule 8 of the Companies (Accounts) Rules, 2014, the information on the performance and financial position of each of the subsidiaries, associates, joint venture Companies, etc. as included in consolidated financial statement is provided in Annexure 1 to this report.

#### **FIXED DEPOSITS :**

Fixed deposits accepted from the public, shareholders and employees as on 31<sup>st</sup> March, 2015 stood at ₹ 2676.28 Lacs as against ₹ 3317.09 Lacs at the end of the previous year. During the year, the Company has not accepted/renewed such deposits, and all the deposits falling due for repayment during the year were fully repaid on maturity except unclaimed deposits numbering 87 with amount ₹ 36.16 Lacs as at the end of the year. There were no over dues on account of principal or interest on public deposits other than the unclaimed deposits as at the year end and there have been no default in repayment of deposits or payment of interest thereon. There are no deposits which are not in compliance with the requirements of Chapter V of the Act read with Companies (Acceptance of Deposits) Rules 2014.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND :**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 (corresponding to section 205A of Companies Act 1956), relevant amounts like unclaimed dividend interest on Fixed Deposits, etc. which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

#### **AUDITORS :**

M/s. Khare and Co., Chartered Accountants, has been appointed as Statutory Auditors of the Company at the 49<sup>th</sup> Annual General Meeting for a period upto the conclusion of 51<sup>st</sup> Annual General Meeting and their appointment is subject to ratification of shareholders at every Annual general meeting. M/s. Khare and Co., have given their consent to act as the Auditors of the Company. The Shareholders will be required to ratify their appointment and fix their remuneration.

The Company has received a Certificate from M/s. Khare and Co., to the effect that their appointment, would be within the prescribed limits under section 141 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 and that they are not disqualified for re-appointment.

There is no Qualification in the Statutory Auditor's Report as annexed elsewhere in this Annual Report.

The Auditors have reported that there is no fraud on or by the Company noticed or reported during the year.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) :**

The Company has Board of Directors with total 10 directors out of which 6 are Non-Executive Independent Directors and the remaining are 4 Executive Directors. By virtue of Section 149 of the Companies Act, 2013 and rules made there under, the Independent Directors are not liable to retirement by rotation. Mr. Ved Prakash Leekha, Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

During the year, Mr. S. K. Bansal was appointed as Chief Financial Officer of the Company with effect from 1<sup>st</sup> April, 2014 and Mr. R. M. Kulkarni as Company Secretary of the Company with effect from 1<sup>st</sup> June, 2014, in the Board Meeting held on 17<sup>th</sup> May, 2015.

The Board of Directors appointed Ms. Preeti Mehta and Dr. Ashok Kumar as additional directors at meetings held on 1<sup>st</sup> November, 2014 and 14<sup>th</sup> February, 2015 respectively. Ms. Preeti Mehta and Dr. Ashok Kumar hold their respective office of directorship upto the date of the forthcoming Annual General Meeting. Notice together with security deposit has been received from members proposing their candidature for the office of Director of

the Company at the forthcoming Annual General Meeting. The Brief profile of appointees is provided under Corporate Governance Report.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under the applicable provisions of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

**SECRETARIAL AUDITOR :**

Pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company to be done from the financial year commencing on or after 1st April 2014 by a Company Secretary in Practice. The Board in its meeting held on 13<sup>th</sup> September, 2014 has appointed M/s Parikh & Associates, Practicing Company Secretary (Certificate of Practice No. 1228) as the Secretarial Auditor for the financial year ending 31<sup>st</sup> March 2015. The Secretarial Auditors' Report for the financial year 2014-15 is annexed hereto and marked as Annexure No. 2.

There is no Qualification in the Secretarial Audit Report.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) :**

During the year, the Board of Directors has constituted the Corporate Social Responsibility Committee. The major role of this Committee is to formulate, recommend, implement and monitor the CSR policy and activities to be undertaken by the Company to meet/contribute towards its corporate social responsibility recommended objectives. The Board of Directors at its meeting held on 1<sup>st</sup> November, 2014 has constituted its CSR Committee and has also adopted its CSR policy recommended by the committee. Some of the activities which will be undertaken by the Company through an eligible trust are as under;

- a) Education in Rural Area
- b) Environment in rural area
- c) Vocational Development

The CSR committee comprises of the following members :

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Category</b>	<b>Designation</b>
1	Mr. Vinod Kumar Beswal	Independent Non Executive Director	Chairman
2	Mr. Arunkumar Mahabir Prasad Jatia	Executive Chairman	Member
3	Mr. Ved Prakash Leekha	Managing Director	Member
4	Mr. Bhupendra Champaklal Dalal	Independent Non Executive Director	Member

The said Policy is also uploaded on the website of the Company viz; [www.pudumjee.com](http://www.pudumjee.com). During the year, the Company has allocated total ₹ 40 Lacs, out of which ₹ 10.20 Lacs has been spent through M. P. Jatia Charitable trust on Education in Rural Area. The other relevant disclosures as stipulated under Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure No. 3.

The CSR committee has adopted CSR policy in the month of November 2014, the Company is in the process of spending on CSR Activities. For the year under consideration the Company has allocated an amount of ₹ 40 Lacs for the said purpose and it has contributed ₹10.20 Lacs during the year on CSR activities. The report obtained from the trust has been taken into consideration in the disclosures given. The entire allocated amount could not be spent due to paucity of sufficient time. The remaining allocation (which is in excess of the amount statutorily required) of ₹ 29.80 Lacs has been appropriated from retained earnings as shown in note to the Financial Statements.



## **PUDUMJEE PULP & PAPER MILLS LIMITED**

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :**

The loans, guarantees or investments made by the Company are within the limits of Section 186 of the Companies Act, 2013 and rules made there under as approved by shareholders vide special resolution passed, held at 49<sup>th</sup> Annual General Meeting of the Company.

The brief summary of such transactions are provided in Annexure 4 to this Report.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

A policy on Related Party Transactions has been adopted by the Board of Directors at its meeting held on 1<sup>st</sup> November, 2014 for determining the materiality of transactions with related parties and dealings with them. The said policy is available at the Company's website at the web link [www.pudumjee.com](http://www.pudumjee.com). The Audit Committee reviews all related party transactions quarterly.

Pursuant to Section 134(3), 188(1) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 the particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 in Form AOC -2 are provided as Annexure No. 5.

### **ANNUAL EVALUATION OF BOARD'S PERFORMANCE :**

As required under Companies Act 2013, a meeting of the Independent Directors was held on 14<sup>th</sup> February, 2015 to evaluate the performance of the Non-Independent Directors, wherein the evaluation of performance of the non independent directors, including the Chairman and also of the Board as a whole was made, against pre-defined and identified criteria.

The criteria for evaluation of the performance of the Independent Directors, chairman and the Board, was finalized by the Nomination and Remuneration Committee in its meeting held on 14<sup>th</sup> February, 2015, the said committee has carried out evaluation of the performance of every director. The said criteria is available at the Company's website i.e. [www.pudumjee.com](http://www.pudumjee.com). The Board of Directors at their meeting held on 14<sup>th</sup> February, 2015 is evaluated the performance of Independent Directors.

### **RISK MANAGEMENT POLICY :**

During the year the Board of Directors at its meeting held on 17<sup>th</sup> May, 2014 adopted Risk Management Policy identifying risks to the Company, procedures to inform Board members about the risk assessment & minimization procedures, monitoring the risk management plan, etc.

### **WHISTLE BLOWER MECHANISM :**

The Company has a Whistle Blower Policy / vigil mechanism. The said policy has been made keeping in view of the amendments in the Companies Act, 2013 and Clause 49 of the Listing Agreement. The said policy may be referred to, at the Company's official website i.e. [www.pudumjee.com](http://www.pudumjee.com).

### **PARTICULARS OF EMPLOYEES :**

Pursuant to Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the statement giving required details is given in the Annexure No. 6A and 6B to this report.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :**

There were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO :**

As required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings & outgo is annexed as Annexure No. 7 and forms a part of this Report.

**REPORT ON CORPORATE GOVERNANCE :**

The report on Corporate Governance in accordance with the guidelines of the Securities & Exchange Board of India and amended Clause 49 of the Listing Agreements with the Stock Exchanges is attached and marked as Annexure 8.

**EXTRACT OF ANNUAL RETURN :**

The extract of the Annual Return of the Company in Form MGT-9 is annexed herewith as Annexure No. 9 to this report.

**REMUNERATION POLICY :**

Pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Listing Agreement the Nomination and Remuneration Committee has determined, recommended and approved remuneration policy at its meeting held on 1<sup>st</sup> November, 2014, and recommended to the Board of Directors. The said policy may be referred to, at the Company's website i.e. [www.pudumjee.com](http://www.pudumjee.com) and is annexed hereto and marked as Annexure No. 10.

**SIGNIFICANT AND MATERIAL ORDERS :**

There is no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

The Directors confirm that;

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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 the financial year and of the profit of the Company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENTS :**

Your Directors wish to express their appreciation of the continued support and co-operation received from the all the stakeholders, employees of the Company.

On behalf of the Board of Directors,

**A.K. Jatia**  
Executive Chairman

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2015

**PUDUMJEE PULP & PAPER MILLS LIMITED****ANNEXURE NO. 1****PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES,  
ASSOCIATES AND JOINT VENTURE COMPANIES :**

Pursuant to Rule 8 of Companies (Accounts) Rules, 2014

(₹ In Lacs Except for EPS and Dividend)

Name of the Company (Subsidiary, Associate, JV, etc.)	Pudumjee Investment & Finance Co. Ltd.	Pudumjee Paper Products Limited	Pudumjee Plant Laboratories Ltd.
Nature of the Company (Subsidiary, Associate, JV, etc.)	Subsidiary Company	Subsidiary Company	Associate Company
Ownership Interest of the Company	100%	51%	27.11%
Sales	1,563.46	0.00	9.96
Profit/(Loss) after tax	2.74	1.12	(187.85)
Current Assets	314.05	101.84	32.23
Loans & Borrowings	965.13	0.00	1,256.78
Current Liabilities	6.52	0.72	24.82
Net Fixed Assets	0.00	0.00	1,719.25
Equity Share Capital	499.00	5.00	249.00
Reserves and Surplus	(483.44)	96.12	(435.21)
Earnings - ₹ per Equity Share	0.14	0.22	(7.54)
Dividend - ₹ per Equity Share	NIL	NIL	NIL

On behalf of the Board of Directors,

**A.K. Jatia**  
Executive ChairmanPlace : Mumbai  
Dated : 30<sup>th</sup> May, 2015

**ANNEXURE NO. 2**  
**FORM No. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

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

To,

The Members,

**PUDUMJEE PULP AND PAPER MILLS LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pudumjee Pulp and Paper Mills Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Pudumjee Pulp and Paper Mills Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Pudumjee Pulp and Paper Mills Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (vi) Other laws as are applicable to the Company as per representations made by the Company.

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

- (i) Secretarial Standards with respect to board and general meetings of The Institute of Company Secretaries of India are not in force as on the date of this report.
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and Pune Stock Exchange Limited.

## PUDUMJEE PULP & PAPER MILLS LIMITED

During the period under review and as per the explanations and clarifications given and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above. However, the Company has an unspent amount during the year in the amount to be spent towards Corporate Social Responsibility.

We further report that

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

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

Decisions at the Board Meetings were taken unanimously.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had following events which had major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc :

- (a) During the year, the Board of Directors of the Company approved the Composite Scheme of Arrangement and Reconstruction (Demerger) between Pudumjee Pulp & Paper Mills Limited ("PPPML") Pudumjee Industries Limited ("PIL"), Pudumjee Hygiene Products Limited ("PHPL") and Pudumjee Paper Products Limited("PPPL") and their respective Shareholders and Creditors ("The Scheme") Under Sections 391 to 394 of the Companies Act, 1956.

**For Parikh & Associates**  
Company Secretaries

Place : Mumbai,  
Dated : 30<sup>th</sup> May, 2015

**P. N. Parikh**  
Partner

FCS No. 327

CP No. : 1228

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

**‘Annexure A’**

To,

The Members

Pudumjee Pulp and Paper Mills Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Company Secretaries

Place : Mumbai,  
Dated : 30<sup>th</sup> May, 2015

**P. N. Parikh**  
Partner

FCS No. 327

CP No. : 1228

**ANNEXURE NO. 3**

**THE ANNUAL REPORT ON CSR ACTIVITIES**

<p>1) Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs</p>	<p>The Company believes in the CSR activities through collaboration. The Company would always like to help the entities that are in the area of social service. The entities could be Trusts which have established track record in the activities like MP Jatia Charitable Trust which has an established track record of social service.</p> <p>The CSR activities to be carried out by the Company through an eligible trust are as under;</p> <ul style="list-style-type: none"> <li>a) Education in Rural Area</li> <li>b) Environment in rural area</li> <li>c) Vocational Development</li> </ul> <p>Weblink - <a href="http://www.pudumjee.com">www.pudumjee.com</a></p>																				
<p>2) The Composition of the CSR Committee</p>	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name of the Director</th> <th>Category</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mr. Vinod Kumar Beswal</td> <td>Independent Non Executive Director</td> <td>Chairman</td> </tr> <tr> <td>2</td> <td>Mr. Arunkumar Mahabir Prasad Jatia</td> <td>Executive Chairman &amp; Whole time Director</td> <td>Member</td> </tr> <tr> <td>3</td> <td>Mr. Ved Prakash Leekha</td> <td>Managing Director</td> <td>Member</td> </tr> <tr> <td>4</td> <td>Mr. Bhupendra Champaklal Dalal</td> <td>Independent Non Executive Director</td> <td>Member</td> </tr> </tbody> </table>	Sr. No.	Name of the Director	Category	Designation	1	Mr. Vinod Kumar Beswal	Independent Non Executive Director	Chairman	2	Mr. Arunkumar Mahabir Prasad Jatia	Executive Chairman & Whole time Director	Member	3	Mr. Ved Prakash Leekha	Managing Director	Member	4	Mr. Bhupendra Champaklal Dalal	Independent Non Executive Director	Member
Sr. No.	Name of the Director	Category	Designation																		
1	Mr. Vinod Kumar Beswal	Independent Non Executive Director	Chairman																		
2	Mr. Arunkumar Mahabir Prasad Jatia	Executive Chairman & Whole time Director	Member																		
3	Mr. Ved Prakash Leekha	Managing Director	Member																		
4	Mr. Bhupendra Champaklal Dalal	Independent Non Executive Director	Member																		
<p>3) Average net profit of the Company for last three financial years</p>	<p>₹ 1,878.86 Lacs</p>																				
<p>4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)</p>	<p>₹ 29.99 Lacs (as per Section 135 (5) of Companies Act 2013) ₹ 40.00 Lacs (Budgeted as per Committee approval dated 01/11/2014)</p>																				
<p>5) Details of CSR spent during the financial year</p>	<p>The Company has carried out CSR activities through MP Jatia Charitable Trust especially in area of Education in Rural Area and Vocational Development in villege Bissau, District Jhunjhunu, Rajasthan for imparting computer literacy amongst children and illiterate adults. The total beneficiaries in the activity were 250 persons.</p>																				
<ul style="list-style-type: none"> <li>▪ Total amount to be spent for the financial year</li> </ul>	<p>₹ 10.20 Lacs</p>																				
<ul style="list-style-type: none"> <li>▪ Amount unspent , if any</li> </ul>	<p>₹ 29.80 Lacs as provided for</p>																				
<ul style="list-style-type: none"> <li>▪ Manner in which the amount spent during the financial year is detailed below</li> </ul>	<p>CSR Activities as stated below</p>																				

**ANNUAL REPORT 2014–2015**

Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and projects or programs was under taken	Amount Outlay (budget) Project or program wise (in INR)	Amount spent on the programs Sub-heads : (1) Direct Expenditure on projects or programs (2) Over-heads : (in INR)	Cumulative Expenditure upto to the Reporting period (in INR)	Amount spent Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Education in Rural Area	————	1) Local Area- NIL 2) Bissau, Jhunjhunu District, Rajasthan	5,00,000	5,00,000	5,00,000	Through M P Jatia Charitable Trust, having established track record
2	Environment in rural area	————	————	5,00,000	NIL	NIL	————
3	Vocational Development	————	1) Local Area- NIL 2) Bissau, Jhunjhunu District, Rajasthan	30,00,000	5,20,000	5,20,000	Through M P Jatia Charitable Trust, having established track record
	<b>TOTAL</b>			<b>40,00,000</b>	<b>10,20,000</b>	<b>10,20,000</b>	————

Details of implementing agency - M P Jatia Charitable Trust (Registration No. E13158(M))

6) Reasons for not spending full amount

*The CSR committee has adopted CSR policy in the month of November 2014. The entire allocated amount could not be spent due to paucity of sufficient time. However the provision for remaining amount of ₹ 29.80 Lacs is made as shown in note. No. 2 to the Financial Statements from retained earnings.*

The CSR Committee confirms that, the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

**V. P. Leekha**  
Managing Director

**Vinod Kumar Beswal**  
(Chairman CSR Committee)

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2015



**ANNEXURE NO. 4**

Particulars of loans given, guarantees/ investments made during the Financial Year 2014-15

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Name of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/ Unlisted entities)	Amount of loan/security/ acquisition/ guarantee (in ₹)	Rate of interest For loans	Number and kind of securities	For acquisitions		
					Nature of Securities	Cost of acquisition, if any (In ₹ Per Share/Units)	Selling price, Per Unit if any (In ₹ Per Share/Units)
ICD's Given (Loan)	Pudumjee Industries Ltd.	52,78,00,000	12.50%	NA	NA	NA	NA
		(58,66,00,000)					
	Pudumjee Investment & Finance Company Limited	5,73,65,150	12.50%	NA	NA	NA	NA
		(9,33,59,285)					
Safari Industries Limited	2,00,00,000	14.50%	NA	NA	NA	NA	
		(0)					
	Dilshad Trading Co. Pvt. Ltd.	7,00,00,000	13.00%	NA	NA	NA	NA
		(0)					
	J. M. Commodities Ltd.	2,00,00,000	13.00%	NA	NA	NA	NA
		(0)					
Investments Made	Baroda Pioneer Liquid Fund	7,00,00,000	NA	69921.75	Mutual Fund Units	1001.119	1001.119
		(0)					NA
	Birla Sun Life Cash Plus -Inst. Growth	HDFC Mutual Fund	11,50,17,000	NA	1147934.287	Mutual Fund Units	100.195
(0)			NA				
		1,00,00,000	NA	9,80,565	Mutual Fund Units	10.1982	10.1982
		(0)		(0)		NA	NA

Nature of transaction (whether loan/guarantee/security/acquisition)	Name of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/Unlisted entities)	Amount of loan/security/acquisition/guarantee (in ₹)	Rate of interest For loans	For acquisitions			
				Number and kind of securities	Nature of Securities	Cost of acquisition, if any (In ₹ Per Share/Units)	Selling price, Per Unit if any (In ₹ Per Share/Units)
	India Bulls Liquid Fund	50,05,000 (0)	NA	5003.951 (0)	Mutual Fund Units	1000.4324 NA	1000.4324 NA
	L & T Mutual Fund - Pool Collection	17,25,51,000 (0)	NA	170470.101 (0)	Mutual Fund Units	1012.0499 NA	1012.0499 NA
	Reliance Liquid Fund Treasury Plan	2,00,00,000 (0)	NA	13082.67 (0)	Mutual Fund Units	1528.74 NA	1528.74 NA
	UTI Liquid Fund Cash Plus	1,00,11,000 (0)	NA	9813.673 (0)	Mutual Fund Units	1019.4457 NA	1019.4457 NA
	Saraswat Co. Operative Bank Ltd.	25,000 (25,000)	NA	2500 (2,500)	Equity Shares	10.00 10.00	NA NA
	Pudumjee Paper Products Limited	51,00,000 (51,00,000)	NA	2,55,000 (2,55,000)	Equity Shares	20.00	NA
Guarantee Given	Saraswat Co. Operative Bank Ltd. (For Pudumjee G: Corp Developers - Partnership Firm)	25,00,00,000 (12,62,68,082)	14.50%	NA	NA	NA	NA

Figures in bracket indicates balance as on 31.03.2015

On behalf of the Board of Directors,

Dated : 30<sup>th</sup> May, 2015  
Mumbai,

**A.K. Jatia**  
Executive Chairman

**PUDUMJEE PULP & PAPER MILLS LIMITED****ANNEXURE NO. 5****Particulars of Contracts or Arrangements with Related Parties (FORM AOC 2)**

(Pursuant to clause(h) of Section 134(3) of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

**1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS**

a) Name(s) of the related parties and nature of relationships	<b>Pudumjee Industries Ltd. (PIL)</b> a related party under Section 2(76)(v).
b) Nature of contracts/arrangements / transaction	Purchase or sell or supply of any material/capital goods/power AND availing of/ rendering of services like processing of pulp, paper, steam and waste paper or provision of any services.
c) Duration of the Contracts/ arrangements/transactions	Continuous, on an ongoing basis.
d) Salient terms of contracts or arrangements or transactions including the value if any	1) <u>Monetary value</u> : Not exceed ₹ 60 Crores in any financial year 2) <u>Nature, material terms and particulars of arrangement</u> : i) availing of/rendering of services like processing of pulp, paper, steam and waste paper, water recycling at cost + 3% ii) purchase/ sale of bought out pulp, waste paper, colors, chemicals, capital goods, packing material, DEPB Licences and machinery spares : at cost + 2% iii) sale of wrapper paper at market price. iv) sale of utilities such as wind power at a price of Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) Rate minus 10%. v) provision of common services at proportionate cost.
e) Justification for entering into such contracts or arrangements or transactions	a) The spare capacity available with the Company is utilized in mutual interest, by making it available to PIL for processing of paper, steam, pulp, waste paper, etc. without compromising on Company's own manufacturing needs. b) Purchase / Sale of various materials is carried out in mutual interest, in case of urgency / subject to availability. c) Sale of Wind Power is at market rates, which in turn enables the Company to maximize savings in cost of power. d) Certain facilities are shared in common on cost basis to minimize cost in mutual interest.
f) Date(s) of approval by the Board	01/11/2014
g) Amount paid as advances if any	NIL
h) date on which the special resolution was passed in general meeting as required under first proviso to Section 188	20/12/2014

**2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS**

a) Name(s) of the related parties and nature of relationships	<b>Pudumjee Hygiene Products Ltd.</b> A wholly owned subsidiary of Pudumjee Industries Ltd, a Company under Section 2(76)(v).	
b) Nature of contracts/arrangements / transaction	Purchase of tissue papers, Napkins, Towels, etc. at Market based rates	Lease of premises of about 1900 Sq.ft. at about market based rates
c) Duration of the Contracts/ arrangements/transactions	Continuous arrangement.	For 24 months.
d) Salient terms of contracts or arrangements or transactions including the value if any	<u>Monetary value</u> : About ₹ 10 lacs in financial year 2014-15.	About ₹ 7 Lacs in financial year 2014-15.
e) Date(s) of approval by the Board	17-05-2014, 26-07-2014, 13-09-2014, 01-11-2014, 14-02-2015	13-09-2014
f) Amount paid as advances if any	NIL	

On behalf of the Board of Directors,

**A.K. Jatia**  
Executive Chairman

Dated : 30<sup>th</sup> May, 2015  
Mumbai,

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**ANNEXURE NO. 6 A**

**Information as per Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2015**

Name & Age (Years)	Designation/ Nature of duties	Remuneration		Qualification & Experience (Years)	Date of commencement of employment	Last employed	
		Gross ₹	Net ₹			Name of the organisation	Position held
*Mr. A.K. Jatia (52)	Executive Chairman	106,53,051	78,75,757	B.S.(Finance & Business Economics) (32)	01.06.2014	—	—
*Mr. Leekha V.P.(75)	Managing Director	76,91,615	57,03,960	B.E.(Mech.) (52)	07.03.2000	Star Paper Mills Ltd.	President
*Mr. Bansal S. K.(55)	Whole Time Director & CFO	81,51,875	60,94,937	B.Com. ACA, ACS (32)	03.10.1984	A.F. Fergusson & Co.	Asstt. Manager
**Mr. Hubert Trummer (55)	Chief Operating Officer (COO)	116,72,374	83,07,197	B.E. (Mech.) (39)	25.02.2013	Self Employed	Paper Consultant
Dr. Ashok Kumar (59)	Executive Director / COO	14,22,177	10,27,349	M.E. (Chem Engg) P.hD (35)	06-02-2015	Khanna Paper mills	President

**Notes-**

- (1) Gross remuneration as shown above includes salary, bonus, Company's contribution to Provident fund and Value of medical and other facilities but excludes provision for gratuity. Net remuneration is arrived at after deduction of Income Tax.
- (2) \*The nature and conditions of employment are non contractual. The employee is whole-time director of the Company during the year.
- (3) \*\*The nature and conditions of employment are contractual. The employee is whole time employee of the Company.
- (4) There is no employee drawing remuneration in excess of the remuneration drawn by the managing director/whole time director and who holds himself or along with his/her spouse and dependent children not less than two per cent of the equity shares of the Company.
- (5) None of the above employees is related to each other.

On behalf of the Board of Directors,

**A.K. Jatia**  
Executive Chairman

Dated : 30<sup>th</sup> May, 2015  
Mumbai,

**ANNEXURE NO. 6B**  
**STATEMENT SHOWING THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN**  
**EMPLOYEE'S REMUNERATION AND SUCH OTHER DETAILS.**

NUMBER OF PERMANENT EMPLOYEES OF THE COMPANY : 603

Sr. No.	Name of the director, Chief Financial Officer, Chief Executive Officer, Company Secretary	Designation	remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary (in INR)	comparison of the remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary against the Managerial Personnel performance of the Company.	key parameters for any variable compensation element of remuneration availed by the directors	median remuneration of the employees (in INR)	Ratio for the financial year between D and G	percentage increase in remuneration of each director, Chief Financial Officer, Executive Officer, Company Secretary in the financial year	percentage increase in the median remuneration of employees in the financial year	average percentile increase already made in the salaries of employees other than the managerial personnel	percentage increase in the remuneration of employees other than the managerial personnel	justification to Column "K" & "L" in case of exceptional circumstances not directors but remuneration in excess of the highest paid director during the year	ratio of the remuneration of the director to that of the employees who are not directors but remuneration in excess of the highest paid director during the year	market capitalisation of the Company INR	Closing Share price as on 31.03.2015	price earnings ratio P/E ratio = Mkt. price per share / earnings per share (EPS) as on 31-03-2014	price earnings ratio P/E ratio = Mkt. price per share / earnings per share (EPS) as on 31-03-2015	rate at which the Company came out with the last public offer	percentage increase over decrease in comparison to last public offer	
																				O
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1	Mr. Atun- Kumar Mahabir Prasad Jatia	Executive Chairman & Whole time Director (w.e.f. 01. 06.2014)	1,06,53,051		NIL		32.46	N/A				During the year, in addition to regular annual appraisals in the re- mu- nera- tion of other Directors, The Company has appointed executive Chairman as well as Executive Director.	1-1.09 (Name of the employee- Mr. H. Trumer- COO)	46,53,50,000	23,25/-	3.51	4.94	Company has not made any Public Issue during recent past years.	NA	
2	Mr. Ved Prakash Leekha	Managing Director	7,691,615*	Increase in Sales by 23.60% (YOY)	NIL	3,28,149	23.44	0.24	8.75	9.67	87.46									
3	Mr. Surendra Kumar Bansal	Whole time director & Chief Financial Officer	81,51,875	Increase in PBT by 56.57% (YOY)	NIL		24.84	21.73												
4	Dr. Ashok Kumar	Executive director (w.e.f. 06.2.2015)	8,04,943		NIL		N/A	N/A												
5	Mr. R. M. Kulkarni	Company Secretary (w.e.f. 01. 01.6.2014)	13,22,417		NIL		4.03	N/A												

\*Excluding Entitlement for pension

On behalf of the Board of Directors

Dated : 30<sup>th</sup> May, 2015  
Mumbai

**A. K. Jatia**  
Executive Chairman

**ANNEXURE NO. 7**

**THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Information as per Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2015.

**A CONSERVATION OF ENERGY:**

**i) Steps taken**

Continuous monitoring of electrical energy consumption and evaluation of operating parameters in following specific areas:

- power reduction in refiners due to mix refining procedure.
- Overall power reduction due to utilization of broke system.
- Steam and condensate system modified.

**ii) Steps taken for utilizing alternate sources of energy:**

- Installation of wind power turbines and producing there from power (electricity).
- Installation of Co-generation Plant and production of steam and power.

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

Impact of measures at (a) and (b) above may result in savings of about ₹ One Crore per annum.

**iv) Capital Investment on energy conservation equipments :**

- Replacement of old agitators with energy efficient agitators.
- Replacement of refiner discs with AFT make fine bar segments.
- For saving steam common condensation tank flash to be utilized.

**B TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION**

i) Efforts made in brief towards Technology absorption, adaptation and Innovation	(a) upgradation of color preparation & Service system. (b) Installation of double doctoring system at suction press, suction couch roll. (c) Replacement of group dryers with 8 bar. (d) System pressure dryers. (e) Installation of steam shower unit for Décor paper.
ii) Benefits derived as a result of the above results	(a) Improved preparation chemical before Dosing and avoidance of wastage. (b) Better machine utilization. (c) Improved water removal. (d) Desired paper parameters achieved.
iii) Details of Imported Technology	No new technology was imported in last five years.
iv) Expenditure incurred on Research and Development	₹ 96.31 Lacs.

**C FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign Exchange earned and used were ₹ 461.64 lacs and ₹10534.58 lacs, respectively.

On behalf of the Board of Directors,

**A.K. Jatia**  
Executive Chairman

Place : Mumbai

Dated : 30<sup>th</sup> May, 2015

**ANNEXURE NO. 8**  
**REPORT ON CORPORATE GOVERNANCE**

The Directors present their Report on Corporate Governance as required by SEBI guidelines and listing Agreements:

**Company's Philosophy on Code of Governance :**

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 requirement of clause 49. The Code of Conduct is displayed at the Company's website [www.pudumjee.com](http://www.pudumjee.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 Managing Director to the effect is appended.

**BOARD PROCEDURE :**

Board Meetings are held about four-five times a 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 committees and/ Board.

**MANAGEMENT DISCUSSION AND ANALYSIS :**

The Company operates in high value Specialty Paper segment, with large range of products including Glassine and Greaseproof Papers used for Packaging of food products, Bake Oven Paper for Bakery, Décor Papers for furniture and other laminating products, Laminating Paper for Flexible packaging, low grammage Fine Printing Paper for printing of Bible, etc. Whilst the segment of Specialty Papers being high value products fetch higher price, their manufacturing due to high cost inputs, quality compliance to meet customer expectation end up in higher cost posing a challenge meeting the competition, especially from imports.

The Company's endeavour on continuous product development, minimizing costs and providing dependable delivery and service has enabled the Company to maintain its leadership in the market. This has also helped achieving much better financial performance. Viewed in this context, the Company's output which virtually stagnated in the last few years has seen improvement in terms of higher sales at better prices despite unrestricted imports especially from China.

The Company does recognize and there is continuous thrust to improve upon costs, quality of the products and to innovate new products maintaining timely deliveries and with these positive attributes continuous improvement in performance is expected. The Company's dependence on bought out fiber (imported pulp) including foreign exchange volatility, dependence on bought out energy due to lack of Co-generation facilities remain a challenge. Judicious mix of purchased bilateral power from independent Power Plants, captive Wind Turbine energy and overall energy management have considerably addressed these concerns. The Company has focused on developing new products to substitute plastic for Pharma and other applications for flexible packaging etc. Government policies, when announced, in restricting the use of plastic to help environment would considerably boost the Specialty Paper segment. The Company is conscious of its social and ecological obligations in fully complying with the statutory requirements. The Company is ISO 14001 compliant, FSC COC certified. The Company is in dialogue with Maharashtra Pollution Control Board for the future "Consent to Operate", awaiting clearance.



## PUDUMJEE PULP & PAPER MILLS LIMITED

The Company's Real Estate business through a Partnership firm has been successfully operating, having completed its 5<sup>th</sup> building comprising of 94 flats in the "GREENS" complex. The 6<sup>th</sup> building has been started as an ambitious project of 16 stories comprising of 124 flats adding to the tall status of this complex.

The 'Greenville' project comprising of residential cum commercial complex taken up by the Company on its land of about 9000 Sq. Mtr. is awaiting statutory clearances.

The existing internal controls of the Company are periodically reviewed by the audit Committee and are considered quite adequate.

The Company employs about 600 employees and Company's relations with the labour remained cordial.

### Board of Directors :

The Board of Directors is composed of a Promoter Director, 3 Whole-time Directors, one of whom is the Managing Director and 6 Non Executive Independent Directors. The Executive chairman, Managing Director and the Whole-time Director conduct the day to day management of the Company subject to the supervision and control of the Board of Directors.

The composition of the Board as on 31<sup>st</sup> March, 2015 is as under:

Directors	Category	Total number of Directorships in Public Companies as on 31 <sup>st</sup> March, 2015.*	Total number of Membership of Committees of as on 31 <sup>st</sup> March, 2015. +	Total number of Chairmanships of Committees as on 31 <sup>st</sup> March, 2015. +
<b>Executive Directors</b>				
Mr. Arunkumar Mahabir Prasad Jatia	Executive Chairman	5	8	5
Mr. Ved Prakash Leekha	Managing Director	3	1	Nil
Dr. Ashok Kumar	Executive Director	1	Nil	Nil
Mr. Surendra Kumar Bansal	Whole time Director & CFO	7	4	Nil
<b>Non- Executive Directors</b>				
Mr. Gautam Khaitan	Independent Director	4	5	1
Mr. Nandan Damani	Independent Director	5	2	Nil
Mr. Bhupendra Champaklal Dalal	Independent Director	5	6	4
Mr. Vinod Kumar Beswal	Independent Director	3	1	Nil
Mr. Venkateshwar Onkarmal Somani	Independent Director	4	2	1
Ms. Preeti Gautam Mehta	Independent Director	3	1	Nil

\* includes Directorship in other Public companies and Pudumjee Pulp and Paper Mills Limited.

+ Committees considered are Audit Committee and Stakeholders relationship Committee or Shareholders/ Investors' Grievance Committee, including in Pudumjee Pulp and Paper Mills Limited.

+ Total number of committee membership includes the Chairmanship also.

During the year 2014-2015, Six Board Meetings were held on the following dates :

17-05-2014	26-07-2014	13-09-2014
01-11-2014	17-01-2015	14-02-2015

## ANNUAL REPORT 2014–2015

The forty ninth Annual General Meeting (AGM) of the Company was held on 13<sup>th</sup> September, 2014. The attendance of the Directors at these Meetings was as under:

Name of the Director	Number of Board Meetings Attended	Attendance at the last AGM
Mr. Arunkumar Mahabir Prasad Jatia	6	Yes
Mr. Ved Prakash Leekha	6	Yes
Mr. Surendra Kumar Bansal	6	Yes
Dr. Ashok Kumar (w.e.f. 02/03/2015)	NA	Not Applicable
Mr. Gautam Khaitan	2	Yes
Mr. Nandan Damani (w.e.f. 26.07.2014)	4	Yes
Mr. Bhupendra Champaklal Dalal	6	Yes
Mr. Vinod Kumar Beswal	6	Yes
Mr. Venkateshwar Onkarmal Somani	6	Yes
Ms. Preeti Gautam Mehta (w.e.f.01.11.2014)	3	Not Applicable

### Details of Remuneration and sitting fees paid to Directors during the year

(In ₹)

Name of Directors	Sitting fees	Salaries	Perquisites & Benefits	Commission	Total
Mr. Arunkumar Mahabir Prasad Jatia	21000.00	6500000.00	4153051.00	Nil	10674051.00
Mr. Ved Prakash Leekha	0.00	5400000.00	2291615.00	Nil	7691615.00
Mr. Surendra Kumar Bansal	0.00	5340000.00	2811875.00	Nil	8151875.00
Dr. Ashok Kumar (w.e.f. 02/03/2015)	0.00	520000.00	284943.00	Nil	804943.00
Mr. Gautam Khaitan	10000.00	Nil	Nil	Nil	10000.00
Mr. Nandan Damani (w.e.f.26.07.2014)	35000.00	Nil	Nil	Nil	35000.00
Mr. Bhupendra Champaklal Dalal	155000.00	Nil	Nil	Nil	155000.00
Mr. Vinod Kumar Beswal	160000.00	Nil	Nil	Nil	160000.00
Mr. Venkateshwar Onkarmal Somani	144000.00	Nil	Nil	Nil	144000.00
Ms. Preeti Gautam Mehta (w.e.f.01.11.2014)	35000.00	Nil	Nil	Nil	35000.00

- Perquisites include housing/house rent allowance with electricity, gas, medical expenses, leave travel assistance, club fees, accident insurance, contribution to provident and Superannuation fund etc., but exclude provision for gratuity and pension.
- Severance fees, stock options and notice period are not applicable in case of Executive Directors.
- During the year Ms. Preeti Mehta and Dr. Ashok Kumar were appointed as additional directors and their candidature is proposed for the office of Director of the Company at the Annual General Meeting.
- Non-executive directors' are entitled to regular sitting fees and re-imbursment of expenses incurred for attending each meeting of Board or Committee thereof, further Professional fees are payable on case to case basis to Kanga & Co., Advocates, in which Ms. Preeti Mehta, (Non-Executive Independent Director of the Company) is a partner. The same may also be considered to be disclosures for all pecuniary relationship or transactions of the non-executive director's vis-à-vis the Company in the Annual Report.

## PUDUMJEE PULP & PAPER MILLS LIMITED

- The details for shares held by directors as on 31-03-2015 are as under :

Except Mr. Arunkumar Mahabir Prasad Jatia and Mr. Venkateshwar O. Somani who holds 44,45,603\* and 2,150 holds equity shares of ₹ 2/- each of the Company respectively, none of the other directors namely Mr. Ved Prakash Leekha, Mr. Surendra Kumar Bansal, Mr. Ashok Kumar, Mr. Gautam Khaitan, Mr. Nandan Damani, Mr. Vinod Kumar Beswal, Ms. Preeti Gautam Mehta hold any equity shares of the Company

- \* *Out of total shares mentioned above, 358333 equity shares are held as Executor of the will of Late Shri Mahabirprasad Jatia and 20,39,270 equity shares are held as Executor of the will of Late Smt Poonam Jatia.*

### Appointment of Directors:

Pursuant to provision of Section 152(6) of the Companies Act, 2013, Independent Directors are not liable to retire by rotation and pursuant to section 149 their appointment has been approved by shareholders for five years, Mr. Ved Prakash Leekha, Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

During the year Dr. Ashok Kumar was appointed as an additional director at the Board meeting held on 14<sup>th</sup> February, 2015.

Ms. Preeti Mehta was appointed as an additional director of the Company at the meeting of Board of directors held on 1<sup>st</sup> November, 2014. Both Dr. Ashok Kumar and Ms. Preeti Mehta hold their respective office of director upto the date of the forthcoming Annual General Meeting. The Brief profile of appointees has given as under;

	<b>Ms. Preeti Mehta (Director)</b>	<b>Dr. Ashok Kumar (Director)</b>
DIN	00727923	07111155
Age	55 years	59 years
Education	BA, LLB	M.E. (Chemical) and Ph. D. (Pulp Processing)
Nature of expertise in specific functional areas;	Ms. Preeti Mehta is advocate and solicitor by profession and partner of Kanga and Company one of the Leading firm of Advocates and solicitors in Mumbai which is established in year 1890. She has been in practice over 27 years and has vast experience in matters relating to Merger & Acquisition, Private Equity, Joint Ventures & Collaborations, Banking, Franchising and Dispute Resolution.	Over three decade's expertise in the Paper Industry as a technocrat with substantial exposure and a proven track record of improving operations and business performance.
Names of other companies in which the of the non-executive director holds the directorship	Bagalkot Cement & Industries Limited JCB India Limited	NIL
Names of the other membership of Committees of the non-executive director	Bagalkot Cement & Industries Limited- Audit Committee	NIL
Shareholding of non-executive directors	Nil	Not applicable

Dr. Ashok kumar was also appointed by the Board of Directors as an Executive Director of the Company for a period of 5 (Five) years with effect from 2<sup>nd</sup> March, 2015, on the terms, as approved and recommended, by the Nomination & Remuneration Committee of the Board, subject to approval of the members of the Company and such other approvals as may be required. His appointment as the Executive Director is proposed for the approval of the members at the forthcoming Annual General Meeting.

**COMMITTEES OF DIRECTORS :**

**a) Audit Committee**

The Audit Committee consists of three Independent non Executive Directors, they have vast experience and knowledge of corporate affairs and financial management and possess strong accounting and financial management expertise. The composition of Committee is as under :

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>
1	Mr. Bhupendra Champaklal Dalal	Chairman
2	Mr. Arunkumar Mahabir Prasad Jatia	Member
3	Mr. Venkateshwar Onkarmal Somani	Member
4	CA. Vinod Kumar Beswal	Member

Pursuant to provisions of section 177 of the Companies Act, 2013 and Clause 49 of Listing Agreement, following revised terms of reference of this Committee are as under :

- the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters;
- Seek information from any employee;
- To obtain outside legal and other professional advice;
- call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to :
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.

## PUDUMJEE PULP & PAPER MILLS LIMITED

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where;
- Overseeing suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

The Meetings of the Audit Committee are also attended by the Managing Director, Chief Finance Officer, the Statutory Auditors and the Internal Auditors.

The Chairman of the Committee, Mr. Bhupen Champaklal Dalal, was present at the Annual General Meeting held on 13th September, 2014, to answer queries of shareholders.

Five (5) Meetings of Committee were held during the year 1st April, 2014 to 31st March, 2015 on the following dates:

17-05-2014	26-07-2014	14-02-2015
01-11-2014	17-01-2015	—

The attendance at the Meetings were as under:

Sr. No.	Name of the Committee Members	Meetings Attended
1	Mr. Bhupendra Champaklal Dalal	5
2	Mr. Arunkumar Mahabir Prasad Jatia	5
3	Mr. Venkateshwar Onkarmal Somani	5
4	Mr. Vinod Kumar Beswal	5

**b) Nomination and Remuneration Committee**

During the year Remuneration Committee was re-constituted by the Board of Directors as Nomination & Remuneration Committee and also adopted terms of reference stating role and scope of activities of the committee as prescribed under section 178 of Companies Act, 2013 and clause 49 (IV) of listing agreement.

The Nomination & Remuneration Committee comprises of Mr. Bhupendra Champaklal Dalal, Mr. Vinod Kumar Beswal and Mr. Venkateshwar Onkarmal Somani. Mr. Bhupendra Champaklal Dalal is Chairman of the Committee.

Four Committee meetings were held on 17<sup>th</sup> May, 2014, 26<sup>th</sup> July, 2014, 1<sup>st</sup> November, 2014 and 14<sup>th</sup> February, 2015, during the year 2014-15. The attendances at these meetings were as under:

Sr. No.	Members	Meetings Attended
1.	Mr. Bhupendra Champaklal Dalal	4
2.	Mr. Vinod Kumar Beswal	4
3.	Mr. Venkateshwar Onkarmal Somani	4

The detailed policy of the Company on directors' appointment and remuneration including criteria for determining qualifications, of a director and other matters & Policy, relating to the remuneration for the directors, key managerial personnel and other employees is annexed as respective annexure No. 10 to the directors' report in this annual report.

**c) Stakeholders Relationship Committee**

The shareholders' Grievance Committee was renamed as Stakeholders Relationship Committee. The said Committee has been re-constituted by the Board of Directors and it comprises of Directors Mr. Venkateshwar Onkarmal Somani, Mr. Arunkumar Mahabir Prasad Jatia, and Mr. Surendra Kumar Bansal, as its members.

Its terms of reference include review of complaints of shareholders/investors, Fixed deposit holders 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 Investor's Complaints.

During the year 2014-2015, the Company received 27 complaints from investors and No complaints were received through SEBI and No Complaint was received through Stock Exchange. The complaints received have been replied to and resolved. No complaints are pending for resolution.

Mr. Venkateshwar Onkarmal Somani is the Chairman of the Committee. Company Secretary is the Compliance Officer of the Company.

Four Committee meetings were held on 17<sup>th</sup> May, 2014, 26<sup>th</sup> July, 2014, 1<sup>st</sup> November, 2014 and 14<sup>th</sup> February, 2015, during the year 2014-15. The attendance at these meetings was as under :

Sr. No.	Members	Meetings Attended
1.	Mr. Venkateshwar Onkarmal Somani	4
2.	Mr. Arunkumar Mahabir Prasad Jatia	4
3.	Mr. Surendra Kumar Bansal	4

**d) General Body Meetings :**

- i) Annual General Meetings were held during the past three years and the following Special Resolutions were passed thereat :

## PUDUMJEE PULP & PAPER MILLS LIMITED

Date of Meeting and Time	Special Resolutions passed
25 <sup>th</sup> August, 2012 9.00 a.m. (ST)	i) Special Resolution for approval to extend the validity of remuneration payable to Mr. S.K. Bansal, the Whole-time Director for the remaining period of his term till 31st March, 2014.
24 <sup>th</sup> August, 2013 9.00 a.m. (ST)	i) Special Resolution for approval to the remuneration payable to Mr.V.P. Leekha, the Chief Executive Officer of the Company for the remaining period of his appointment from 01.04.2013 to 31.03.2014. ii) Special Resolution for approval to the revised remuneration payable to Mr.S.K. Bansal, the Whole-time Director of the Company for the remaining period of his appointment from 01.04.2012 to 31.03.2014.
13 <sup>th</sup> September, 2014 12.00 noon (ST)	i) Approval to appointment, remuneration and other terms of Mr. Arunkumar Mahabirprasad Jatia as Whole-time Director designated as "Executive Chairman" of the Company for a period of five years with effect from 1 <sup>st</sup> June, 2014. ii) Approval to appointment, remuneration and other terms of Mr. Ved Prakash Leekha as Managing Director of the Company for a period of five years with effect from 1 <sup>st</sup> April, 2014. iii) Approval to appointment, remuneration and other terms of Mr. Surendra Kumar Bansal as Whole-time Director of the Company for a period of five years with effect from 1 <sup>st</sup> April, 2014. iv) to borrow monies from time to time from any one or more bodies corporate or financial institutions, Banks or any entity or any person or persons not exceeding ₹ 1000 crores. v) to invite and accept deposits from the members of the Company and from the public in general, not exceeding the limits laid down under the Companies (Acceptance of Deposits) Rules, 2014.

### ii) Extra Ordinary General Meeting (EGM) :

During the year an EGM of the shareholders of the Company was held at the Registered Office of the Company at Thergaon, Pune 411 033 on 20th December, 2014 at 9.00 A.M. (ST) for passing Special Resolutions to transact following business :

- a) To authorize the Board of Directors to enter into a contract(s)/transactions with Pudumjee Industries Limited (PIL) to purchase or sell or supply of any material/capital goods/power AND availing of/ rendering of services like processing of pulp, paper, steam and waste paper or provision of any services upto an amount not exceeding in aggregate ₹ 60 crores.
- b) To authorize the Board of Directors to enter into a contract(s)/transactions with Pudumjee Industries Limited (PIL) and Pudumjee Investment & Finance Company Limited, (PIFCO) to advance loans, inter corporate deposits on such terms and conditions as the Board or committee thereof, may think fit upto an amount not exceeding in aggregate ₹100 crores.

### iii) Postal Ballot :

During the year under review, the Company has passed two special resolutions by way of Postal Ballot process. The Company has proposed following special resolutions through postal ballot Resolutions passed on 13<sup>th</sup> September, 2014 :

- a) To authorize Board of Directors to lease, mortgage and/or charge or otherwise dispose of the whole or substantially the whole of the undertaking of the Company to secure any such borrowings by the Company in respect of borrowings not exceeding to ₹1000 Crores.

- b) To authorize Board of Directors to advance loan(s) or to provide security in connection with loan/give guarantee/make investments in excess of limits specified under section 186 of Companies Act, 2013 and Rules framed thereunder not exceeding ₹ 1000 crores (Rupees One Thousand Crores)

For the said postal ballot exercise, Mrs. Savita Jyoti, Practising Company Secretary, was appointed as the Scrutinizer to conduct the postal ballot process. The Notice dated 2<sup>nd</sup> June, 2014 was sent to the members and the last date for receipt of postal ballot forms was 9<sup>th</sup> September, 2014. According to the Scrutinizer's report, the Resolutions were passed by the requisite majority. The result of the postal ballot was disclosed to stock exchanges on 13<sup>th</sup> September, 2014.

**COMPANY POLICIES :**

During the year under review, the Board adopted the following policies/ programme :

**(a) Policy on Related Party Transactions :**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Audit Committee, the Board of Directors, at its meeting held on 1<sup>st</sup> November, 2014, approved and adopted the Policy on Related Party Transactions w.e.f. 1<sup>st</sup> November, 2014. This Policy can be viewed on the Company's website viz. [www.pudumjee.com](http://www.pudumjee.com).

**(b) Policy on Material Subsidiaries :**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Audit Committee, the Board of Directors, at its meeting held on 17<sup>th</sup> January, 2015 approved and adopted the Policy on Material Subsidiaries w.e.f. 17<sup>th</sup> January, 2015. This Policy can be viewed on the Company's website viz. [www.pudumjee.com](http://www.pudumjee.com).

**(c) Whistle Blower Policy/Vigil Mechanism:**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Audit Committee, the Board of Directors, at its meeting held on 17<sup>th</sup> May, 2014, approved and adopted the Whistle Blower Policy w.e.f. 17<sup>th</sup> May, 2014. This Policy can be viewed on the Company's website viz. [www.pudumjee.com](http://www.pudumjee.com).

**(d) Criteria For Selection Of Candidates For Senior Management And Members On The Board Of Directors :**

Pursuant to Clause 49 of the Listing Agreement , the Board of Directors, at its meeting held on 1<sup>st</sup> November, 2014 approved and adopted the Criteria For Selection Of Candidates For Senior Management And Members On The Board Of Directors w.e.f. 1<sup>st</sup> November, 2014. This Policy can be viewed on the Company's website viz. [www.pudumjee.com](http://www.pudumjee.com).

**(e) Familiarisation programme for Independent Directors :**

Pursuant to Clause 49 of the Listing Agreement the Board of Directors, the Familiarisation programme for Independent Directors can be viewed on the Company's website viz. [www.pudumjee.com](http://www.pudumjee.com).

**(f) Policy on Board's Diversity :**

Pursuant to Clause 49 of the Listing Agreement the Board of Directors, at its meeting held on 1<sup>st</sup> November, 2014 approved and adopted the Board's Diversity w.e.f. 1<sup>st</sup> November, 2014. This policy can be viewed on the Company's website viz. [www.pudumjee.com](http://www.pudumjee.com).

**(g) Risk Policy & Procedures :**

Pursuant to Clause 49 of the Listing Agreement the Board of Directors, at its meeting held on 17<sup>th</sup> May 2014 approved and adopted the Risk Policy & Procedures w.e.f. 17<sup>th</sup> May 2014. This policy can be viewed on the Company's website viz. [www.pudumjee.com](http://www.pudumjee.com).

**(h) CSR Policy :**

Pursuant to Clause 49 of the Listing Agreement the CSR Committee, at its meeting held on 1<sup>st</sup> November, 2014 approved and adopted the CSR Policy w.e.f. 1<sup>st</sup> November, 2014. This policy can be viewed on the Company's website viz. [www.pudumjee.com](http://www.pudumjee.com).



## PUDUMJEE PULP & PAPER MILLS LIMITED

### Disclosures

- a) As disclosed in the accompanying accounts, wherever required, full provision has been made relating to transactions with subsidiary and associate Companies.
- b) There were no instances of non compliance by the Company, nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any statutory authority on any matter relating to capital markets during the last three years.
- c) No 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. Non-Mandatory requirements have been complied with in so far as they relates to the 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.

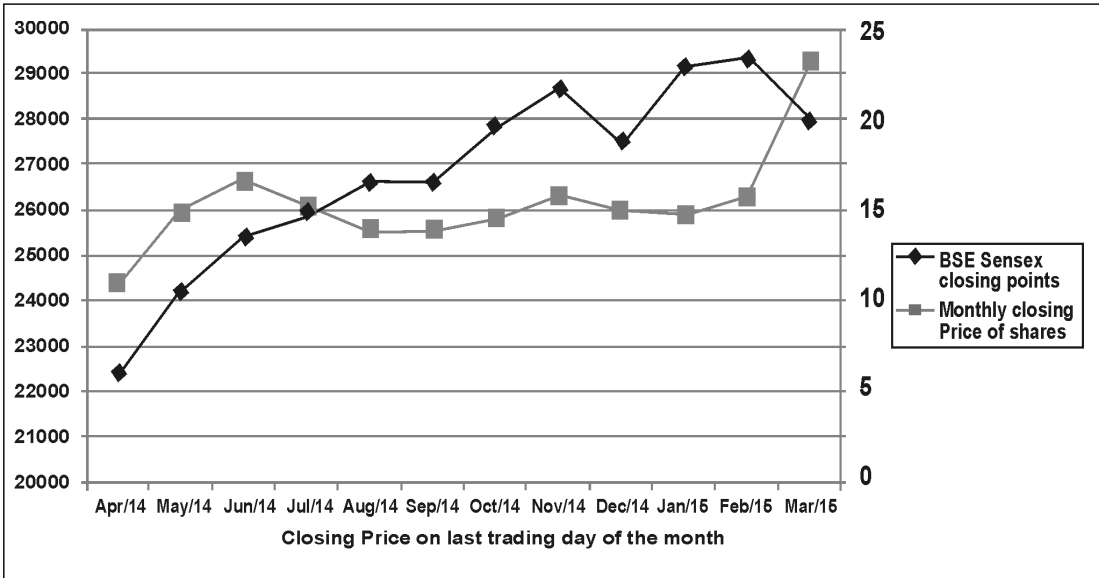
### Means of Communication

- a) The Company has published its quarterly and half yearly results giving the required particulars in the "Financial Express"/"Economic Times" and "Loksatta"/Maharashtra Times (Regional Language).
- b) These results are also posted on Company's website [www.pudumjee.com](http://www.pudumjee.com).
- c) The Company has created a dedicated E-mail ID for investor's complaints viz. [inv\\_compl\\_ppm@pune.pudumjee.com](mailto:inv_compl_ppm@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.

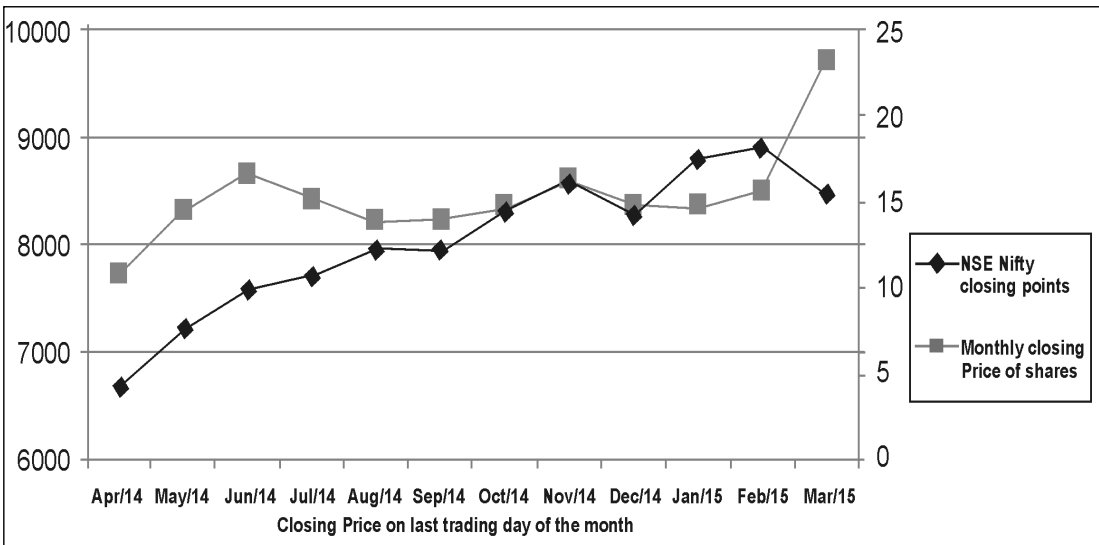
### Market share Price Data: (In ₹)

Month / Index	Bombay Stock Exchange			National Stock Exchange		
	High Price	Low Price	Close Price	High Price	Low Price	Close Price
Apr-14	13.23	10.56	11.00	12.65	10.50	10.85
May-14	15.85	10.10	14.88	15.25	10.35	14.45
Jun-14	17.95	14.15	16.61	17.70	14.05	16.70
Jul-14	17.65	14.35	15.20	17.75	14.30	15.15
Aug-14	15.40	13.30	14.00	16.75	13.20	13.95
Sep-14	16.50	13.40	13.95	16.70	13.00	14.00
Oct-14	15.50	13.75	14.59	14.00	13.60	14.80
Nov-14	16.70	15.00	15.84	16.95	14.70	16.10
Dec-14	19.00	12.60	15.00	16.45	13.40	14.90
Jan-15	18.65	13.70	14.80	18.75	13.45	14.70
Feb-15	16.59	14.20	15.70	15.95	14.20	15.65
Mar-15	25.05	15.60	23.25	24.90	15.40	23.25

Stock Performance in comparison to BSE Sensex



Stock Performance in comparison to NSE NIFTY



## PUDUMJEE PULP & PAPER MILLS LIMITED

Shareholding pattern and distribution pattern of shares as at 31<sup>st</sup> March, 2015 :

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING		
Category of shareholder	No. of shares	% of shares held	No. of shares	No. of share-holders	No. of Shares held
<b>PROMOTER AND PROMOTER GROUP</b>			1 - 5000	7564	4,483,026
Individual /Hindu Undivided Family	6,781,957	16.54	5001 - 10000	415	1,611,451
Bodies Corporate	17,437,404	42.53	10001 - 20000	184	1,404,672
Individuals (Non-Resident Individuals / Foreign Individuals)	1,000,000	2.44	20001 - 30000	51	634,143
<b>PUBLIC SHAREHOLDING</b>			30001 - 40000	43	777,916
Mutual Funds /UTI	250	0	40001 - 50000	18	406,824
Financial Institutions/ Banks	6,430	0.02	50001 - 100000	35	1,280,979
Insurance Companies	4,786	0.01	100001 & Above	42	30,400,989
Bodies Corporate	3,810,134	9.29			
Individuals	11,623,608	28.35			
Non resident Indians	335,431	0.82			
<b>GRAND TOTAL</b>	<b>41,000,000</b>	<b>100.00</b>	<b>GRAND TOTAL</b>	<b>8352</b>	<b>41,000,000</b>

### Dematerialization of Shares and Liquidity as on 31<sup>st</sup> March, 2015

Physical Form : 2.84%

Dematerialized Form : 97.16%

Trading in equity shares of the Company is permitted in dematerialized form only as per the notification issued by Securities and Exchange Board of India (SEBI). Non-promoters' share holding is 38.49%.

### Disclosure of shares lying In the Unclaimed Suspense Account

Pursuant to clause 5A (II) in listing Agreement the details in respect of the shares lying in the unclaimed suspense account till March 31, 2015 is as under:

## ANNUAL REPORT 2014–2015

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 1st April, 2014	517	348415
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account	6	7750
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents	6	7750
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31st March, 2015	511	340665

There were no request pending for want of necessary documents from the Shareholders / legal heirs.

Voting rights in respect of the aforesaid 34,0665 shares held in the Unclaimed Suspense Account will remain frozen till the time such shares are claimed by the concerned Shareholders.

Shareholders may get in touch with the Company/ RTA for any further information in this matter.

### General Information for Shareholders:

<b>Annual General Meeting</b>	
1. Date & Time	Saturday, 19 <sup>th</sup> September, 2015 at 12.00 noon
2. Venue of AGM	Registered Office of the Company at Thergaon, Pune 411 033
3. Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>Financial Calendar (Tentative)</b>	
1. Date of Book Closure	8 <sup>th</sup> September, 2015 to 19 <sup>th</sup> September, 2015
2. Last date for receipt of Proxy Form	17 <sup>th</sup> September, 2015 by 12.00 noon
3. Dividend Payment Date	25 <sup>th</sup> September, 2015
4. Board Meeting for Consideration of unaudited results for first three quarters	Within 45 days from the end of the each quarter
<b>5 Listing on Stock Exchanges and Scrip code:</b>	
Bombay Stock Exchange Ltd Phiroze Jeejibhoy Towers 25 <sup>th</sup> Floor, Dalal Street, Mumbai 400 001.	500343
The National Stock Exchange of India Ltd Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), MUMBAI 400 051.	PDUMJEPULP
Pune Stock Exchange Ltd. Shivaleela Chambers, 3 <sup>rd</sup> Floor, R.B. Kumthekar Marg, 752, Sadashiv Peth, Pune 411 030.	PADPU 2440 (Note : The Company Ceased to be listed on PSE w.e.f. 15 <sup>th</sup> April, 2015, on de-recognition of PSE by SEBI vide its order dated 13 <sup>th</sup> April, 2015)
NSDL and CDSL Dematstock code	INE606A01024

## PUDUMJEE PULP & PAPER MILLS LIMITED

6	E-mail ID for Investor Complaints	inv_compl_ppm@pune.pudumjee.com
7	Registrars & Share Transfer Agents:	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032. Tel. : 91-40-44655000 Fax : 91-40-23420814 E-mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>
<p>This is a Common Agency looking after all the work related to share registry in terms of both physical and electronic connectivity (as per directions of SEBI) the details are as under :</p> <p>The Shareholders/investors can approach M/s Karvy Computershare Pvt. Ltd. at any of its service centres throughout the country for any of their queries relating to share transfer, dividend etc.</p> <p>(Note : Shareholders holding shares in Electronic Mode should address all correspondence to their respective Depository Participants).</p>		
8	Any other inquiry:	The Company Secretary, Pudumjee Pulp & Paper Mills Ltd., Thergaon, Pune 411 033. Tel. : 91-20-30613333 Fax. : 91-20-30613388 E-mail : <a href="mailto:sk@pune.pudumjee.com">sk@pune.pudumjee.com</a>
9	Plant Location	Thergaon, Pune 411 033.

### Listing fees:

Listing fees for the year 2014-2015 have been paid in full to Pune Stock Exchange Ltd., Bombay Stock Exchange Ltd., Mumbai, and National Stock Exchange of India Ltd.

### Share Transfer System:

The Share transfers in physical form are presently processed and the Share Certificates returned within a period of 15 days from the date of receipt subject to the documents being in order in all respects.

### Certificate of Compliance:

The Certificate of Compliance with requirements of Corporate Governance by the Company, issued by M/s Khare & Company, the auditors of the Company is annexed.

On behalf of the Board of Directors,

**A.K. Jatia**  
Executive Chairman

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2015

Corporate Governance Report of  
**Pudumjee Pulp & Paper Mills Ltd.,**

### **Declaration regarding affirmation of Code of Conduct**

In terms of the requirement of the Revised Clause 49 of the Listing Agreement, Code of Conduct as approved by the Board of Directors of the Company in its meeting held on 29<sup>th</sup> October, 2005 has been displayed at Company's website [www.pudumjee.com](http://www.pudumjee.com). All the members of the Board and the senior management personnel have affirmed compliance with the Code for the year ended 31st March, 2015.

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2015

**S.K. BANSAL**  
Chief Financial Officer

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of,  
**Pudumjee Pulp & Paper Mills Ltd.,**  
**Thergaon Pune 411033.**

We have examined the compliance of conditions of Corporate Governance by Pudumjee Pulp & Paper Mills Limited, for the year ended on 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the Company nor of 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 : 30<sup>th</sup> May, 2015

**PUDUMJEE PULP & PAPER MILLS LIMITED****ANNEXURE NO - 9****FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31<sup>st</sup> March 2015  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS :**

i) CIN :	L21012MH1964PLC013058
ii) Registration Date	19/11/1964
iii) Name of the Company	Pudumjee Pulp and Paper Mills Limited
iv) Category / Sub-Category of the Company	Public Company Limited by Shares
v) Address of the Registered office and contact details	Thergaon, Pune- 411033 Tel. : 91-20-30613333 Fax. : 91-20-30613388
vi) Whether listed company	Listed
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad – 500 032 Tel. : 91-40-44655000 Fax : 91-40-23420814

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Paper	280	93.86

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SR. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Pudumjee Investment & Finance Co.Ltd, Thergaon, Pune- 411033	U65993PN1991PLC062635	Subsidiary	100%	Section 2(87)
2	Pudumjee Paper Products Limited, Thergaon, Pune- 411033	U21098PN2015PLC153717	Subsidiary	51%	Section 2(87)
3	Pudumjee Plant Laboratories Limited, Thergaon, Pune- 411033	U01122PN1994PLC021609	Associate	27.10%	Section 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2014)				No. of Shares held at the end of the year 31-03-2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoters</b>									
<b>1) Indian</b>									
a) Individual/HUF	2694687	0	2694687	6.57	6781957	0	6781957	16.54	9.97
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	17219151	0	17219151	42.00	17437404	0	17437404	42.53	0.53
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>19913838</b>	<b>0</b>	<b>19913838</b>	<b>48.57</b>	<b>24219361</b>	<b>0</b>	<b>24219361</b>	<b>59.07</b>	<b>10.50</b>
<b>2) Foreign</b>									0.00
a) NRIs - Individuals	5087270	0	5087270	12.41	1000000	0	1000000	2.44	-9.97
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2) :</b>	<b>5087270</b>	<b>0</b>	<b>5087270</b>	<b>12.41</b>	<b>1000000</b>	<b>0</b>	<b>1000000</b>	<b>2.44</b>	<b>-9.97</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	<b>25001108</b>	<b>0</b>	<b>25001108</b>	<b>60.98</b>	<b>25219361</b>	<b>0</b>	<b>25219361</b>	<b>61.51</b>	<b>0.53</b>
<b>B Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	0	250	250	0.00	0	250	250	0.00	0.00
b) Banks / FI	6025	405	6430	0.02	6025	405	6430	0.02	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	134265	250	134515	0.33	4536	250	4786	0.01	-0.32
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B) (1) :</b>	<b>140290</b>	<b>905</b>	<b>141195</b>	<b>0.34</b>	<b>10561</b>	<b>905</b>	<b>11466</b>	<b>0.03</b>	<b>-0.32</b>
<b>2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	4025320	4830	4030150	9.83	3805734	4400	3810134	9.29	-0.54
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lacs	7798755	1154336	8953091	21.84	8174485	1109826	9284311	22.64	0.81
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lacs	2583577	0	2583577	6.30	2339297	0	2339297	5.71	-0.60
c) Others (specify) Non - resident Indians	240629	50250	290879	0.71	285181	50250	335431	0.82	0.11
<b>Sub-total (B) (2) :</b>	<b>14648281</b>	<b>1209416</b>	<b>15857697</b>	<b>38.68</b>	<b>14604697</b>	<b>1164476</b>	<b>15769173</b>	<b>38.46</b>	<b>-0.22</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>14788571</b>	<b>1210321</b>	<b>15998892</b>	<b>39.02</b>	<b>14615258</b>	<b>1165381</b>	<b>15780639</b>	<b>38.49</b>	<b>-0.53</b>
<b>C Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	<b>39789679</b>	<b>1210321</b>	<b>41000000</b>	<b>100.00</b>	<b>39834619</b>	<b>1165381</b>	<b>41000000</b>	<b>100.00</b>	<b>0.00</b>



## PUDUMJEE PULP & PAPER MILLS LIMITED

### (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Arunkumar Mahabir Prasad Jatia	3,58,333@	0.87	0	358333	0.87	0	NIL@
2	Arunkumar Mahabir Prasad Jatia	20,39,270*	4.97	0	20,39,270	4.97	0	* refer below notes
3	Arun Kumar Mahabir Prasad Jatia	20,48,000	5.00	0	20,48,000	5.00	0	NIL
4	Vrinda Jatia	5,00,000	1.22	0	5,00,000	1.22	0	NIL
5	Vasudha Jatia	5,00,000	1.22	0	5,00,000	1.22	0	NIL
6	Yashvardhan Jatia	23,36,354	5.70	0	23,36,354	5.70	0	NIL
7	Thacker And Co. Ltd.	61,50,000	15.00	0	6368253	15.53	0	0.53
8	Pudumjee Industries Ltd.	3412850	8.32	0	3412850	8.32	0	NIL
9	Suma Commercial Private Limited	2873036	7.00	0	2873036	7.00	0	NIL
10	Chem Mach Pvt. Ltd.	2533265	6.17	0	2533265	6.17	0	NIL
11	Ubiquitous Trading Private Limited	2150000	5.24	0	2150000	5.24	0	NIL
12	Winterpark Investments & Finance Pvt. Ltd.	1,00,000	0.24	0	1,00,000	0.24	0	NIL

@ These shares held by Mr. Arunkumar Mahabirprasad Jatia in capacity of executors of the will of Shri Mahabirprasad Jatia

\* These shares held by Mr. Arunkumar Mahabirprasad Jatia being executor of the will of Smt. Poonam Jatia.

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

Name of the Promoter - Thacker and Company Limited

Name of the Promoter Share Holder	No of Shares held as on 01/04/2014	% of Shares held as on 01/04/2014	Reasons for change	Nature of change Increase / Decrease	Change in Share-holding	Date of change in share-holding D/M/Y	No. of shares in respect of change, if any	Cumulative Holding	date of separation/ Entry in promoters category during the year	No of Shares Held As on 31/03/2015	% of Shares held as on 31/03/2015
Thacker and Co. Ltd.	6,150,000	15.00	Transfer	Increase	218,253	<b>Changes in shareholding as under</b>			—	6,368,253	15.53
						30/5/2014	48,143	6,198,143			
						6/6/2014	45,857	6,244,000			
						30/6/2014	25,000	6,269,000			
						4/7/2014	26,609	6,295,609			
						11/7/2014	45,749	6,341,358			
						18/7/2014	26,895	6,368,253			

During the year, except above mentioned change, there were no change(s) in the Shareholding of other promoter's.

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(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sr. No.	Name of the Share Holder	No of Shares held as on 01/04/2014	% of Shares held as on 01/04/2014	Reasons for change	Nature of change Increase/ Decrease	Change in Share holding	Date of change in share holding D/M/Y	No. of shares in respect of change, if any	Cumulative Holding	date of separation/ Entry in Top 10 (Non Promoters), during the year	No of Shares Held As on 31/03/2015	% of Shares held as on 31/03/2015
1	Halan Properties Private Limited	1,650,000	4.02	—	—	NIL	—	—	—	—	1,650,000	4.02
2	Manju Gaggar	368,697	0.90	—	—	NIL	—	—	—	—	368,697	0.90
3	Hanuman Prasad Birla	297,926	0.73	Transfer	Increase	2,074	<b>Changes in shareholding as under</b>			—	300,000	0.73
							30/06/2014	(14,750)	283,176			
							4/7/2014	(278)	282,898			
							8/8/2014	(3,942)	278,956			
							22/8/2014	(5,000)	273,956			
							14/11/2014	(899)	273,057			
							30/1/2015	10,000	283,057			
6/2/2015	16,943	300,000										
4	Gayatri Gaggar	179,252	0.44	—	—	NIL	—	—	—	179,252	0.44	
5	Nandkishore Agarwal	167,059	0.41	—	—	NIL	—	—	—	167,059	0.41	
6	Ramesh S. Damani	152,275	0.37	Transfer	Decrease	(16,158)	6/6/2014	(16,158)	136,117	—	136,117	0.33
7	Superways Investment And Finance Private Limited	138,569	0.34	—	—	NIL	—	—	—	—	138,569	0.34
8	Muktital Ganulal Paldiwal	146,247	0.36	Transfer	Increase	40,604	<b>Changes in shareholding as under</b>			—	186,851	0.46
							11/4/2014	10,378	156,625			
							25/4/2014	2,177	158,802			
							2/5/2014	2,532	161,334			
							9/5/2014	700	162,034			
							16/5/2014	1,020	163,054			
							23/5/2014	4,000	167,054			
							30/5/2014	792	167,846			
							19/9/2014	500	168,346			
							30/9/2014	926	169,272			
							10/10/2014	2,000	171,272			
							17/10/2014	1,800	173,072			
							14/11/2014	4,090	177,162			
							21/11/2014	2,000	179,162			
							19/12/2014	689	179,851			
9/1/2015	3,000	182,851										
6/2/2015	3,000	185,851										
13/2/2015	1,000	186,851										

## PUDUMJEE PULP & PAPER MILLS LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	Name of the Share Holder	No of Shares held as on 01/04/2014	% of Shares held as on 01/04/2014	Reasons for change	Nature of change Increase/ Decrease	Change in Share holding	Date of change in share holding D/M/Y	No. of shares in respect of change, if any	Cumulative Holding	date of separation/ Entry in Top 10 (Non Promoters), during the year	No of Shares Held As on 31/03/2015	% of Shares held as on 31/03/2015
9	Padmakshi Financial Services Pvt. Ltd.	212,819	0.52	Transfer	Decrease	(201,710)	<b>Changes in shareholding as under</b>		—	11,109	0.03	
							4/4/2014	200	213,019			
							23/5/2014	(5,000)	208,019			
							30/5/2014	(500)	207,519			
							6/6/2014	(4,862)	202,657			
							13/6/2014	(13,000)	189,657			
							20/6/2014	(1,400)	188,257			
							30/6/2014	(8,100)	180,157			
							4/7/2014	(683)	179,474			
							25/7/2014	(4,288)	175,186			
							8/8/2014	2,100	177,286			
							22/8/2014	(2,500)	174,786			
							29/8/2014	2,062	176,848			
							12/9/2014	(12,938)	163,910			
							19/9/2014	978	164,888			
							30/9/2014	(142,089)	22,799			
							12/12/2014	(500)	22,299			
31/12/2014	(5,500)	16,799										
16/1/2015	(1,201)	15,598										
23/1/2015	(1,498)	14,100										
6/2/2015	(2,991)	11,109										
10	The Oriental Insurance Company Limited	134,265	0.33	Transfer	Decrease	(129,729)	<b>Changes in shareholding as under</b>		—	4,536	0.01	
							11/7/2014	(300)	133,965			
							18/7/2014	(5,705)	128,260			
							25/7/2014	(24,651)	103,609			
							1/8/2014	(20,859)	82,750			
							8/8/2014	(10,548)	72,202			
							19/9/2014	(10,100)	62,102			
							30/9/2014	(8,680)	53,422			
							20/3/2015	(28,886)	24,536			
27/3/2015	(20,000)	4,536										

Figures in bracket indicates sale transaction of shares sold.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Each Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding At the End of the year	
		No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
1	Mr. Arunkumar Mahabir Prasad Jatia	20,48,000	4.99	3,58,333@ 20,39,270*	0.87@ 4.97*	20,48,000 3,58,333@ 20,39,270*	4.99 0.87@ 4.97*
2	Mr. Ved Prakash Leekha	—	—	—	—	—	—
3	Mr. Surendra Kumar Bansal	—	—	—	—	—	—
4	Mr. Ashok Kumar	—	—	—	—	—	—
5	Mr. Gautam Khaitan	—	—	—	—	—	—
6	Mr. Nandan Damani	—	—	—	—	—	—
7	Mr. Bhupendra Champaklal Dalal	—	—	—	—	—	—
8	Mr. Vinod Kumar Beswal	—	—	—	—	—	—
9	Mr. Venkateshwar O. Somani	2,150	0.005	2150	0.005	2150	0.005
10	Ms. Preeti Gautam Mehta	—	—	—	—	—	—
11	Mr. R. M. Kulkarni	500	0.001	500	0.001	500	0.001

@ These shares held by Mr. Arunkumar Mahabir Prasad Jatia in capacity of executors of the will of Shri Mahabir Prasad Jatia

\*These shares held by Mr. Arunkumar Mahabir Prasad Jatia being executor of the will of Smt. Poonam Jatia.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment;

(In ₹)

		Secured Loans excluding deposits		Unsecured Loans	Fixed Deposit Accepted	Total Indebtedness
		Cash credit	Term Loan			
<b>Indebtedness at the beginning of the financial year</b>						
i)	Principal Amount	41,791,027	349,097,297	Nil	331,709,000	722,597,324
ii)	Interest due but not paid	Nil	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	886	44,566	Nil	13,618,328	13,663,780
	<b>Total (i+ii+iii)</b>	<b>41,791,913</b>	<b>349,141,863</b>	<b>Nil</b>	<b>345,327,328</b>	<b>736,261,104</b>
<b>Change in Indebtedness during the financial year</b>						
	Addition	6,711,124,282	150,000,000	290,000,000	Nil	7,151,124,282
	Reduction	6,652,571,714	129,538,854	120,000,000	(64,081,000)	6,838,029,568
	<b>Net Change</b>	<b>58,552,567</b>	<b>20,461,146</b>	<b>170,000,000</b>	<b>(64,081,000)</b>	<b>184,932,713</b>
<b>Indebtedness at the End of the financial year</b>						
i)	Principal Amount	100,343,594	369,558,443	170,000,000	267,628,000	907,530,037
ii)	Interest due but not paid	Nil	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	29,494	16,021	Nil	16,880,664	16,926,179
	<b>Total (i+ii+iii)</b>	<b>100,373,088</b>	<b>369,574,464</b>	<b>170,000,000</b>	<b>284,508,664</b>	<b>924,456,216</b>

## PUDUMJEE PULP & PAPER MILLS LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### a) Remuneration to Managing Director, Whole-time Directors and/or Manager :

(in ₹)

Sr. No.	Name of the Directors and Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Arunkumar Jatia	Mr. Ved - Prakash Leekha	Mr. Surendra Kumar Bansal (Whole time Director and CFO)	Mr. Ashok Kumar (Since 02.03.2015)	
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,500,000	6,836,400	6,825,900	685,000	22,847,300
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	546,545	167,866	119,003	57,543	890,957
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission as % of profit others, specify	NIL	NIL	NIL	NIL	NIL
5	Others, please specify (Insurance Premium, PF and Superannuation contribution, Sitting fees paid, if any)	1,627,506	687,349	1,206,972	62,400	3,584,227
	<b>Total (A)*</b>	<b>10,674,051@</b>	<b>7,691,615</b>	<b>8,151,875</b>	<b>804,943</b>	<b>27,322,484</b>
	<b>Ceiling as per the Act (I)</b>	12,000,000	12,000,000	12,000,000	12,000,000*	---

\* Max limit is proposed which is subject to approval of shareholders at 50<sup>th</sup> Annual General Meeting by passing of special resolution.

@ During Financial Year 2014-15, prior to appointment of Mr. Arunkumar Jatia as Executive Chairman, has attended 3 Board and Committee meetings dated 17-05-2014 for which he was paid sitting fees of ₹ 21000/- and ceiling limit to the same as per Companies act, 2013 would be ₹ 3.0 Lacs.

#### b) Remuneration to other directors :

(in ₹)

Particulars of Remuneration and Name of the Directors	Name of other Directors						Total Amount
	Mr. Gautam Khaitan	Mr. Nandan Damani	Mr. B. C. Dalal	Mr. V. K. Beswal	Mr. V. O. Somani	Mrs. Preeti Mehta (Since 01.11.2014)	
Independent Directors :							
Fee for attending board / committee meetings	10,000	45,000	165,000	150,000	144,000	35,000	549,000
Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total (1)</b>	<b>10,000</b>	<b>45,000</b>	<b>165,000</b>	<b>150,000</b>	<b>144,000</b>	<b>35,000</b>	<b>549,000</b>
Other Non-Executive Directors :							
Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total (B)=(1+2)</b>	<b>10,000</b>	<b>45,000</b>	<b>165,000</b>	<b>150,000</b>	<b>144,000</b>	<b>35,000</b>	<b>549,000</b>
<b>Ceiling limit as per Act being Maximum sitting fees at ₹ 1 Lac per Meeting (II)</b>	1,00,000	5,00,000	21,00,000	19,00,000	20,00,000	4,00,000	

**c) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(in ₹)

Particulars of Remuneration and Name of the KMP	Key Managerial Personnel			Total
	CEO	(Whole time Director and CFO)	Company Secretary	
	<b>NA</b>	<b>Mr. S. K. Bansal</b>	<b>Mr. R. M. Kulkarni</b>	---
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	6,825,900	1,322,417	8,148,317
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	119,003	NIL	119,003
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
Stock Option	NIL	NIL	NIL	NIL
Sweat Equity	NIL	NIL	NIL	NIL
Commission as % of profit others, specify...	NIL	NIL	NIL	NIL
Others, please specify	NIL	1,206,972	NIL	1,206,972
<b>Total</b>	<b>NIL</b>	<b>8,151,875</b>	<b>1,322,417</b>	<b>9,474,292</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :**

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

On behalf of the Board of Directors,

**A.K. Jatia**  
Executive Chairman

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2015

**ANNEXURE NO. 10**

**CRITERIA FOR SELECTION OF CANDIDATES FOR SENIOR MANAGEMENT AND MEMBERS ON THE BOARD OF DIRECTORS**

**Introduction :**

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 17<sup>th</sup> May, 2014 re-constituted the existing Remuneration Committee by changing its nomenclature as Nomination and Remuneration Committee of the Board of Directors (Committee) and also stipulated additional terms of reference in line with the Companies Act, 2013.

The Board has delegated the responsibility to the Committee to formulate the criteria for identification, selection of the candidates fit for the various positions in senior management and who are qualified to be appointed as director on the Board of Directors of the Company.

The Committee has adopted the following criteria for selection of candidates eligible to be appointed in the senior management of the Company and also member on the Board of Directors of the Company.

**Criteria for Selection of Directors :**

The Committee shall, before making any recommendation to the Board for appointment of any director, consider the following :

- the candidate should possess the positive attributes such as Leadership, Industrial or Business Advisory or such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company;
- the candidate should be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges in case of appointment of an independent director;
- the candidate should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business.

**Criteria for Selection of Senior Management Personnel :**

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013.

The Committee shall, before making any recommendation to the Board for appointment, consider the attributes of the candidate set forth below :

- The candidate should have appropriate experience both in terms of quality and time in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and Committee are relevant for the Company's business;
- The candidate should possess the positive attributes such as leadership skills, decision making skills, integrity, effective communication, hard work, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company.

If the Committee thought fit and in its opinion finds that the candidate meets the above criteria for appointment in senior management or director on the Board, as the case may be, the Committee shall make its recommendation to the Board.

Any amendment to the above criteria for directors and senior management shall be subject to the prior approval of the Committee and any such amendment shall be informed to the Board of Directors.

**Remuneration Policy :**

The Company's remuneration policy is based on the success and performance of the individual employee and the Company. Through, its compensation policy, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, variable and fixed allowances, benefits and bonuses etc. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Company pays remuneration by way of salary (fixed component), benefits, perquisites and allowances (variable component) to its Managing Directors and the Executive Directors. Periodical increases, if any, are decided by the Nomination and Remuneration Committee and Board subject to the approval by the members and are effective from 1<sup>st</sup> April each year. The Nomination and Remuneration Committee decides the commission if any payable to Executive Chairman out of profits for the financial year and within the ceiling prescribed by the Companies Act, 2013 based on the performance of the Company as well as that of the incumbent.

The Company pays sitting fees of ₹ 10,000 per meeting or as may be fixed from time to time to its directors for attending the meetings of the Board and ₹10,000/5,000 for meetings of the Committee of the Board. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the meetings.



**INDEPENDENT AUDITOR'S REPORT**

**To**

**The Members of**

**Pudumjee Pulp & Paper Mills Ltd.**

We have audited the accompanying standalone financial statements of Pudumjee Pulp & Paper Mills Ltd ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order 2015 ("the Order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, We give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
- 2 As required by Section 143 (3) of the Act,
  - (a) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) The Company has adequate internal financial control and in our opinion the same is operating effectively.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i The Company has disclosed the pending litigations in its financial statements, which may impact its financial position [Refer Note 25.14 (a) (ii)];
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For KHARE & COMPANY**  
Chartered Accountants  
FRN 105100W

**Y.P. SHUKLA**  
Proprietor  
Membership No. 16203

Place of Signature : Mumbai,  
Dated : 30<sup>th</sup> May, 2015.

## PUDUMJEE PULP & PAPER MILLS LIMITED

### ANNEXURE TO INDEPENDENT AUDITORS' REPORT

**Referred to in Paragraph 1 under the heading of “report on other legal and regulatory requirements” of our report of even date of the financial statements for the year ended 31<sup>st</sup> March 2015.**

- 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;
- 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;
- d) The Company has granted unsecured loans covered in the register maintained under Section 189 of the Companies Act, 2013, wherein the balance of principal amount and interest recovered as at the year end is ₹6983.17 lacs.
- e) The receipt of the principal amount and interest thereon is also regular;
- f) There are no overdue amounts in respect of loans given by the Company.
- iii) 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. We have not observed any continuing failure to correct major weaknesses in the internal control system;
- iv) The Company has not accepted any deposit during the year and has repaid those deposits which were due and claimed. The Company has complied with the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed thereunder;
- v) 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, 2013 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;
- vi) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other outstanding statutory dues have been regularly deposited during the year with the appropriate authorities.  
  
There are no undisputed statutory dues referred above as on 31<sup>st</sup> March 2015 outstanding for a period of more than six months from the date they became payable;
- b) The disputed Statutory dues aggregating ₹156.26 lacs that have not been deposited on account of disputes and matters pending before appropriate authorities are as under :

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S. No	Nature of the dues	Forum where the dispute is pending	Amount (₹ in lacs)
1	Excise Duty	High Court, Mumbai. (Dept's appeal)	20.96
2	Excise Duty	CESTAT (Dept's appeal)	60.05
3	Excise Duty	CESTAT (Dept's appeal)	0.51
4.	Excise Duty	CESTAT Dy. Commissioner (Central Excise)	5.63
5.	Customs	CESTAT	68.32
6.	Service Tax	CESTAT (Service Tax) (Dy. Commissioner)	0.79

- vii The Company has transferred ₹1.90 lacs during the year to investor education and protection fund in accordance with the provisions of section 125 the companies act, 2013 and rules made there under;
- viii The Company has no accumulated losses and the Company has not incurred cash Loss during the year under report and in the immediately preceding financial year also;
- ix 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. The Company does not have any outstanding debentures;
- x The Company has given a corporate guarantee for loan taken by a Firm (in which it is a Partner) from Banks [refer Note 25.14(ii)] and according to the information and explanations given to us, the terms and conditions of such guarantee are not prejudicial to the interest of the Company;
- xi According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained;
- xii To the best of our knowledge and belief, and according to the information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

**For KHARE & COMPANY**  
Chartered Accountants  
(FRN 105100W)

**(Y.P. SHUKLA)**  
(Proprietor)  
(Membership No. 16203)

Place of Signature : Mumbai,  
Dated : 30<sup>th</sup> May, 2015.

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2015**

	Note	AS AT 31.03.2015	AS AT 31.03.2014
	No.	₹ in lacs	₹ in lacs
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	820.00	820.00
(b) Reserves and Surplus	2	17,312.80	15,470.03
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	4,594.58	6,408.33
(b) Deferred tax liabilities (Net)		1,440.00	1,537.00
(c) Other Long-term Liabilities	4	758.90	1,629.33
(d) Long term provisions	5	790.74	602.12
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	2,810.66	527.67
(b) Trade payable	7	4,246.73	4,803.36
(c) Other current liabilities	8	3,637.77	2,229.16
(d) Short-term provisions	9	280.77	249.13
<b>Total</b>		<b>36,692.95</b>	<b>34,276.13</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	10,812.16	10,491.25
(ii) Intangible assets		9.27	14.61
(iii) Capital work-in-progress		6,468.92	5,783.62
(b) Non-current investments	11	396.31	345.31
(c) Long term loans and advances	12	7,470.52	6,861.49
<b>(2) Current assets</b>			
(a) Current investments	13	—	525.84
(b) Inventories	14	5,612.87	6,320.94
(c) Trade receivables	15	3,222.90	2,119.31
(d) Cash and Bank Balances	16	499.54	162.41
(e) Short term loans & Advances	17	2,200.46	1,651.35
<b>Total</b>		<b>36,692.95</b>	<b>34,276.13</b>

OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

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

**Y. P. SHUKLA**  
Proprietor

**B.C. DALAL**  
Director

**R. M. KULKARNI**  
Company Secretary

**S. K. BANSAL**  
Director (Finance) &  
Chief Financial Officer

On behalf of the Board,

**A. K. JATIA**  
Executive Chairman

**V.P. LEEKHA**  
Managing Director

Mumbai, Dated : 30<sup>th</sup> May, 2015

Mumbai, Dated : 30<sup>th</sup> May, 2015

## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	2014-2015 ₹ in lacs	2013-2014 ₹ in lacs
I. a) Revenue from operations	18	29,443.02	24,277.96
Less : Excise Duty		<u>1,648.48</u>	<u>1,281.97</u>
		27,794.54	22,995.99
b) Profit from firm in Real Estate Activity		1,353.21	1,142.80
Net Revenue from Operations - (a + b)		<u>29,147.75</u>	<u>24,138.79</u>
II. Other Income	19	<u>970.04</u>	<u>717.21</u>
III. <b>Total Revenue (I + II)</b>		<u><b>30,117.79</b></u>	<u><b>24,856.00</b></u>
IV. <b>Revenue of Discontinuing Operation (included in above)</b>		<b>28,107.48</b>	22,867.18
V <b>Revenue from Continuing Operations (III-IV)</b>		<b>2,010.31</b>	1,988.82
VI. <b>Expenses :</b>			
(1) Cost Of Materials Consumed	20	15,007.97	12,374.28
(2) Trade Purchases		19.53	—
(3) Changes in Inventories of Finished Goods, Work-in-Process and Stock in Trade	21	296.33	(654.91)
(4) Employees Cost	22	2,999.68	2,408.43
(5) Finance Cost	23	903.82	868.17
(6) Depreciation and Amortization	10	504.93	809.97
(7) Other Expenses	24	<u>8,007.58</u>	<u>7,531.33</u>
<b>Total Expenses</b>		<u><b>27,739.84</b></u>	<u><b>23,337.27</b></u>
VII. <b>Expenses of Discontinued Operations included in above</b>		<b>27,318.41</b>	22,819.27
VIII. <b>Expenses of Continued Operations (VI-VII)</b>		<b>421.43</b>	518.00
IX. <b>Profit before Exceptional and Extraordinary items and tax (III-IV)</b>		<b>1,588.88</b>	1,470.82
X. Exceptional items/Extraordinary Items		—	—
XI. <b>Profit/(Loss) before tax of continuing operations (V- VI)</b>		<b>1,588.88</b>	1,470.82
XII. Tax expense :			
(1) Current tax		66.44	94.07
(2) Deferred tax / (Savings)		<u>(63.77)</u>	<u>160.70</u>
		2.67	254.77
XIII <b>Profit/(Loss) for the Year of Continuing Operations (XI- XII) (A)</b>		<u><b>1,586.21</b></u>	<u><b>1,216.05</b></u>
XIV <b>Profit before tax for the period from Discontinuing operation</b>		<b>789.07</b>	47.91
XV Tax Expense of Discontinuing operation			
(1) Current tax		381.56	65.93
(2) Deferred tax / (Savings)		<u>(33.23)</u>	<u>(239.70)</u>
		<u><b>348.33</b></u>	<u><b>(173.77)</b></u>
<b>Profit for the year from Discontinuing operation (B)</b>		<b>440.74</b>	221.68
<b>Profit for the year (A+B)</b>		<b>2,026.95</b>	1,437.73
XVI. <b>Earning per equity share:(Face value ₹ 2 per share)</b>			
(1) Basic		4.94	3.51
(2) Diluted		4.94	3.51
(See Note No. 25.17 )			

## OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

For **KHARE & CO.,**  
Chartered Accountants**Y. P. SHUKLA**  
ProprietorMumbai, Dated : 30<sup>th</sup> May, 2015**B.C. DALAL**  
Director**R. M. KULKARNI**  
Company Secretary**S. K. BANSAL**  
Director (Finance) &  
Chief Financial Officer

On behalf of the Board,

**A. K. JATIA**  
Executive Chairman**V.P. LEEKHA**  
Managing DirectorMumbai, Dated : 30<sup>th</sup> May, 2015

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

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

	<u>2014-2015</u>	<u>2013-2014</u>
	(₹ in Lakhs)	(₹ in Lakhs)
<b>A. Cash Flow from Operating Activities</b>		
<b>Net profit before Taxation &amp; Extraordinary Items</b>	<b>2,377.95</b>	1,518.73
Adjustments for :		
Depreciation	504.93	809.97
Interest & Financial charges	903.82	868.17
Loss on sale of Fixed Assets	—	1.08
Provision for Bad & Doubtful debts	18.22	—
Other income	(948.31)	(689.03)
	<u>478.66</u>	<u>990.19</u>
<b>Operating Profit before Working Capital Changes</b>	<b>2,856.61</b>	2,508.92
(Increase)/Decrease in Inventories	708.07	(2,151.05)
(Increase)/Decrease in Debtors	(1,128.49)	190.39
(Increase)/Decrease in Advances	(842.22)	(564.62)
Increase/(Decrease) in Liabilities	(1,221.38)	2,932.75
	<u>(2,484.02)</u>	<u>407.47</u>
<b>Cash Generated from Operations</b>	<b>372.59</b>	2,916.39
Income Tax (Paid)/Refund Received (Net)	(290.84)	(105.07)
<b>Cash Flow before Extraordinary Items</b>	<b>81.75</b>	2,811.32
Extra ordinary items	—	—
<b>Net cash from Operating Activities</b>	<b>81.75</b>	2,811.32
<b>B Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,503.93)	(417.95)
Sale Proceeds of Fixed Assets etc.	35.67	61.32
Investment in Preference shares / Mutual Funds etc.	474.84	(324.23)
Proceeds from Redemption of preference shares	—	300.00
Change in Loans & Advances	(338.83)	(919.88)
Interest Received	859.44	634.48
Dividend Received	5.24	34.04
<b>Net cash from / (used) in Investing Activities</b>	<b>(467.57)</b>	(632.22)
<b>C Cash flow from Financing Activities</b>		
Proceeds from Borrowings	3,851.89	1,581.26
Repayment of Borrowings	(2,039.45)	(2,668.23)
Payment of Interest	(966.49)	(900.41)
Dividend paid	(123.00)	(123.00)
<b>Net cash from / (used) in Financing Activities</b>	<b>722.95</b>	(2,110.38)
<b>Net change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>337.13</b>	68.72
Cash & Cash Equivalents (Opening Balance)	162.41	93.69
Cash & Cash Equivalents (Closing Balance)	<u>499.54</u>	<u>162.41</u>

Note: Figures in brackets represent cash outflows.

OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

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

**Y. P. SHUKLA**  
Proprietor

**B.C.DALAL**  
Director

**R. M. KULKARNI**  
Company Secretary

**S. K. BANSAL**  
Director (Finance) &  
Chief Financial Officer

On behalf of the Board,

**A. K. JATIA**  
Executive Chairman

**V.P. LEEKHA**  
Managing Director

Mumbai, Dated : 30<sup>th</sup> May, 2015

Mumbai, Dated : 30<sup>th</sup> May, 2015

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2015**

	<b>AS AT 31.03.2015</b>	<b>AS AT 31.03.2014</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>NOTE '1' - SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
4,75,00,000 Equity Shares of ₹ 2/-each	<b>950.00</b>	950.00
50,000 14% (free of company's tax but subject to deduction of tax at source at the prescribed rates) Redeemable Cumulative Preference Shares of ₹ 100/- each	<b>50.00</b>	50.00
	<u><b>1,000.00</b></u>	<u>1,000.00</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
4,10,00,000 Equity Shares of ₹ 2/- each	<u><b>820.00</b></u>	<u>820.00</u>

## 1.1 The reconciliation of the number of Equity shares outstanding :-

Particulars	<b>AS AT 31.03.2015</b>	<b>AS AT 31.03.2014</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Equity Shares at the beginning and end of the year	<b>41,000,000</b>	41,000,000

## 1.2 The details of Shareholders holding more than 5% shares

Name of the Shareholder	<b>AS AT 31-03-015</b>	<b>AS AT 31-03-2014</b>	No. of Shares	% held
	<b>No. of Shares</b>	<b>% held</b>		
Thacker & Co. Ltd.	<b>63,68,253</b>	<b>15.53</b>	61,50,000	15.00
Pudumjee Industries Limited	<b>34,12,850</b>	<b>8.32</b>	34,12,850	8.32
Suma Commercial Pvt. Ltd.	<b>28,73,036</b>	<b>7.01</b>	2,873,036	7.01
Chem-Mach Pvt. Ltd.	<b>25,33,265</b>	<b>6.18</b>	2,533,265	6.18
Yashvardhan Jatia	<b>2,336,354</b>	<b>5.70</b>	23,36,354	5.70
Ubiquitous Trading Pvt.Ltd.	<b>2,150,000</b>	<b>5.24</b>	21,50,000	5.24



**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2015 (Contd.)**

	AS AT <u>31.03.2015</u> ₹ in Lacs	AS AT <u>31.03.2014</u> ₹ in Lacs
<b>NOTE '2' - RESERVES &amp; SURPLUS</b>		
<b>GENERAL RESERVE</b>		
As per last Balance Sheet	7,600.00	7,450.00
Add : Transfer from Profit & Loss Account	<u>150.00</u>	<u>150.00</u>
	<b>7,750.00</b>	7,600.00
<b>SHARE PREMIUM ACCOUNT</b>		
As per last Balance Sheet	1,537.50	1,537.50
<b>CAPITAL RESERVE</b>		
On Reissue of forfeited shares	5.86	5.86
<b>CAPITAL RESERVE</b>		
As per last Balance Sheet	1,441.53	1,441.53
<b>RESERVE FOR DOUBTFUL DEBTS</b>	-	6.34
(See Note '5')		
<b>SURPLUS IN PROFIT AND LOSS ACCOUNT</b>		
Balance in Profit & Loss Account	4,878.80	3,734.97
<b>Add :</b>		
Profit for the Year	2,026.95	1,437.73
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>	<u>6,905.75</u>	<u>5,172.70</u>
<b>APPROPRIATIONS :</b>		
Proposed Dividend on Equity		
Shares (Free of Tax)	123.00	123.00
Tax on Proposed Dividend	25.04	20.90
Transfer to General Reserve	150.00	150.00
Provision for CSR	<u>29.80</u>	<u>-</u>
	(-) <u>327.84</u>	(-) <u>293.90</u>
	<u>6,577.91</u>	<u>4,878.80</u>
	<u>17,312.80</u>	<u>15,470.03</u>

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2015 (Contd.)**

	<u>AS AT</u> <u>31.03.2015</u> ₹ in Lacs	<u>AS AT</u> <u>31.03.2014</u> ₹ in Lacs
<b>NOTE '3' - LONG TERM BORROWINGS</b>		
<b>(A) Secured Borrowings</b>		
FROM BANKS		
TERM LOAN	509.72	937.49
(Secured by first charge on the Assets at Mahad, specifically purchased therefrom)		
(See Note (a) below)		
TERM LOAN	171.00	351.00
(Secured by first charge on the Assets at Sadawaghapur, specifically purchased therefrom)		
(See Note (b) below)		
TERM LOAN	301.50	473.50
(Secured by first charge on the Assets at Jath specifically purchased therefrom)		
( See Note (c) below)		
TERM LOAN	1,375.00	375.00
(Secured by pari passu first charge on immoveable assets at pune.)*		
(See Note (d) below)		
<b>FROM OTHERS</b>		
TERM LOAN	18.80	29.27
(Secured by vehicle purchased therefrom)		
(See Note (e) below)		
TERM LOAN	22.42	29.32
(Secured by vehicle purchased therefrom)		
(See Note (f) below)		
<b>Total (A)</b>	<u>2,398.44</u>	<u>2,195.58</u>

**Notes:**

- (a) Excluding ₹ 427.78 lacs (Last year ₹ 427.78 lacs) shown under "Current maturities of Long Term Debt" under Note No. 8.  
Repayable in 18 equal quartely installments beginning with 04.02.2013.
- (b) Excluding ₹ 180.00 lacs (Last year ₹ 180.00 lacs) shown under "Current maturities of Long Term Debt" under Note No. 8.  
Repayable in 20 equal quartely installments beginning with 21.06.2012.
- (c) Excluding ₹ 172.00 lacs (Last year ₹172.00 lacs) shown under "Current maturities of Long Term Debt" under Note No. 8.  
Repayable in 20 equal quartely installments beginning with 25.09.2013.
- (d) Excluding Rs.500.00 lacs (Last year ₹ 500.00 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.  
Repayable in 20 equal quartely installments beginning with 16.01.2014.

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2015 (Contd.)**

- (e) Excluding ₹ 10.46 lacs (Last year ₹ 9.40 lacs) shown under "Current maturities of Long Term Debt" under Note No. 8.  
Repayable in 60 Monthly installments beginning with 15.12.2012.
- (f) Excluding ₹ 6.90 lacs (Last year ₹ 6.20 lacs) shown under "Current maturities of Long Term Debt" under Note No. 8.  
Repayable in 59 Monthly installments beginning with 10.1.2014.
- (g) There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.
- \* Security : First charge on all immoveable and moveable properties of the Company at its Pune Plant, both present and future subject, however, to the prior charges created and / or to be created by the Company on its (i) immoveables and moveable properties specifically secured and (ii) other movables and book debts in favour of its bankers for securing borrowings for working capital facilities. All these loans shall rank pari passu with the existing and future first charges created in favour of Financial Institutions and Banks.

	<b>AS AT</b>	<b>AS AT</b>
	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>(B) Unsecured Borrowings</b>		
Fixed Deposits from Public/Shareholders *	<b>778.98</b>	2,680.63
(See Note (a) below)		
Deposit		
from Associates	<b>110.00</b>	110.00
From Others	<b>45.00</b>	-
Deferred Sales Tax Liability	<b>1,262.16</b>	1,422.12
(See Note (b) below)		
Total (B)	<b>2,196.14</b>	4,212.75
<b>Total Long term borrowings (A) +(B)</b>	<b>4,594.58</b>	6,408.33

Notes :

- (a) Notes: (a) Excluding (i) Rs. Nil (Last year ₹ 23.90 lacs) being deposits for 1 year shown under "Short Term Borrowings" under Note No 6, and (ii) ₹ 1861.14 lacs (Last year ₹ 585.25 lacs) shown under "Current maturities of Long Term Fixed Deposits" under Note No.8.
- (b) Excluding ₹ 159.96 lacs (Last year ₹ 103.57 lacs) shown under "Current maturities of "Long Term Unsecured Debts" under Note No. 8.
- (c) There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.
- \* Repayable after 2 years and 3 years from the date of acceptance of each Deposits.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2015 (Contd.)**

	<b>AS AT</b>		<b>AS AT</b>	
	<b>31.03.2015</b>		<b>31.03.2014</b>	
	<b>₹ in Lacs</b>		<b>₹ in Lacs</b>	
<b>NOTE '4' - OTHER LONG TERM LIABILITIES</b>				
Other Long Term Liability		403.33		1,306.54
Sundry Creditors		<u>355.57</u>		<u>322.79</u>
		<u>758.90</u>		<u>1,629.33</u>
<b>NOTE '5' - LONG TERM PROVISIONS</b>				
Provision for Diminution in value of Long term Investments and Impairment of Fixed Assets As per Last Balance Sheet		1,756.26		1,756.26
Less : Deducted per contra				
From Investments		359.00		359.00
From Fixed Assets		<u>1,397.26</u>		<u>1,397.26</u>
		—		—
Provision for Doubtful Debts & Advances		554.97		554.97
Add : Transferred from Profit & Loss Account		<u>18.22</u>		—
		573.19		554.97
Less : Debts & Advances considered Doubtful per contra		<u>573.19</u>		548.63
		—		6.34
Less : Surplus provision shown under Reserves & Surplus		—		<u>6.34</u>
Provision for Taxation (Less : Advance Tax etc.)		13.84		—
Provision for Gratuity		700.25		602.12
Provision for Pension		<u>76.65</u>		—
		<u>790.74</u>		<u>602.12</u>

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2015 (Contd.)**

	AS AT 31.03.2015 ₹ in Lacs		AS AT 31.03.2014 ₹ in Lacs	
<b>NOTE '6' - SHORT TERM BORROWINGS</b>				
<b>(A) Secured Borrowings from Bank</b>				
Cash Credit repayable on demand (Secured by hypothecation of stocks, stores and book debts and second charge on all immoveables and moveable properties of the Company at its Pune Plant)		1,003.44		417.91
Total (A)		<u>1,003.44</u>		<u>417.91</u>
<b>(B) Unsecured Borrowings</b>				
<b>OTHER SHORT TERM LOANS &amp; ADVANCES</b>				
Working Capital Demand loan from Bank	1,000.00		-	
Fixed Deposits	-		23.90	
Others Borrowings/Deposits	<u>807.22</u>	<u>1,807.22</u>	<u>85.86</u>	<u>109.76</u>
Total (B)		<u>1,807.22</u>		<u>109.76</u>
<b>Total short term borrowings(A) +(B)</b>		<u><u>2,810.66</u></u>		<u><u>527.67</u></u>
Note : There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.				
<b>NOTE '7' - TRADE PAYABLE</b>				
Acceptances	2,187.90		3,127.05	
Sundry Creditors	<u>2,058.83</u>	<u>4,246.73</u>	<u>1,676.31</u>	<u>4,803.36</u>
		<u><u>4,246.73</u></u>		<u><u>4,803.36</u></u>
<b>NOTE '8' - OTHER CURRENT LIABILITIES</b>				
Current Maturities of Long Term Debts:				
Fixed Deposits	1,861.14		585.25	
Secured Debts	1,297.14		1,295.39	
Unsecured Debts	<u>159.96</u>	<u>3318.24</u>	<u>103.57</u>	1984.21
Unclaimed dividend		18.80		17.79
Unclaimed Matured Fixed Deposits		36.16		27.31
Unclaimed Interest On Fixed Deposits		3.34		3.02
Interest on Loans accrued but not due on borrowing		172.99		136.64
Creditors for Capital Goods		43.21		-
Advances from customers		40.43		45.66
Others payables		4.60		14.53
		<u><u>3,637.77</u></u>		<u><u>2,229.16</u></u>
<b>NOTE '9' - SHORT TERM PROVISIONS</b>				
Provision for Leave Encashment		157.77		126.13
Proposed Dividend		123.00		123.00
		<u><u>280.77</u></u>		<u><u>249.13</u></u>

## NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2015 (Contd.)

NOTE '10' - TANGIBLE FIXED ASSETS (At Cost) (₹ in lacs)

TYPE OF ASSETS	Cost upto 31.3.2014	Additions/ Transfers during the year	Deductions/ Transfers during the year	Balance Cost upto 31.03.2015	Depreciation / Impairment upto 31.3.2014	Depreciation / Amortisation for the year	Depreciation on sold/ Transfer of Assets and on deductions written back	Depreciation/ Impairment Balance as on 31.03.2015	Net Book Value as on 31.03.2015	Net Book Value as on 31.3.2014
<b>TANGIBLE ASSETS</b>										
Land - Freehold	40.75	-	-	40.75	-	-	-	-	40.75	40.75
- Leasehold	1,134.74	-	-	1,134.74	39.60	15.62	-	55.22	1,079.52	1,095.14
Buildings	2,757.19	17.75	7.17	2,767.77	1,118.74	59.34	2.77	1,175.31	1,592.46	1,638.45
Machinery	23,732.40	792.04	5.73	24,518.71	16,236.30	417.47	5.45	16,648.32	7,870.39	7,496.10
Laboratory Equipments	49.65	9.00	-	58.65	20.78	6.62	-	27.40	31.25	28.87
Furniture & Fixtures	450.73	10.08	5.99	454.82	364.38	28.21	5.25	387.34	67.48	86.35
Vehicles	237.96	0.04	11.34	226.66	132.37	19.98	56.00*	96.35	130.31	105.59
<b>Total (A)</b>	<b>28,403.42</b>	<b>828.91</b>	<b>30.23</b>	<b>29,202.10</b>	<b>17,912.17</b>	<b>547.24</b>	<b>69.47</b>	<b>18,389.94</b>	<b>10,812.16</b>	<b>10,491.25</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	102.38	0.43	-	102.81	87.77	5.77	-	93.54	9.27	14.61
<b>Total (B)</b>	<b>102.38</b>	<b>0.43</b>	<b>-</b>	<b>102.81</b>	<b>87.77</b>	<b>5.77</b>	<b>-</b>	<b>93.54</b>	<b>9.27</b>	<b>14.61</b>
<b>Total (A+B)</b>	<b>28,505.80</b>	<b>829.34</b>	<b>30.23</b>	<b>29,304.91</b>	<b>17,999.94</b>	<b>553.01</b>	<b>69.47</b>	<b>18,483.48</b>	<b>10,821.43</b>	<b>10,505.86</b>
Previous year	28,271.17	360.52	125.89	28,505.80	17,253.31	809.97	63.34	17,999.94	10,505.86	11,017.86

Buildings has been regrouped to conform to this years presentation.

\*Includes ₹ 48.08 lacs (Last year Nil), being depreciation written back due to change in the method of charging depreciation from written down value to straight line and accordingly reduced from depreciation debited to Profit &amp; Loss Account.

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2015 (Contd.)**

	<b>AS AT</b>	<b>AS AT</b>	
	<b><u>31.03.2015</u></b>	<b><u>31.03.2014</u></b>	
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>	
<b>NOTE '11' - NON CURRENT INVESTMENTS</b>			
LONG TERM INVESTMENTS (AT COST)			
TRADE INVESTMENTS : (EQUITY)			
<b>Investment in Subsidiary Companies :</b>			
1,990,000	Equity Shares of Pudumjee Investment & Finance Company Ltd. of ₹ 10/- each fully paid. (unquoted)	<b>199.00</b>	199.00
255,000	(Last year Nil) Equity shares of Pudumjee Paper Products Ltd. of ₹ 1/- each fully paid (unquoted)	<b>51.00</b>	-
<b>Investments In Associates :</b>			
675,000	Equity shares of Pudumjee Plant Laboratories Ltd. of ₹ 10/- each fully paid (unquoted)	<b>60.00</b>	60.00
9,56,725	Equity shares of Pudumjee Industries Ltd. of ₹ 2/- each fully paid (quoted)	<b>110.06</b>	110.06
<b>Investment In Joint Venture :</b>			
	Investment in Pudumjee-G : Corp Developers, a Firm	<b>35.00</b>	35.00
<b>Other Investment :</b>			
2,500	Shares of Saraswat Co-op Bank Ltd. of ₹ 10/- each fully paid (unquoted)	<b>0.25</b>	0.25
Trade Investment (Preference)			
<b>Investment in Subsidiary Companies :</b>			
3,000,000	12% Non-Cumulative Redeemable preference shares of Pudumjee Investment & Finance Company Ltd. of ₹ 10/- each fully paid. (unquoted)	<b>300.00</b>	300.00
		<b>755.31</b>	704.31
Less: Provision for Diminution in value of Long term Investments deducted per contra			
		<b>359.00</b>	359.00
		<b>396.31</b>	345.31
Aggregate amount of quoted investments –			
	Cost	<b>110.06</b>	110.06
	Market Value	<b>110.69</b>	75.58
Aggregate amount of unquoted investments			
	Cost	<b>645.25</b>	594.25
<b>NOTE '12' - LONG TERM LOANS &amp; ADVANCES</b>			
(Unsecured, Considered good unless otherwise stated)			
	Prepaid Expenses	<b>15.14</b>	17.04
	Advance Income Tax	-	60.70
	Security Deposits	<b>69.49</b>	43.77
Less : Provision for Doubtful Deposits deducted per contra			
		<b>0.81</b>	0.81
		<b>68.68</b>	42.96
Loans & Advances to Subsidiary/Associates Companies			
		<b>7,110.17</b>	6,470.91
	Others Advances	<b>308.58</b>	302.33
Less : Provision for Doubtful Advances deducted per contra			
		<b>32.05</b>	32.45
		<b>276.53</b>	269.88
		<b>7,470.52</b>	6,861.49

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2015 (Contd.)**

	<b>AS AT 31.03.2015 ₹ in Lacs</b>	<b>AS AT 31.03.2014 ₹ in Lacs</b>
<b>NOTE '13' - CURRENT INVESTMENTS</b>		
CURRENT INVESTMENTS IN MUTUAL FUNDS (unquoted) (EACH VALUED AT LOWER OF COST OR FAIR VALUE)		
Nil (Last Year 50,075) Units of Birla Sun Life Cash Plus Fund. of ₹ 100/- each fully paid	—	50.17
Nil (Last Year 9,819) Units of UTI Liquid Dund Cash Plus of ₹ 1000/- each fully paid	—	100.11
Nil (Last Year 32,163) Units of L & T Fund.-Pool Collection of ₹ 1000/- each fully paid	—	325.51
Nil (Last Year 5,003) Units of India Bulls -DDR of ₹ 1000/- each fully paid	—	50.05
	<u>—</u>	<u>525.84</u>
Aggregate amount of unquoted investments Cost	<u>—</u>	<u>525.84</u>
<b>NOTE '14' - INVENTORIES</b>		
Raw material (At cost)	<b>959.87</b>	1,597.42
Work-in-process (At cost)	<b>390.05</b>	563.76
Finished Paper (At lower of cost or market value.)	<b>1,477.56</b>	1,600.18
Stores, Spare Parts Etc. (At Cost)	<b>1,071.07</b>	945.96
Stores, Spare Parts Etc. in Transit (At Cost)	<b>0.58</b>	6.15
Loose Tools (At Cost)	<b>1.15</b>	1.17
Stock in Trade- Land	<b>1,441.67</b>	1,441.67
Stock in Trade- Other developments	<b>270.92</b>	164.63
[See note 25.11 (a)]	<u><b>5,612.87</b></u>	<u>6,320.94</u>
<b>NOTE '15' - TRADE RECEIVABLES (Unsecured)</b>		
Debts outstanding for a period exceeding six months from due date		
Considered Good	<b>60.00</b>	83.64
Considered Doubtful	<b>535.04</b>	507.47
	<b>595.04</b>	591.11
Other Debts		
Considered Good	<b>3,162.90</b>	2,035.67
Considered Doubtful	<b>—</b>	2.68
	<b>3,757.94</b>	2,629.46
Less : Provision for Doubtful Debts deducted per contra	<b>535.04</b>	510.15
	<u><b>3,222.90</b></u>	<u>2,119.31</u>
	<u><b>3,222.90</b></u>	<u>2,119.31</u>



**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2015 (Contd.)**

	<b>AS AT</b>		<b>AS AT</b>
	<b>31.03.2015</b>		<b>31.03.2014</b>
	<b>₹ in Lacs</b>		<b>₹ in Lacs</b>
<b>NOTE '16' - CASH &amp; BANK BALANCES</b>			
Cash on hand as per books	5.20		5.95
Deposit with Bank for Margin Money (with maturity beyond 12 months)	9.00		9.00
On other Deposit account with Bank (with maturity period 12 months Rs. 66.00 lacs Last year Nil)	350.75		4.00
On other accounts with Banks	62.93		27.50
Cheques on hand	52.86		98.17
Unpaid Dividends account with Banks	18.80		17.79
	<u>499.54</u>		<u>162.41</u>
<b>NOTE '17' - SHORT TERM LOANS &amp; ADVANCES</b>			
(Unsecured, Considered Good, other than related parties)			
Prepaid Expenses	88.67		61.71
Security Deposits	2.96		-
Inter Corporate Deposits	-		300.43
Capital Advances	66.53		22.79
Advance Income Tax for Current year (Less Provision for Current year Tax)	14.60		1.62
Advances to employees of the Company	19.82		12.58
Balance with Government Authorities	770.91	528.47	
Advances to Suppliers	828.75	491.56	
Sundry Advances	413.51	237.41	
	<u>2,013.17</u>	<u>1,257.44</u>	
Less : Provision for Doubtful Advances deducted per contra	5.29	2,007.88	5.22
	<u>2,200.46</u>	<u>1,252.22</u>	<u>1,651.35</u>

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2015 (Contd.)**

	<b>Year Ended</b>		<b>Year Ended</b>	
	<b>31.03.2015</b>		<b>31.03.2014</b>	
	<b>₹ in Lacs</b>		<b>₹ in Lacs</b>	
<b>NOTE '18' - REVENUE FROM OPERATIONS</b>				
PAPER	27,285.06		21,935.90	
Less : Excise Duty	1,647.92	25,637.14	1,281.59	20,654.31
TRADE SALE		25.38		-
SALE OF WIND POWER		265.58		522.03
MISCELLANEOUS SALES	113.27		67.28	
Less : Excise Duty	0.56	112.71	0.38	66.90
PROCESSING AND OTHER CHARGES		1,662.89		1,593.63
OTHER OPERATING REVENUE		90.84		159.12
		<u>27,794.54</u>		<u>22,995.99</u>
DISCONTINUING OPERATIONS ( Included in above) (Refer Note No.24 A)		<u>27,482.13</u>		<u>22,353.07</u>
<b>NOTE '19' - OTHER INCOME</b>				
DIVIDENDS				
Others		5.24		34.04
MISCELLANEOUS INCOME		21.73		28.18
INTEREST RECEIVED FROM OTHERS		916.24		654.99
PROFIT ON SALE/TRANSFER OF FIXED ASSETS (NET)		26.83		-
		<u>970.04</u>		<u>717.21</u>
DISCONTINUING OPERATIONS ( Included in above) (Refer Note No.24 A)		<u>625.35</u>		<u>514.11</u>
<b>NOTE '20' - COST OF MATERIAL CONSUMED</b>				
CONSUMPTION OF RAW MATERIALS		11,963.34		9,892.01
CONSUMPTION OF STORES, COLOURS,CHEMICALS etc.		3,044.63		2,482.27
		<u>15,007.97</u>		<u>12,374.28</u>
DISCONTINUING OPERATIONS ( Included in above) (Refer Note No.24 A)		<u>15,007.97</u>		<u>12,374.28</u>
<b>NOTE '21' - CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROCESS AND STOCK-IN-TRADE</b>				
STOCK AT COMMENCEMENT				
Finished Paper	1,600.18		1,177.59	
Work-in-Process				
- Pulp	28.47		1.78	
- Paper	535.29	2,163.94	329.66	1,509.03
STOCK AT CLOSE				
Finished Paper	1,477.56		1,600.18	
Work-in-Process				
- Pulp	5.23		28.47	
- Paper	384.82	1,867.61	535.29	2,163.94
		<u>296.33</u>		<u>(654.91)</u>
DISCONTINUING OPERATIONS ( Included in above) (Refer Note No.24 A)		<u>296.33</u>		<u>(654.91)</u>

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	Year Ended <u>31.03.2015</u> ₹ in Lacs	Year Ended <u>31.03.2014</u> ₹ in Lacs
<b>NOTE '22' - EMPLOYEES' COST</b>		
SALARIES, WAGES, BONUS etc.		
Salaries, Wages, gratuity & Bonus	2,634.00	2,105.89
Contribution to Provident & Other		
Funds (Including Administrative Charges)	240.51	197.82
Employees State Insurance	2.41	3.04
Workmen & Staff Welfare Expenses	122.76	101.68
	<u>2,999.68</u>	<u>2,408.43</u>
DISCONTINUING OPERATIONS ( Included in above) (Refer Note No. 24 A)	<u>2,999.68</u>	<u>2,404.95</u>
<b>NOTE '23' - INTEREST &amp; FINANCIAL COST</b>		
INTEREST ON BORROWINGS	902.95	809.62
OTHER FINANCIAL CHARGES	89.18	141.29
	<u>992.13</u>	950.91
LESS: INTEREST RECEIVED ON TRADE DEBTS	88.31	82.74
	<u>903.82</u>	<u>868.17</u>
DISCONTINUING OPERATIONS ( Included in above) (Refer Note No. 24 A)	<u>775.53</u>	<u>693.10</u>
<b>NOTE '24' - OTHER EXPENSES</b>		
FUEL, POWER & WATER	5,565.91	5400.98
RENT	21.84	5.84
RATES & TAXES	54.46	60.39
REPAIRS & MAINTENANCE		
Machinery	845.16	613.11
Buildings	61.24	54.34
Others	23.14	17.71
INSURANCE	31.77	27.79
PACKING, CARTAGE, CUTTING,	560.30	441.67
DEVELOPMENT & RESEARCH EXPENSES	96.31	76.00
COMMISSION ON SALES	198.88	261.49
DIRECTORS' FEES	5.70	2.06
EXCISE DUTY ON STOCK	(4.82)	31.07
FOREIGN EXCHANGE LOSS / (GAIN)	76.84	101.81
LOSS ON SALE/TRANSFER OF ASSETS (NET)	-	1.08
BAD DEBTS & ADVANCES WRITTEN OFF	-	14.82
PROVISION FOR DOUBTFUL DEBTS	18.22	-
CORPORATE SOCIAL RESPONSIBILITY EXPENSES	10.20	-
OFFICE & MISCELLANEOUS EXPENSES	442.43	421.17
	<u>8,007.58</u>	<u>7,531.33</u>
DISCONTINUING OPERATIONS ( Included in above) (Refer Note No. 24 A)	<u>7,870.81</u>	<u>7,381.49</u>

**NOTES ANNEXED TO AND FORMING PART OF THE  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

**NOTE '24A' - DISCONTINUING OPERATIONS**

The Company has undertaken restructuring initiative for demerger of the Paper Manufacturing Business of the Company. The Board of Directors of the Company at its Meeting held on 17<sup>th</sup> January, 2015 has considered and approved a Scheme of Arrangement( Demerger) between the company, Pudumjee Industries Ltd., Pudumjee Hygiene Products Ltd. and Pudumjee Paper Products Ltd. As per the Scheme the Paper Manufacturing Business of the Company would be demerged and transferred to Pudumjee Paper Products Limited.

The Paper Manufacturing is the main business segment of the company. The Scheme is subject to requisite approvals, including sanction of the Hon'ble High Court at Mumbai which is pending. Accordingly aforesaid Paper business has been considered as discontinuing operations.

**The operating activities of the Company's discontinuing operations are summarized below:**

**The revenue and expense in respect of the ordinary activities attributable to the discontinuing operation :**

	Year Ended <u>31.03.2015</u> ₹ in Lacs	Year Ended 31.03.2014 ₹ in Lacs
I. Revenue from operations	27,482.13	22,353.07
II. Other Income	<u>625.35</u>	514.11
III. Total Revenue (I +II)	<u>28,107.48</u>	<u>22,867.18</u>
IV. Expenses:		
Cost of materials consumed	15,007.97	12,374.28
Trade Purchases	19.53	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	296.33	(654.91)
Employee benefit expenses	2,999.68	2,404.95
Financial costs	775.53	693.10
Depreciation and amortization expenses	348.56	620.36
Other expenses	7870.81	7381.49
<b>Total Expenses</b>	<u>27,318.41</u>	<u>22,819.27</u>
V. Profit before exceptional and extra Ordinary items and tax (III - IV)	<u>789.07</u>	47.91
VI. Tax expense:		
(1) Current tax	381.56	65.93
(2) Deferred tax	<u>(33.23)</u>	(239.70)
VII. Profit from Discontinuing operations	<u>440.74</u>	221.68
<b>The Net Cash Flows attributable to the discontinuing operations are as follows:</b>		
Operating Activities	(1,210.11)	1,357.10
Investing Activities	(1,217.09)	(209.48)
Financing Activities	2,762.46	1,079.96
Net Cash Inflow/(Outflows)	335.26	67.66
<b>The carrying amounts as at 31<sup>st</sup> March, 2014 of the total assets and liabilities to be disposed of are as follows:</b>		
<b>Total Assets</b>	28,595.58	25,778.50
Total Liabilities	16,926.14	15,979.69
Net Assets	11,669.44	9,798.81

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015**

**NOTE '25'**

	<u>2014-2015</u>	<u>2013-2014</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
<b>25.01 The value of raw materials consumed</b>		
Pulp	11,831.53	9,111.64
Waste Paper	131.81	780.37
<b>25.02 Trade Purchases</b>		
Pulp	19.53	-
Others	-	-
<b>25.03 Value of direct imports calculated on CIF basis during the financial year</b>		
Raw Material	9,416.83	9536.85
Components & Spare Parts	438.96	469.46
Capital Goods	628.97	13.42
Trade Goods	16.78	-
<b>25.04 Expenditure in foreign currency during the financial year on account of</b>		
Royalty, know-how, interest, professional consultation, travelling, subscription and periodicals etc.	33.04	29.71
<b>25.05 Value of raw materials, spare parts and component consumed during the financial year and the percentage thereof</b>		
	<u>2014-2015</u>	<u>2013-2014</u>
	Value	Value
	%	%
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Direct Imports	11,034.68	8,997.24
Others	928.66	894.77
<b>Total :</b>	<u>11,963.34</u>	<u>9,892.01</u>
Spare Parts & Components :		
Direct Imports	539.18	459.17
Others	3,049.65	2,469.45
<b>Total :</b>	<u>3,588.83</u>	<u>2,928.62</u>
	<u>2014-2015</u>	<u>2013-2014</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
<b>25.06 Remittance In Foreign Currency On Account Of Dividend</b>		
The amount of dividend for the year 2013-2014 remitted in rupees into NRE Account of 183 (Last year 126) NRI shareholders holding 14,12,606 shares of ₹ 2/- each (Last year 53,80,124 of ₹ 2/-each) Equity shares	4.24	16.14
<b>25.07 Export of goods calculated on FOB basis</b>		
Export of goods calculated on FOB basis (Earning in foreign Exchange)	461.64	204.49
Deemed Exports.	2.42	16.94
	<u>464.06</u>	<u>221.43</u>

**NOTE '25' - (Contd.)**

**25.08** Sale of wind power & expenditure of Fuel power & water include Rs.79.68 lacs (last year ₹ 522.03 lacs) captively consumed for manufacturing operations to make the presentation under Accounting Standard 24 Discontinuing Operations meaningful.

**25.09** Salary, Wages, gratuity and bonus (Note '22') does not include a sum of ₹ 109.15 lacs (Last year ₹ 83.99 lacs) transferred to other accounts.

**25.10** a) The company has acquired leasehold land,building and board manufacturing machine at Mahad Dist. Raigad in the earlier years, where a paper machine was being installed under an expansion programme. The leasehold land,colony and buildings are shown under Tangible Fixed Assets Schedule (Note No.10) and is appropriately amortized and depreciated for the year and Factory Building, Machinery and all other assets together with related expenditure have been shown under Capital work-in-progress.

b) In view of the aforesaid expansion project having been temporarily deferred, the borrowing and other recurring costs (net) incurred for the year aggregating to ₹ 259.43 lacs (Last year Rs.310.79 lacs)have been treated as revenue expenditure and charged to the Profit & Loss account for the year ended 31-03-2015 under the respective heads.

**25.11** a) Land admeasuring 96111.84 sqft at Thergaon, Pune costing ₹ 0.14 lac, used in relation to operation of factory, is revalued and converted in to stock in trade on 23.10.2013 at an amount of ₹ 1441.67 lacs being the Fair Market Value of the land, ascertained by the Government approved valuers and the resulting difference of ₹ 1441.53 lacs is credited to Capital Reserve appearing under Reserves and Surplus. The Company is developing this land for constructing residential /commercial complex and expenditure of ₹ 106.29 lacs during the year and ₹ 164.63 lacs in the earlier year incurred in this regard is carried forward as a part of stock in trade.

b) Land admeasuring about 3000 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.

c) Interest amounting to ₹ 10.71 lacs (previous year Nil) has been capatilised during the year to Machinery under installation.

**25.12 Payments made to Auditors :**

	<u>2014-2015</u>	<u>2013-2014</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Audit fees	3.00	3.00
Taxation matters	0.60	0.60
Others	<u>3.45</u>	<u>2.45</u>
	<u>7.05</u>	<u>6.05</u>

**25.13** Corporate Social Responsibility expenses debited to the Profit & Loss account ₹ 10.20 lacs (Last year Nil) represents amount actually spent during the year on purpose other than construction / acquisition of Assets. The unspent amount is provided by debit to Surplus account in Profit & Loss account under Reserves & Surplus - ₹ 29.80 lacs.

**25.14** 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.

## PUDUMJEE PULP & PAPER MILLS LIMITED

### NOTE '25' - (Contd.)

		AS AT 31.03.2015	AS AT 31.03.2014
		₹ in Lacs	₹ in Lacs
<b>25.15</b>	a) Contingent Liabilities not provided for in respect of :		
	i) Bank Guarantees and Letters of Credit in favour of suppliers of raw materials, spares etc.*	2,104.77	3,012.52
	ii) Guarantee for other Companies*	1,297.68	2,488.36
	iii) Claims against the Company not acknowledged as debts for excise duty, property tax and commercial claims etc. **	586.99	586.61
	iv) Penalty under Income Tax Act no longer payable in view of appellate order in company's favour *	-	351.91
	* 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 :		
	i) Estimate of contracts remaining to be executed on capital account	207.57	46.33
<b>25.16</b>	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 unless deferred , are capitalised up to the date of its completion and other borrowing costs are charged to Profit & 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 till 31-03-2014. The depreciation is provided on all the assets based on the useful lives of the assets on straight line method w.e.f. 01/04/2014, in accordance with schedule II of the Companies Act 2013. Lease hold land is depreciated based on period of residual lease.		
	d) Finished paper stock is valued at lower of cost or market value. Land treated as stock in trade duly revalued at fair market value on the date of treatment, is carried at that value together with actual development expenses incurred thereon.		
	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, Pension 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.		

NOTE '25' - (Contd.)

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

	<u>AS AT</u> 31.03.2015	<u>AS AT</u> 31.03.2014
Basic/Diluted EPS :		
(a) Net Profit after tax as per Profit & Loss Account :		
After current and deferred Tax	₹ 2,026.95 lacs	₹ 1,437.73 lacs
(b) No. of Equity shares of ₹ 2/- each :	410.00 lacs	410.00 lacs
(c) Basic EPS		
After current and deferred Tax (a/b)	₹ 4.94	₹ 3.51

25.18 Depreciation

- (a) The Company has adopted the estimates of the useful lives of the Fixed Assets wef. 1<sup>st</sup> April, 2014 as prescribed under schedule II of the companies Act. 2013, as a result the charge of Depreciation for the year is lower by ₹ 304.55 lacs.
- (b) Further an amount of ₹ 29.05 lacs has been added to the depreciation for the year in respect of the residual value of assets, whose remaining useful lives has become Nil.
- (c) The Company has now adopted straight line method for all the assets instead of written down value method for certain assets. consequently an amount of ₹ 50.65 Lacs has been deducted from depreciation for the year.
- (d) Consequent to these changes the depreciation for the year ended 31<sup>st</sup> March 2015 is lower by ₹ 326.15 Lacs and profit before and after tax is correspondingly higher by the same amount.

25.19 (a) The Deferred Tax Liabilities / (Deferred Tax Assets) into major components are as under :

	<u>AS AT</u> 31.03.2015	<u>AS AT</u> 31.03.2014
	₹ in Lacs	₹ in Lacs
In respect of Depreciation	1,858	1,897
In respect of allowances and disallowances under various provisions of Income Tax Act.	(418)	(360)
Net Deferred Tax Liability	<u>1,440</u>	<u>1,537</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 31<sup>st</sup> March, 2015.

25.20 A Dividend of ₹ 0.30 (Last year ₹ 0.30) per equity share of ₹ 2/- each has been proposed for the current year amounting to ₹ 123 lacs (Last year Rs.123 lacs ) excluding ₹ 25.04 lacs (Last year Rs.20.90 lacs) of dividend Distribution tax.

25.21 Related party disclosures (Accounting Standard 18) :

A) Subsidiary Company

- a) Pudumjee Investment & Finance Co.Ltd.

B) Associate Firms / Companies

- a) M/s. Pudumjee-G : Corp Developers
- b) Pudumjee Industries Limited.
- c) Pudumjee Plant Laboratories Limited.
- d) Pudumjee Hygiene Products Limited.
- e) Pudumjee Holdings Limited.
- f) Pudumjee Paper Products Limited.

C) Key Management Personnel

- Shri. Arunkumar M. Jatia**  
Executive Chairman
- Shri. V.P. Leekha**  
Managing Director
- Shri. S.K. Bansal**  
Wholetime Director & C.F.O.
- Dr. Ashok Kumar**  
Executive Director
- Shri R.M. Kulkarni**  
Company Secretary



## PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '25' - (Contd.)

### D) Transactions with related Parties

2014-15  
(2013-2014)  
₹ in Lacs

	Subsidiary Company	Associate Companies	Maximum during the year	Key Management Personnel
a) Interest bearing Inter Corporate Deposits lent during the year	573.65 (1059.05)	5,278.00 (5852.00)		
b) Interest charged during the year	169.37 (69.66)	647.47 (580.09)		
c) Inter Corporate Deposits /Advances etc. outstanding receivable as at 31 <sup>st</sup> March, 2015 including interest Pudumjee- G : Corp Developers		127.00 (127.00)	127.00 (127.00)	
Pudumjee Investments and Finance Company Limited	965.13 (1640.12)		1,827.01 (1640.12)	
Pudumjee Industries Limited		6,018.04 (4,703.79)	6,105.00 (5185.00)	
d) Sale / Processing charges of goods during the year (Including Fixed Assets ₹ NIL lacs previous year ₹ 72.05 lacs)	—	1,622.49 (1,660.45)		
e) Purchases made during the year (Including Fixed Assets ₹ NIL lacs previous year ₹ 66.19 lacs)	—	20.31 (411.59)		
f) Reimbursement of common services and utilities during the year.	—	335.84 (114.68)		
g) Remuneration	—	—	—	402.16 (146.94)
h) Guarantees outstanding as at 31 <sup>st</sup> March, 2015	—	1,297.68 (2,488.36)		
i) Debts outstanding as at 31 <sup>st</sup> March, 2015	—	195.18 (169.42)	292.61 (169.42)	
j) Amount payable as at 31 <sup>st</sup> March 2015		403.33 (1,306.54)		
k) Dividend to Associates during the year	—	10.24 (10.24)		
l) Share of Profit from firm	—	1,353.21 (1,142.79)		
m) Investment in Subsidiary Company	51.00 (—)	— (—)		

Note : The figures in bracket relate to earlier year.

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NOTE '25' - (Contd.)

					2014-15 (2013-2014)
					₹ in Lacs
	Discontinuing		Continuing		
Information about business segments.	Paper Manufacturing	Real Estate	Power Investme- nt/Others		TOTAL
SEGMENT REVENUE	27,482.13	1,353.21	312.41	-	29,147.75
	(22,353.07)	(1,142.80)	(642.92)	-	(24,138.79)
SEGMENT RESULTS	1,303.06	1,352.99	80.25	(60.76)	2,675.54
	(281.13)	(1,140.08)	(379.85)	(-77.14)	(1,723.92)
Unallocated corporate expenses					394.64 (149.00)
Operating Profit					2,280.90 (1,574.92)
Interest Expenses					912.74 (827.96)
Interest Income					1,004.55 (737.73)
Dividend Income					5.24 (34.04)
Income in respect of Investments					-
Income Taxes including Deferred Tax					351.00 (81.00)
Profit from ordinary activities					2,026.95 (1,437.73)
Extra Ordinary Income					-
Net Profit as per Profit & Loss Account					2,026.95 (1,437.73)
<b>OTHER INFORMATION</b>					
Total carrying amount of Segment Assets	23,807.93	414.53	2,255.31	1,379.43	27,857.20
	(21,788.10)	(291.62)	(2,280.94)	(1,421.83)	(25,782.49)
Add : Unallocated Corporate Assets	-				8,835.75 (8,493.64)
Total Assets as per Balance Sheet	-				36,692.95 (34,276.13)
Total carrying amount of Segment Liabilities	6,129.89	139.11	74.33	-	6,343.33
	(7,327.48)	(145.54)	(25.54)	-	(7,498.56)
Add : Unallocated Corporate Liabilities					30,349.62 (26,777.57)
Total Liabilities as per Balance Sheet	-				36,692.95 (34,276.13)
Capital Expenditure incurred during the year	1,482.86	0.64	-	31.14	1,514.64
	(388.63)	-	-	(29.32)	(417.95)
Depreciation for the Year	348.56	0.22	100.80	55.36	504.93
	(620.36)	(2.72)	(126.41)	(60.48)	(809.97)

## PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '25' - (Contd.)

**2014-15**  
(2013-2014)  
₹ in Lacs

### 25.22 SEGMENT REPORTING (Accounting standard 17)

Information about business segments.	Discontinuing		Continuing		TOTAL
	Paper Manufacturing	Real Estate	Power Investme- nt/Others		
Other Non Cash Expenditure	-	-	-		-
		(-)	(-)		(-)
<b>Sales Revenue by Geographical Segments</b>					
WITHIN INDIA	<b>27,020.49</b>	<b>1,353.21</b>	<b>312.41</b>		<b>28,686.11</b>
	(22,148.58)	(1,142.80)	(642.92)	-	(23,934.30)
OUTSIDE INDIA	<b>461.64</b>	-	-		<b>461.64</b>
	(204.49)	-	-		(204.49)
	<b>27,482.13</b>	<b>1,353.21</b>	<b>312.41</b>	-	<b>29,147.75</b>
	(22,353.07)	(1,142.80)	(642.92)	-	(24,138.79)

- i) The Discontinuing Segment relates to paper manufacturing business
- ii) The Continuing Segment Relates to -
- a) Construction Activity Development of land for residential / commercial building carried directly or through firm
  - b) Power Segment relates to Power Generation Activity Wind Power Turbines.
  - c) Investment / Other segment relates to activities not covered by aforesaid segments.
- iii) The figures in brackets relates to earlier year.

### 25.23 The details of the Joint Venture firm 'Pudumjee-G : Corp Developers' in which the company is partner are as under:

(a) Partners	Pudumjee Pulp and Paper Mills Limited	G-Corp Properties Private Limited.
Capital - ₹ in Lacs	35	35
Profit /Loss - Sharing ratio	60%	40%
 (b) The Firm is engaged in construction and sale of residential flats. It follows completed construction method for the accounting purpose and in view of its fifth building comprising of 94 flats having been completed during this financial year, the Profit & Loss Account of the Company includes its share of profit from the firm as ₹ 1353.21 lacs (Last year ₹ 1142.80 lacs)		
 (c) The company's share of interest in the joint venture Firm :		
	(₹ in Lacs)	
	<b>As on</b>	As on
	<b>31.03.15</b>	31.03.14
Liabilities	<b>3129.00</b>	5391.33
Assets	<b>2920.07</b>	4279.19
Turnover	<b>4003.56</b>	3631.29
Expenditure	<b>2650.35</b>	2488.50

**NOTE '25' - (Contd.)**

**25. 24** The following are the disclosures required under revised Accounting Standards (AS) 15 in respect of Employee Benefits :

- a) An amount of Rs.166.53 lacs (Last year ₹143.91 lacs) has been recognized as an expense for defined contribution plans by way of Company's contribution to Provident Funds & Super annuation Fund.
- b) 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. In addition, during the current year, as per special resolution passed by shareholders at their meeting held on 13<sup>th</sup> September, 2014, a pension / Family pension liability on the basis of actuarial valuation has been provided by debit to P& L Account at ₹ 76.65 lacs in respect of one director of the company. The pension payable will crystallise on his leaving service & family pension after his death to his spouse.  
The actuary has assumed rate of interest at 8% p.a. in the valuation of pension / family pension liability & the LIC annuitants mortality (96-98) ultimate table.
- c) Expenses recognized during the year and reconciliation of the Assets & Liabilities recognized in Balance Sheet as at 31.03.2015 :

	Gratuity (Partly funded) (₹ in Lacs)		Leave Encashment (Unfunded) (₹ in Lacs)	
	<b>2014-2015</b>	2013-2014	<b>2014-2015</b>	2013-2014
I) The present value of defined benefit obligations				
at the commencement of the Year	<b>895.05</b>	901.87	<b>126.13</b>	82.06
ii) Current Service cost	<b>55.14</b>	44.61	<b>19.48</b>	35.26
iii) Interest cost	<b>80.55</b>	72.15	<b>11.35</b>	6.56
iv) Actuarial (Gain)/Loss	<b>67.39</b>	(8.38)	<b>29.64</b>	26.18
v) Benefits (Paid)	<b>(138.58)</b>	(115.20)	<b>(28.84)</b>	(23.93)
vi) Past Service Cost	—	—	—	—
vii) The present value of defined benefit obligations at the close of the Year	<b>959.55</b>	895.05	<b>157.76</b>	126.13
viii) The fair value of plan assets at the close of the year	<b>259.30</b>	292.93	—	—
ix) The Past service cost not yet recognized	—	—	—	—
x) Expected return on plan assets	<b>(22.16)</b>	(23.87)	—	—

Expenses aggregating ₹ 212.55 lacs (Last year ₹128.58 lacs) covered under items (ii),(iii),(iv),(vi) and (x) above have been debited to the Profit & Loss Account under Salary & Wages, Bonus etc.

## PUDUMJEE PULP & PAPER MILLS LIMITED

d) Actuarial assumptions	2014-2015	2013-2014	2014-2015	2013-2014
i) Rate of interest ( per annum)	7.75%	9.00%	7.75%	9.00%
ii) Salary growth ( per annum)	7.00%	7.00%	7.00%	7.00%
iii) Withdrawal rate ( Per annum)	1.00%	1.00%	1.00%	1.00%
iv) Expected return on Plan Assets	9.00%	8.75%	—	—
v) Mortality rates: Indian Assured Lives (2006-08)	<b>Ultimate</b>	Ultimate	<b>Ultimate</b>	Ultimate

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

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### OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

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

**Y. P. SHUKLA**  
Proprietor

Mumbai, Dated : 30<sup>th</sup> May, 2015

**B.C.DALAL**  
Director

**R. M. KULKARNI**  
Company Secretary

**S. K. BANSAL**  
Director (Finance) &  
Chief Financial Officer

On behalf of the Board,

**A. K. JATIA**  
Executive Chairman

**V.P. LEEKHA**  
Managing Director

Mumbai, Dated : 30<sup>th</sup> May, 2015

## INDEPENDENT AUDITOR'S REPORT

**To The Members of  
Pudumjee Pulp & Paper Mills Ltd.,**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of PUDUMJEE PULP & PAPER MILLS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation, of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

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

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

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

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

## PUDUMJEE PULP & PAPER MILLS LIMITED

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31<sup>st</sup> March, 2015, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

### Other Matters

- (a) We have audited the financial statements of Pudumjee Investment & Finance Co.Ltd. a subsidiary, whose financial statements reflect total assets of ₹ 987.21 lacs as at 31<sup>st</sup> March, 2015, total revenues of ₹ 1572.19 lacs and net cashflows amounting to ₹ (0.07) lac for the year ended on that date, as considered in the consolidated financial statements.
- (b) We have audited the financial statements of Pudumjee Paper Products Ltd. another subsidiary reflect total assets of ₹ 101.84 lacs as at 31<sup>st</sup> March, 2015, total revenues of ₹ Nil and net cash flows amounting to ₹ 4.74 lac for the year ended on that date, as considered in the consolidated financial statements.
- (c) We did not audit the financial statements of Pudumjee G Corp Developers a jointly controlled firm whose financial statements reflect total assets ₹ 5538.99 lacs as at 31-03-2015, total Revenue ₹ 6585.12 lacs and net cash flows ₹ (1253.67) Lacs for the year ended on that date as appropriately considered in the consolidated financial statements.
- (d) The consolidated financial statements also include the Group's share of net profit of ₹ 45.23 lacs for the year ended 31<sup>st</sup> March, 2015 as considered in the consolidated financial statements, in respect of Pudumjee Industries Ltd., whose financial statements have been audited by us.
- (e) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - Refer Note 24.13(a)(ii) to the consolidated financial statements.
  - ii. The group, its associates and jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred during the year to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

**For KHARE & COMPANY**  
Chartered Accountants  
(FRN 105100W)

**(Y.P. SHUKLA)**  
(Proprietor)  
(Membership No. 16203)

Place of Signature : Mumbai  
Dated : 30<sup>th</sup> May, 2015



## PUDUMJEE PULP & PAPER MILLS LIMITED

### ANNEXURE TO INDEPENDENT AUDITORS' REPORT

As stated in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our Auditors' report of even date the following statement is based on the comments in the Auditors' reports on the standalone financial statements of the Holding Company, its subsidiaries, associate company and jointly controlled entity, which is a partnership firm and audited by another statutory auditors to which the requirements of the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act are not applicable to the said entity, for the year ended 31<sup>st</sup> March, 2015.

- i. a) The Holding Company, and associate company have maintained proper records showing full particulars including quantitative details and situation of fixed assets, However, subsidiary companies do not have Fixed Assets;
- b) As explained to us, the Holding Company and an associate company have physically verified the fixed assets by the respective managements at the end of the year. It has been reported to us that, no material discrepancies have been noticed on such verification. However, subsidiary companies do not have Fixed Assets.
- ii a) It is reported that, the respective managements of the Holding Company, associate company and a subsidiary company have physically verified the inventories at the end of the year. However, another subsidiary company does not have Inventories;
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the respective managements of the Holding Company and a subsidiary company and associate company are reasonable and adequate in relation to the size of the Companies and the nature of their businesses;
- c) The Holding Company, a subsidiary company, and associate company have 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 The Holding Company has granted unsecured loans to associates covered in the register maintained under Section 189 of the Companies Act, 2013, wherein the balance of principal amount and interest recoverable as at the year end is ₹ 6018.04 lacs. Another subsidiary company has granted unsecured loans to associates covered in the register maintained under Section 189 of the Companies Act, 2013, wherein the balance of principal amount and interest recoverable as at the year end is ₹ 96.84 lacs;
- a) The receipt of the principal amounts and interest thereon is also regular;
- b) There are no overdue amounts in respect of loans given by the respective Companies.
- iv In our opinion and according to the information and explanations obtained the Holding Company, its subsidiary companies, and an associate company there are adequate internal control procedures commensurate with the size of the respective Companies and the nature of their 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 system in any of these companies;
- v The Holding Company, its subsidiary companies, associates and jointly controlled entity have not accepted any deposits from the public during the year;
- vi We have broadly reviewed the records maintained by the holding Company, and associate company pursuant to the order made by the Central Government for the maintenance of cost records under Section 148 of the Companies Act, 2013 and we 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 has been carried out by us. For subsidiary companies the Central Government has not prescribed the maintenance of cost records for the products and services of the company;
- vii a) According to the information and explanations given to us, the Holding Company its subsidiary companies and an associate company the undisputed statutory dues including Provident Fund,

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Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other outstanding statutory dues have been regularly deposited during the year with the appropriate authorities. There are no undisputed statutory dues as referred above as on 31<sup>st</sup> March 2015 outstanding for a period of more than six months from the date they became payable;

- b) The disputed Statutory dues referred above of Holding company aggregating ₹ 264.43 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	High Court, Mumbai. Dept's	20.96
2	Excise Duty	CESTAT (Dept's appeal)	101.39
3	Excise Duty	CESTAT (Dept's appeal)	0.51
4.	Excise Duty	CESTAT Dy. Commissioner (Central Excise)	5.63
5.	Customs	CESTAT (Supreme Court)	68.32 2.18
6.	Service Tax	CESTAT (Service Tax) (Dy. Commissioner)	15.64
7	Sales Tax	High Court (MP)	49.80

- c) The Holding Company has transferred ₹1.90 lacs during the year to Investor education and protection fund in accordance with the provisions of section 125 the Companies Act, 2013 and rules made there under;

- viii The Holding Company and associate company have no accumulated losses and have not incurred cash Loss during the year under report and the immediately preceding financial year also; However, one of the subsidiary Company has accumulated losses more than fifty per cent of its net worth and has not incurred cash Loss during the year under report but has incurred cash loss in the immediately preceding year;
- ix According to the information and explanations given to us, the Holding Company, its subsidiary companies and associate Company have not made any default in repayment of dues to financial institutions or banks. The company has no debentureholders;
- x The Holding Company has given a corporate guarantee for loan taken by its jointly controlled entity from a Bank and according to the information and explanations given to us, the terms and conditions of such guarantee is not prejudicial to the interest of the Company;
- xi According to the information and explanations given to us, the Holding Company, its subsidiary companies and an associate company have not taken any term loans during the year;
- xii To the best of our knowledge and belief, and according to the information and explanations given to us by the respective managements, no fraud on or by the Holding Company, its subsidiary companies and an associate company has been noticed or reported during the course of our audit.

**For KHARE & COMPANY**  
Chartered Accountants  
(FRN 105100W)

**(Y.P. SHUKLA)**  
(Proprietor)  
(Membership No. 16203)

Place of Signature : Mumbai,  
Dated : 30<sup>th</sup> May, 2015.

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

	Note	AS AT 31.03.2015	AS AT 31.03.2014
	No.	₹ in lacs	₹ in lacs
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	820.00	820.00
(b) Reserves and Surplus	2	17,654.95	15,763.60
<b>(2) Minority Interest</b>			
		49.55	—
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	4,594.58	7,079.44
(b) Deferred tax liabilities (Net)		1,440.00	1,537.00
(c) Other Long-term Liabilities	4	355.57	322.79
(d) Long term provisions	5	790.74	602.12
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	6	2,898.56	668.58
(b) Trade payables	7	4,840.88	5,340.28
(c) Other current liabilities	8	6,091.35	5,936.34
(d) Short-term provisions	9	280.77	588.08
<b>Total</b>		<b>39,816.95</b>	<b>38,658.23</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	10,865.77	10,543.95
(ii) Intangible assets		9.27	14.61
(iii) Capital work-in-progress		6,468.92	5,783.62
(b) Non-current investments	11	1,277.24	1,231.97
(c) Long term loans and advances	12	6,477.37	5,096.37
<b>(2) Current assets</b>			
(a) Current investments	13	140.47	833.64
(b) Inventories	14	8,021.93	10,017.59
(c) Trade receivables	15	3,497.78	2,306.26
(d) Cash and Bank Balances	16	704.49	1,114.89
(e) Short term loans & Advances	17	2,353.71	1,715.33
<b>Total</b>		<b>39,816.95</b>	<b>38,658.23</b>

OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

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

**Y. P. SHUKLA**  
Proprietor

**B.C. DALAL**  
Director

**R. M. KULKARNI**  
Company Secretary

**S. K. BANSAL**  
Director (Finance) &  
Chief Financial Officer

On behalf of the Board,

**A. K. JATIA**  
Executive Chairman

**V.P. LEEKHA**  
Managing Director

Mumbai, Dated : 30<sup>th</sup> May, 2015

Mumbai, Dated : 30<sup>th</sup> May, 2015

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED  
31ST MARCH, 2015**

	Note	<u>2014-2015</u>	<u>2013-2014</u>
	No.	<u>₹ in lacs</u>	<u>₹ in lacs</u>
I. a) Revenue from operations	18	<b>34,957.55</b>	28,065.08
Less : Excise Duty		<b>1,648.48</b>	1,281.97
Net Revenue from Operations		<b>33,309.07</b>	26,783.11
II. Other Income	19	<b>864.13</b>	740.03
III. <b>Total Revenue (I + II)</b>		<b><u>34,173.20</u></b>	<b><u>27,523.14</u></b>
IV. <b>Revenue of Discontinuing Operation (included in above)</b>		<b>28,107.48</b>	22,867.18
V <b>Revenue from Continuing Operations (III-IV)</b>		<b>6,065.72</b>	4,655.96
VI. Expenses :			
(1) Cost Of Materials Consumed	20	<b>16,864.73</b>	13,851.72
(2) Trade Purchases		<b>813.14</b>	1,075.50
(3) Changes in Inventories of Finished Goods, Work-in-Process and Stock in Trade	21	<b>899.90</b>	(1,586.02)
(4) Employees Cost	22	<b>3,087.42</b>	2,464.56
(5) Finance Cost	23	<b>1,065.08</b>	972.57
(6) Depreciation and Amortization	10	<b>521.58</b>	823.43
(7) Other Expenses	24	<b>8,281.59</b>	7,866.87
<b>Total Expenses</b>		<b><u>31,533.44</u></b>	<b><u>25,468.63</u></b>
VII. <b>Expenses of Discontinued Operations (included in above)</b>		<b>27,318.41</b>	22,819.27
VIII. <b>Expenses of Continued Operations (VI-VII)</b>		<b>4,215.03</b>	2,649.36
IX. <b>Profit/(Loss) before Exceptional and Extraordinary items and tax from Continuing Operations</b>		<b>1,850.69</b>	2,006.60
X. Exceptional items/Extraordinary Items		—	—
XI. <b>Profit/(Loss) before tax from continuing operations (IX-X)</b>		<b>1,850.69</b>	2,006.60
XII. Tax expense :			
(1) Current tax		<b>324.39</b>	669.03
(2) Deferred tax / (Savings)		<b>(63.77)</b>	160.70
XIII. <b>Profit/(Loss) for the Year from Continuing Operations (XI-XII) - (A)</b>		<b>1,590.07</b>	1,176.87
XIV. <b>Profit before tax for the year from discontinuing operations</b>		<b>789.07</b>	47.91
XV. Tax Expense of Discontinuing operation			
(1) Current tax		<b>381.56</b>	65.93
(2) Deferred tax		<b>(33.23)</b>	(239.70)

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED  
31ST MARCH, 2015**

	Note No.	<u>2014-2015</u> ₹ in lacs	<u>2013-2014</u> ₹ in lacs
XVI. Profit for the year from discontinuing operations (XIV-XV) (B)		440.74	221.68
XVII. Profit for the year (A+B)		2,030.81	1,398.55
XVIII. Add : Shares of profit from Associate		45.23	19.08
XIX. Less : Minority Interest		0.55	-
XX. Net Profit for the year after Tax, Minority interest and share of profit from associate		<u>2,075.49</u>	<u>1,417.63</u>
XXI. Earning per equity share : (Face value ₹ 2 per share)			
(1) Basic		5.06	3.46
(2) Diluted (See Note No.25.09)		5.06	3.46

OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

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

**Y. P. SHUKLA**  
Proprietor

Mumbai, Dated : 30<sup>th</sup> May, 2015

**B.C. DALAL**  
Director

**R. M. KULKARNI**  
Company Secretary

**S. K. BANSAL**  
Director (Finance) &  
Chief Financial Officer

On behalf of the Board,

**A. K. JATIA**  
Executive Chairman

**V.P. LEEKHA**  
Managing Director

Mumbai, Dated : 30<sup>th</sup> May, 2015

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

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

	<u>2014-2015</u>	<u>2013-2014</u>
	(₹ in Lakhs)	(₹ in Lakhs)
<b>A Cash Flow from Operating Activities</b>		
<b>Net profit before Taxation &amp; Extraordinary Items</b>	<b>2,639.21</b>	2,054.51
Adjustments for :		
Depreciation	521.58	823.43
Interest & Financial charges	1,065.08	972.57
Loss on sale / Transfer of Fixed Assets	—	1.08
Provision for doubtful debts & advances	18.23	—
Other income	(842.40)	(711.56)
	<u>762.49</u>	<u>1,085.52</u>
<b>Operating profit before Working Capital Changes</b>	<b>3,401.70</b>	3,140.03
(Increase)/Decrease in Inventories	1,995.66	(3,071.86)
(Increase)/Decrease in Debtors	(1,216.42)	317.22
(Increase)/Decrease in Advances Others	(991.82)	(340.60)
Increase/(Decrease) in Minority Interest	49.55	—
Increase/(Decrease) in Liabilities	(1,524.24)	3,348.14
	<u>(1,687.27)</u>	<u>252.90</u>
<b>Cash Generated from Operations</b>	<b>1,714.43</b>	3,392.93
Income Tax (paid)/Refund Received (Net)	(924.19)	(347.03)
<b>Cash Flow before Extraordinary Items</b>	<b>790.24</b>	3,045.90
(Increase)/Decrease in Misc. Expenditure	—	—
Extra ordinary items	—	—
<b>Net cash from Operating Activities</b>	<b>790.24</b>	3,045.90
<b>B Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,521.50)	(424.84)
Sale Proceeds of Fixed Assets	35.67	61.71
Investment in Mutual Funds Etc.	693.17	(396.40)
Change in Loans & Advances	(1,013.82)	(464.04)
Interest Received	718.54	628.65
Dividend Received	40.03	62.40
<b>Net cash from / (used) in Investing Activities</b>	<b>(1,047.91)</b>	(532.52)
<b>C Cash flow from Financing Activities</b>		
Proceeds from Borrowings	3,798.88	2,191.60
Repayment of Borrowings	(2,710.56)	(2,668.23)
Payment of Interest	(1,118.05)	(1,004.81)
Dividend paid	(123.00)	(123.00)
<b>Net cash from / (used) in Financing Activities</b>	<b>(152.73)</b>	(1,604.44)
<b>Net change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(410.40)</b>	908.94
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>1,114.89</b>	205.95
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>704.49</b>	1,114.89

Note : Figures in brackets represent cash outflows.

## OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

For **KHARE & CO.**,  
Chartered Accountants**Y. P. SHUKLA**  
Proprietor**B.C. DALAL**  
Director**R. M. KULKARNI**  
Company Secretary**S. K. BANSAL**  
Director (Finance) &  
Chief Financial Officer

On behalf of the Board,

**A. K. JATIA**  
Executive Chairman**V.P. LEEKHA**  
Managing DirectorMumbai, Dated : 30<sup>th</sup> May, 2015Mumbai, Dated : 30<sup>th</sup> May, 2015

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

	<b>AS AT 31.03.2015</b>	<b>AS AT 31.03.2014</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>NOTE '1' - SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
4,75,00,000 Equity Shares of ₹ 2/- each	<b>950.00</b>	950.00
50,000 14% (free of company's tax but subject to deduction of tax at source at the prescribed rates) Redeemable Cumulative Preference Shares of ₹ 100/- each	<b>50.00</b>	50.00
	<u><b>1,000.00</b></u>	<u>1,000.00</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
4,10,00,000 Equity Shares of ₹ 2/- each	<u><b>820.00</b></u>	<u>820.00</u>

1.1 The reconciliation of the number of Equity shares outstanding :-

Equity Shares at the beginning and end of the year	<u><b>41,000,000</b></u>	<u>41,000,000</u>
--	--------------------------	-------------------

1.2 The details of Shareholders holding more than 5% shares

Name of the Shareholder	<b>AS AT 31-03-2015</b>		<b>AS AT 31-03-2014</b>	
	<b>No. of Shares</b>	<b>% held</b>	No. of Shares	% held
Thacker & Co. Ltd.	<b>6,368,253</b>	<b>15.53</b>	6,150,000	15.00
Pudumjee Industries Limited	<b>3,412,850</b>	<b>8.32</b>	3,412,850	8.32
Suma Commercial Pvt. Ltd.	<b>2,873,036</b>	<b>7.01</b>	2,873,036	7.01
Chem-Mach Pvt. Ltd.	<b>2,533,265</b>	<b>6.18</b>	2,533,265	6.18
Yashvardhan Jatia	<b>2,336,354</b>	<b>5.70</b>	2,336,354	5.70
Ubiquitous Trading Pvt. Ltd.	<b>2,150,000</b>	<b>5.24</b>	2,150,000	5.24

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015 (Contd.)**

	<b>AS AT</b>	<b>AS AT</b>	
	<b>31.03.2015</b>	<b>31.03.2014</b>	
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>	
<b>NOTE '2' - RESERVES &amp; SURPLUS</b>			
<b>GENERAL RESERVE</b>			
As per last Balance Sheet	<b>7,358.39</b>	7,208.39	
Add : Transfer from Profit & Loss Account	<u><b>150.00</b></u>	<u>150.00</u>	7,358.39
<b>SHARE PREMIUM ACCOUNT</b>			
As per last Balance Sheet	<b>1,537.50</b>	1,537.50	
<b>CAPITAL RESERVE I</b>			
On Reissue of forfeited shares	<b>5.86</b>	5.86	
<b>CAPITAL RESERVE II</b> (On Consolidation of Subsidiary Companies)			
As per last Balance Sheet	<b>297.83</b>	297.83	
<b>CAPITAL RESERVE III</b> (On Consolidation of Associate Companies)			
On Valuation of Investments	<b>449.56</b>	430.44	
Add / (Less) Transfer from P & L Account	<u><b>45.23</b></u>	<u>19.08</u>	449.52
<b>CAPITAL RESERVE IV</b> (On Consolidation of Joint Venture)			
Add / (Less) Transfer from P & L Account	<b>32.40</b>	32.40	
<b>CAPITAL RESERVE V</b>			
On Treatment of land as stock-in-Trade [ See note 25.03 ( a ) ]	<b>1,441.53</b>	1,441.53	
<b>RESERVE FOR DOUBTFUL DEBTS</b> (See Note '5')	-	6.34	
<b>SURPLUS IN PROFIT AND LOSS ACCOUNT</b>			
Balance in Profit & Loss Account	<b>4,634.23</b>	3,529.58	
<b>Add :</b>			
Profit for the Year	<u><b>2,075.49</b></u>	<u>1,417.63</u>	
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>	<b>6,709.72</b>	4,947.21	
<b>APPROPRIATIONS :</b>			
Proposed Dividend on Equity			
Shares (Free of Tax)	<b>123.00</b>	123.00	
Tax on Proposed Dividend	<b>25.04</b>	20.90	
Transfer to Capital Reserves	<b>45.23</b>	19.08	
Transfer to General Reserve	<b>150.00</b>	150.00	
Provision for CSR	<u><b>29.80</b></u>	-	<u>312.98</u>
	<u><b>6,336.65</b></u>	<u>4,634.23</u>	
	<u><b>17,654.95</b></u>	<u>15,763.60</u>	



**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015 (Contd.)**

	AS AT <u>31.03.2015</u> ₹ in Lacs	AS AT <u>31.03.2014</u> ₹ in Lacs
<b>NOTE '3' - LONG TERM BORROWINGS</b>		
<b>(A) Secured Borrowings</b>		
FROM BANKS		
TERM LOAN	509.72	937.49
(Secured by first charge on the Assets at Mahad of the Holding Company specifically purchased therefrom) (See Note (a) below)		
TERM LOAN	171.00	351.00
(Secured by first charge on the Assets at Sadawaghapur of the Holding Company specifically purchased therefrom) (See Note (b) below)		
TERM LOAN	301.50	473.50
(Secured by first charge on the Assets at Jath of the Holding Company specifically purchased therefrom) (See Note (c) below)		
TERM LOAN	1,375.00	375.00
(Secured by pari passu first charge on immoveable assets at pune.) * (See Note (d) below)		
TERM LOAN	-	671.11
(Secured by Land & Building under construction in Phase II and III of Joint Venture and corporate guarantee of the Company) (See Note (e) below)		
FROM OTHERS		
TERM LOAN	18.80	29.27
(Secured by other Assets) (See Note (f) below)		
TERM LOAN	22.42	29.32
(Secured by other Assets) (See Note (g) below)		
Total (A)	<u>2,398.44</u>	<u>2,866.69</u>

**Notes:**

- (a) Excluding ₹ 427.78 lacs (Last year ₹427.78 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.  
Repayable in 18 equal quartely installments beginning with 04.02.2013.
- (b) Excluding ₹ 180.00 lacs (Last year ₹ 180 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.  
Repayable in 20 equal quartely installments beginning with 21.06.2012.
- (c) Excluding ₹ 172.00 lacs (Last year ₹172.00 lacs ) shown under "Current maturities of Long Term Debt" under Note No.8.  
Repayable in 20 equal quartely installments beginning with 25.09.2013.

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015 (Contd.)**

(d) Excluding ₹ 500.00 lacs (Last year ₹ 500.00 lacs) shown under “Current maturities of Long Term Debt” under Note No.8.

Repayable in 20 equal quartely installments beginning with 16.01.2014.

(e) Excluding ₹ 660.00 lacs (Last year ₹ 660.00 lacs) shown under “Current maturities of Long Term Debt” under Note No.8.

Repayable in 8 equal quartely installments beginning with 10.06.2014.

(f) Excluding ₹ 10.46 lacs (Last year ₹ 9.40 lacs) shown under “Current maturities of Long Term Debt” under Note No.8.

Repayable in 60 Monthly installments beginning with 15.12.2012.

(g) Excluding ₹ 6.90 lacs (Last year ₹ 6.20 lacs) shown under “Current maturities of Long Term Debt” under Note No.8.

Repayable in 59 Monthly installments beginning with 10.1.2014.

(h) There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.

**\* Security :**

First charge on all immoveable and moveable properties of the Holding Company at its Pune Plant, both present and future subject, however, to the prior charges created and / or to be created by the Company on its (i) immoveables and moveable properties specifically secured and (ii) other movables and book debts in favour of its bankers for securing borrowings for working capital facilities. All these loans shall rank pari passu with the existing and future first charges created in favour of Financial Institutions and Banks.

	<b>AS AT</b>	<b>AS AT</b>
	<b><u>31.03.2015</u></b>	<b><u>31.03.2014</u></b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>(B) Unsecured Borrowings</b>		
Fixed Deposits from Public/Shareholders *	<b>778.98</b>	2,680.63
(See Note (a) below)		
Deposit		
From Associates	<b>110.00</b>	110.00
From Others	<b>45.00</b>	-
Deferred Sales Tax Liability	<b>1,262.16</b>	1,422.12
(See Note (b) below)		
Total (B)	<b><u>2,196.14</u></b>	<u>4,212.75</u>
<b>Total Long term borrowings(A) + (B)</b>	<b><u>4,594.58</u></b>	<u>7,079.44</u>

**Notes:**

(a) Excluding (i) ₹ Nil lacs (Last year ₹ 23.90 lacs) being deposits for 1 year shown under “Short Term Borrowings” under Note No 6, and (ii) ₹ 1861.14 lacs (Last year ₹ 585.25 lacs) shown under “Current maturities of Long Term Fixed Deposits” under Note No.8.

(b) Excluding ₹ 159.96 lacs (Last year ₹ 103.57 lacs) shown under “Current maturities of “Long Term Unsecured Debts” under Note No. 8.

(c) There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.

\* Repayable after 2 years and 3 years from the date of acceptance of each Deposits.

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AS AT 31ST MARCH, 2015 (Contd.)**

	<b>AS AT 31.03.2015 ₹ in Lacs</b>	<b>AS AT 31.03.2014 ₹ in Lacs</b>
<b>NOTE '4' - OTHER LONG TERM LIABILITIES</b>		
Sundry Creditors	<u>355.57</u>	<u>322.79</u>
<b>NOTE '5' - LONG TERM PROVISIONS</b>		
Provision for Diminution in value of Long term Investments and Impairment of Fixed Assets As per Last Balance Sheet	<b>1,457.26</b>	1,457.26
Less : Deducted per contra		
From Investments	<b>60.00</b>	60.00
From Fixed Assets	<u>1,397.26</u>	<u>1,397.26</u>
As per last Balance Sheet	<b>554.97</b>	554.97
Add : Transferred from Profit & Loss Account	<u>18.22</u>	—
	<b>573.19</b>	554.97
Less : Debts & Advances considered Doubtful per contra	<u>573.19</u>	548.63
	—	6.34
Less : Surplus provision shown under Reserves & Surplus	—	6.34
	—	—
Provision for Taxation (Less : Advance Tax etc.)	<b>13.84</b>	—
Provision for Gratuity	<b>700.25</b>	602.12
Provision for Pension	<u>76.65</u>	—
	<u><b>790.74</b></u>	<u>602.12</u>

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015 (Contd.)**

	<b>AS AT 31.03.2015 ₹ in Lacs</b>	<b>AS AT 31.03.2014 ₹ in Lacs</b>
<b>NOTE '6' - SHORT TERM BORROWINGS</b>		
<b>(A) Secured Borrowings from Bank</b>		
Cash Credit repayable on demand (Secured by hypothecation of stocks, stores and book debts and second charge on all immoveables and moveable properties of the Company at its Pune plant & Joint Venture firm)	1,091.34	558.82
Total (A)	<u>1,091.34</u>	<u>558.82</u>
<b>(B) Unsecured Borrowings from others</b>		
<b>OTHER SHORT TERM LOANS &amp; ADVANCES</b>		
Working Capital Demand loan from Bank	1,000.00	-
Fixed Deposits	-	23.90
Others Deposits	<u>807.22</u>	<u>85.86</u>
Total (B)	<u>1,807.22</u>	<u>109.76</u>
<b>Total short term borrowings(A) + (B)</b>	<b><u>2,898.56</u></b>	<b><u>668.58</u></b>

Note : There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.

**NOTE '7' - TRADE PAYABLE**

Acceptances	2,187.90	3,127.05
Sundry Creditors	<u>2,652.98</u>	<u>2,213.23</u>
	<u>4,840.88</u>	<u>5,340.28</u>
	<b><u>4,840.88</u></b>	<b><u>5,340.28</u></b>

**NOTE '8' - OTHER CURRENT LIABILITIES**

<b>Current Maturities of Long Term Debts :</b>			
Fixed Deposits	1861.14	585.25	
Secured Debts	1957.14	1955.39	
Unsecured Debts	<u>159.96</u>	<u>3978.24</u>	<u>103.57</u>
Unclaimed dividend	18.80		17.79
Unclaimed Matured Fixed Deposits	36.16		27.31
Unclaimed Interest On Fixed Deposits	3.34		3.02
Interest on Loans accrued but not due on borrowing	182.69		136.64
Creditors for Capital Goods	43.21		-
Advances from Customers	1,824.31		3,092.84
Other payables	<u>4.60</u>		<u>14.53</u>
	<b><u>6,091.35</u></b>	<b><u>5,936.34</u></b>	

**NOTE '9' - SHORT TERM PROVISIONS**

Provision for Taxation (Less : Advance Tax etc.)	-	338.95
Provision for Leave Encashment	157.77	126.13
Proposed Dividend	<u>123.00</u>	<u>123.00</u>
	<b><u>280.77</u></b>	<b><u>588.08</u></b>

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015 (Contd.)**

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

(₹ in lacs)

TYPE OF ASSETS	Cost upto 31.3.2014	Additions/ Transfers during the Year	Deductions/ Transfers during the Year	Balance Cost upto 31.03.2015	Depreciation/ Impairment upto 31.3.2014	Depreciation/ Amortisation for the Year	Depreciation on sold Assets and on deductions written back	Depreciation/ Impairment Balance as on 31.03.2015	Net Book Value as on 31.03.2015	Net Book Value as on 31.3.2014
<b>TANGIBLE ASSETS</b>										
Land - Freehold	40.75	-	-	40.75	-	-	-	-	40.75	40.75
- Leasehold	1,134.74	-	-	1,134.74	39.60	15.62	-	55.22	1,079.52	1,095.14
Buildings - Others	2,842.23	26.70	7.17	2,861.76	1,163.83	72.70	2.77	1,233.76	1,628.00	1,678.40
Machinery	23,748.56	792.13	5.73	24,534.96	16,244.81	418.58	5.45	16,657.94	7,877.02	7,503.75
Laboratory Equipments	51.12	9.02	-	60.14	21.60	6.71	-	28.31	31.83	29.52
Furniture & Fixtures	458.90	11.33	5.99	464.24	368.10	29.71	5.25	392.56	71.68	90.80
Vehicles	237.96	7.48	11.34	234.10	132.37	20.76	56.00**	97.13	136.97	105.59
Total (A)	28,514.26	846.66	30.23	29,330.69	17,970.31	564.08	69.47	18,464.92	10,865.77	10,543.95
<b>INTANGIBLE ASSETS</b>										
Computer Software	102.38	0.43	-	102.81	87.77	5.77	-	93.54	9.27	14.61
Total (B)	102.38	0.43	-	102.81	87.77	5.77	-	93.54	9.27	14.61
Total (A+B)	28,616.64	847.09	30.23	29,433.50	18,058.08	569.85	69.47	18,558.46	10,875.04	10,558.56
Previous year	28,375.69	367.62	126.67	28,616.64	17,298.17	823.65	63.74	18,058.08	10,558.56	11,077.52

\*Note :1) The depreciation charged on Fixed Assets in the Profit & Loss Account does not include an amount of ₹ 0.18 lac (Last year ₹ 0.22 lac) allocated to construction work in progress of Joint Venture.

\*\* 2) Includes ₹ 48.08 lacs (Last year Nil), being depreciation written back due to change in the method of charging depreciation from written down value to straight line and accordingly reduced from depreciation debited to Profit & Loss Account.

3) Buildings has been regrouped to conform to this years presentation.

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015 (Contd.)**

	AS AT 31.03.2015 ₹ in Lacs	AS AT 31.03.2014 ₹ in Lacs
<b>NOTE '11' - NON CURRENT INVESTMENTS</b>		
LONG TERM INVESTMENTS (AT COST)		
TRADE INVESTMENTS : (EQUITY)		
<b>Investments In Associates :</b>		
675,000 Equity shares of Pudumjee Plant Laboratories Ltd. of ₹ 10/- each fully paid (unquoted)	60.00	60.00
4,902,515 Equity shares of Pudumjee Industries Ltd. of ₹ 2/- each fully paid (quoted)	1,176.84	1,131.57
<b>Other Investment :</b>		
4,000 Shares of Saraswat Co-op Bank Ltd. of ₹ 10/- each fully paid (unquoted)	0.40	0.40
95,791 Units of Redart India Trust (Alternative Investment Fund)	100.00	—
	<u>1,337.24</u>	<u>1,291.97</u>
Less : Provision for Diminution in value of Long term Investments deducted per contra	60.00	60.00
	<u>1,277.24</u>	<u>1,231.97</u>
Aggregate amount of quoted investments		
Cost	1,176.84	1,131.57
Market Value	557.22	424.78
Aggregate amount of unquoted investments		
Cost	160.40	160.40
<b>NOTE '12' - LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good, unless otherwise stated)		
Prepaid Expenses	15.14	17.04
Advance Income Tax	—	60.70
Security Deposits	71.63	45.77
Less : Provision for Doubtful Advances deducted per contra	0.81	0.81
	<u>70.82</u>	<u>44.96</u>
Loans & Advances to Associates	6,114.88	4,703.79
Others Advances	308.58	302.33
Less : Provision for Doubtful Advances deducted per contra	32.05	32.45
	<u>6,477.37</u>	<u>5,096.37</u>
<b>NOTE '13' - CURRENT INVESTMENTS</b>		
CURRENT INVESTMENTS IN MUTUAL FUNDS (unquoted) (EACH VALUED ON LOWER OF COST OR FAIR VALUE)		
4,719 (Last Year 5,566) Units of SBI Magnum Insta Cash Fund of ₹ 10/- each fully paid	79.05	93.22
4,018 (Last Year 14,036) Units of Reliance Liquid Fund. of ₹ 1000/- each fully paid	61.42	214.58
Nil (Last Year 50,075) Units of Birla Sun Life Cash Plus Fund of ₹ 100/- each fully paid	—	50.17
Nil (Last Year 9,819) Units of UTI Liquid Dund Cash Plus Fund of ₹ 1000/- each fully paid	—	100.11
Nil (Last Year 32,163) Units of L & T Fund - Pool Collection. of ₹ 1000/- each fully paid	—	325.51
Nil (Last Year 5,003) Units of India bulls -DDR of ₹ 1000/- each fully paid	—	50.05
	<u>140.47</u>	<u>833.64</u>
Aggregate amount of unquoted investments		
Cost	140.47	833.64

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015 (Contd.)**

	AS AT 31.03.2015	AS AT 31.03.2014
	₹ in Lacs	₹ in Lacs
<b>NOTE '14' - INVENTORIES</b>		
Raw material (At cost)	975.59	1,638.82
Work-in-process (At cost)	2,299.96	3,132.00
Finished Paper (At lower of cost or market value)	1,960.99	2,687.19
Stores, Spare Parts Etc. (At Cost)	1,071.07	945.96
Stores, Spare Parts Etc. (At Cost) in transit	0.58	6.15
Loose Tools (At Cost)	1.15	1.17
Stock in Trade - Land	1,441.67	1,441.67
- Other developments	270.92	164.63
[See note 25.03 ( a ) ]	<u>8,021.93</u>	<u>10,017.59</u>
<b>NOTE '15' - TRADE RECEIVABLES (Unsecured)</b>		
Debts outstanding for a period exceeding six months from due date		
Considered Good	70.47	91.71
Considered Doubtful	535.04	507.47
	<u>605.51</u>	599.18
Other Debts		
Considered Good	3,427.31	2,214.55
Considered Doubtful	-	2.68
	<u>4,032.82</u>	2,816.41
Less : Provision for Doubtful Debts deducted per contra	<u>535.04</u>	510.15
	<u>3,497.78</u>	<u>2,306.26</u>
	<u>3,497.78</u>	<u>2,306.26</u>
<b>NOTE '16' - CASH &amp; BANK BALANCES</b>		
Cash on hand as per books	5.37	6.12
Deposit with Bank for Margin Money (with maturity beyond 12 months)	15.00	12.00
On other Deposit account with Bank	354.75	4.00
On other accounts with Banks	150.69	976.76
Cheques on hand	159.88	98.22
Unpaid Dividends account with Banks	18.80	17.79
	<u>704.49</u>	<u>1,114.89</u>
<b>NOTE '17' - SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good other than related parties)		
Prepaid Expenses	89.17	62.11
Security Deposits	2.96	-
Inter Corporate Deposits	-	300.43
Interest Accrued		
On Banks & Other Deposits	10.10	24.62
Capital Advances	66.53	22.79
Advance Income Tax for Current year (Less Provision for Current year Tax)	53.96	4.33
Advances to employees of the Company	19.82	12.58
Balance with Government Authorities	770.91	528.47
Advances to Suppliers	832.78	526.63
Sundry Advances	512.77	238.59
	<u>2,116.46</u>	1,293.69
Less : Provision for Doubtful Advances deducted per contra	<u>5.29</u>	5.22
	<u>2,111.17</u>	<u>1,288.47</u>
	<u>2,353.71</u>	<u>1,715.33</u>

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015**

	Year Ended		Year Ended	
	31.03.2015		31.03.2014	
	₹ in Lacs		₹ in Lacs	
<b>NOTE '18' - REVENUE FROM OPERATIONS</b>				
PAPER	27,285.06		21,935.90	
Less : Excise Duty	<u>1,647.92</u>	25,637.14	<u>1,281.59</u>	20,654.31
TRADE SALE				
Shares	1,563.46		224.47	
Others	<u>25.38</u>	1,588.84	-	224.47
SALE OF WIND POWER		185.90		-
WIND POWER SALE (CAPTIVE)		79.68		522.03
MISCELLANEOUS SALES	113.27		67.28	
Less : Excise Duty	<u>0.56</u>	112.71	<u>0.38</u>	66.90
PROCESSING AND OTHER CHARGES		1,662.89		1,593.63
REAL ESTATE ACTIVITY		3,951.07		3,562.65
OTHER OPERATING REVENUE		<u>90.84</u>		<u>159.12</u>
		<u>33,309.07</u>		<u>26,783.11</u>
DISCONTINUING OPERATIONS (Included in above) (Refer Note No."24 A")		<u>27,482.13</u>		<u>22,353.07</u>
<b>NOTE '19' - OTHER INCOME</b>				
DIVIDENDS				
Others		40.03		62.40
MISCELLANEOUS INCOME		21.73		28.47
INTEREST RECEIVED FROM OTHERS		775.54		649.16
PROFIT ON SALE/TRANSFER OF FIXED ASSETS (NET)		<u>26.83</u>		-
		<u>864.13</u>		<u>740.03</u>
DISCONTINUING OPERATIONS (Included in above) (Refer Note No."24 A")		<u>625.35</u>		<u>514.11</u>
<b>NOTE '20' - COST OF MATERIAL CONSUMED</b>				
CONSUMPTION OF RAW MATERIALS		13,820.10		11,369.45
CONSUMPTION OF STORES, COLOURS,CHEMICALS etc.		<u>3,044.63</u>		<u>2,482.27</u>
		<u>16,864.73</u>		<u>13,851.72</u>
DISCONTINUING OPERATIONS (Included in above) (Refer Note No."24 A")		<u>15,007.97</u>		<u>12,374.28</u>
<b>NOTE '21' - CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROCESS AND STOCK-IN-TRADE</b>				
STOCK AT COMMENCEMENT				
Finished Paper / Shares / Construction	2,687.18		1,333.49	
Work-in-Process				
- Pulp	28.47		1.78	
- Paper	<u>535.29</u>	3,250.94	<u>329.66</u>	1,664.93
STOCK AT CLOSE				
Finished Paper / Shares / Construction	1,960.99		2,687.19	
Work-in-Process				
- Pulp	5.23		28.47	
- Paper	<u>384.82</u>	2,351.04	<u>535.29</u>	<u>3,250.95</u>
		<u>899.90</u>		<u>(1,586.02)</u>
DISCONTINUING OPERATIONS (Included in above) (Refer Note No."24 A")		<u>296.33</u>		<u>(654.91)</u>



**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	Year Ended <u>31.03.2015</u> ₹ in Lacs	Year Ended <u>31.03.2014</u> ₹ in Lacs
<b>NOTE '22' - EMPLOYEES' COST</b>		
SALARIES, WAGES, BONUS etc.		
Salaries, Wages, gratuity & Bonus	2,717.01	2,159.03
Contribution to Provident & Other Funds (Including Administrative Charges)	243.04	199.37
Employees State Insurance	2.41	3.04
Workmen & Staff Welfare Expenses	<u>124.96</u>	<u>103.12</u>
	<u>3,087.42</u>	<u>2,464.56</u>
DISCONTINUING OPERATIONS		
(Included in above) (Refer Note No. "24 A")	2,999.68	2,404.95
<b>NOTE '23' - FINANCE COST</b>		
INTEREST ON BORROWINGS	1,063.87	914.01
OTHER FINANCIAL CHARGES	<u>89.52</u>	<u>141.30</u>
	1,153.39	1,055.31
LESS : INTEREST RECEIVED ON TRADE DEBTS	<u>88.31</u>	<u>82.74</u>
	<u>1,065.08</u>	<u>972.57</u>
DISCONTINUING OPERATIONS		
(Included in above) (Refer Note No. "24 A")	<u>775.53</u>	<u>693.10</u>
<b>NOTE '24' - OTHER EXPENSES</b>		
FUEL, POWER & WATER	5,580.33	5,415.45
RENT	21.84	5.84
RATES & TAXES	54.66	61.78
REPAIRS & MAINTENANCE		
Machinery	845.16	613.11
Buildings	61.24	54.34
Others	<u>23.14</u>	<u>17.71</u>
	929.54	685.16
INSURANCE	32.51	29.44
PACKING, CARTAGE, CUTTING, BALING, FREIGHT ETC.	560.30	441.67
DEVELOPMENT & RESEARCH EXPENSES	96.31	76.00
COMMISSION ON SALES	198.88	261.49
DIRECTORS' FEES	5.70	2.06
EXCISE DUTY ON STOCK	(4.82)	31.07
FOREIGN EXCHANGE LOSS / (GAIN)	76.84	101.81
LOSS ON SALE/TRANSFER OF ASSETS (NET)	-	1.08
BAD DEBTS & ADVANCES WRITTEN OFF	-	14.82
PROVISION FOR DOUBTFUL DEBTS	18.22	-
ADVERTISEMENT EXPENSES	61.64	79.29
CORPORATE SOCIAL RESPONSIBILITY	10.20	-
OFFICE & MISCELLANEOUS EXPENSES	<u>639.44</u>	<u>659.91</u>
	<u>8,281.59</u>	<u>7,866.87</u>
DISCONTINUING OPERATIONS		
(Included in above) (Refer Note No. "24 A")	<u>7,870.81</u>	<u>7,381.49</u>

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

**NOTE '24 A' - DISCONTINUING OPERATIONS**

The Company has undertaken restructuring initiative for demerger of the Paper Manufacturing Business of the Company. The Board of Directors of the Company at its Meeting held on 17<sup>th</sup> January, 2015 has considered and approved a Scheme of Arrangement (Demerger) between the company, Pudumjee Industries Ltd., Pudumjee Hygiene Products Ltd. and Pudumjee Paper Products Ltd. As per the Scheme the Paper Manufacturing Business of the Company would be demerged and transferred to Pudumjee Paper Products Limited. The appointed date in respect of scheme is 1<sup>st</sup> April, 2014. The Paper Manufacturing is the main business segment of the company. The Scheme is subject to requisite approvals, including sanction of the The Hon'ble High Court at Mumbai which is pending. Accordingly aforesaid Paper manufacturing business has been considered as discontinuing operations.

**The operating activities of the Company's discontinuing operations are summarized below:**

**a The revenue and expense in respect of the ordinary activities attributable to the discontinuing operation :**

	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
I. Revenue from operations	<b>27482.13</b>	22353.07
II. Other Income	<b>625.35</b>	514.11
<b>III. Total Revenue (I +II)</b>	<b><u>28107.48</u></b>	<b><u>22867.18</u></b>
<b>IV. Expenses:</b>		
Cost of materials consumed	<b>15007.97</b>	12374.28
Purchase of Stock-in-Trade	<b>19.53</b>	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	<b>296.33</b>	(654.91)
Employee benefit expense	<b>2999.68</b>	2404.95
Financial costs	<b>775.53</b>	693.10
Depreciation and amortization expense	<b>348.56</b>	620.36
Other expenses	<b>7870.81</b>	7381.49
<b>Total Expenses</b>	<b><u>27318.41</u></b>	<b><u>22819.27</u></b>
V. Profit before exceptional and extraordinary items and tax (III - IV)	<b>789.07</b>	47.91
VI. Tax expense :		
(1) Current tax	<b>381.56</b>	65.93
(2) Deferred tax	<b>(33.23)</b>	(239.70)
VII. Profit(Loss) from the period from Discontinuing operations	<b>440.74</b>	221.68
Prior Period Income	-	-
VII. Profit (Loss) from the period from Discontinuing operations	<b>440.74</b>	221.68

**b The Net Cash Flows attributable to the discontinuing operations are as follows:**

Operating Activities	<b>(306.90)</b>	1,179.89
Investing Activities	<b>(1,217.09)</b>	(209.48)
Financing Activities	<b>1,859.25</b>	(902.75)
Net Cash Inflow/(Outflows)	<b>335.26</b>	67.66

**C The carrying amounts as at 31st March, 2015 of the total assets and liabilities to be disposed of are as follows:**

Total Assets	<b>28595.58</b>	25717.80
Total Liabilities	<b>16522.80</b>	14612.45
Net Assets	<b>12072.78</b>	11105.35

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015**

**NOTE '25'**

**25.01** Salary, Wages, gratuity and bonus (Note No. 22) does not include a sum of ₹ 109.15 lacs (Last year ₹ 83.99 lacs) transferred to other accounts.

**25.02** a) The parent company has acquired leasehold land, building and board manufacturing machine at Mahad Dist. Raigad in the earlier years, where a paper machine was being installed under an expansion programme. The leasehold land, colony and buildings are shown under Tangible Fixed Assets Schedule (Note No.10) and is appropriately amortized and depreciated for the year and Factory Building, Machinery and all other assets together with related expenditure have been shown under Capital work-in-progress.

b) In view of the aforesaid expansion project having been temporarily deferred, during the year, the borrowing and other recurring costs (net) incurred for the year aggregating to ₹ 259.43 lacs (Last year ₹ 310.79 lacs) have been treated as revenue expenditure and charged to the Profit & Loss account for the year ended 31-03-2015 under the respective heads.

**25.03** a) Land admeasuring 96111.84 sqft at Thergaon, Pune costing ₹ 0.14 lac, used in relation to operation of factory, is revalued and converted by the parent company in to stock in trade on 23.10.2013 at an amount of ₹1441.67 lacs being the Fair Market Value of the land, ascertained by the Government approved valuers and the resulting difference of ₹ 1441.53 lacs is credited to Capital Reserve appearing under Reserves and Surplus. The Company is developing this land for constructing residential /commercial complex and expenditure of ₹ 106.29 lacs during the year and ₹164.63 lacs in the earlier year incurred in this regard is carried forward as a part of stock in trade.

b) Land admeasuring about 3000 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.

c) Interest amounting to ₹ 10.71 lacs (previous year Nil) has been capitalised during the year to Machinery under installation.

<b>25.04</b>	<b>Payments made to Auditors:</b>	<u><b>2014-2015</b></u>	<u><b>2013-2014</b></u>
		<u><b>₹ in Lacs</b></u>	<u><b>₹ in Lacs</b></u>
	Audit fees	<b>4.10</b>	3.99
	Taxation matters	<b>1.18</b>	1.18
	Others	<b>3.51</b>	2.51
		<u><b>8.79</b></u>	<u><b>7.68</b></u>

**25.05** Corporate Social Responsibility expenses debited to the Profit & Loss account ₹10.20 lacs (Last year Nil) represents amount actually spent during the year on purpose other than construction / acquisition of Assets. The unspent amount is provided by debit to Surplus account in Profit & Loss account under Reserves & Surplus ₹ 29.80 lacs.

**25.06** 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.

**NOTE '25' (Contd.)**

<b>25.07</b>	a) Contingent Liabilities not provided for in respect of :	<b>AS AT 31.03.2015 ₹ in Lacs</b>	<b>AS AT 31.03.2014 ₹ in Lacs</b>
	i) Bank Guarantees and Letters of Credit in favour of suppliers of raw materials, spares etc.*	<b>2,156.79</b>	3,336.42
	ii) Guarantee for Loan granted to Companies *	<b>70.85</b>	65.50
	iii) Claims against the Company not acknowledged as debts for excise duty, property tax and commercial claims etc. **	<b>720.72</b>	723.74
	iv) Penalty under Income Tax Act no longer payable in view of appellate order in company's favour *	-	351.91
	* 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 :		
	i) Estimated of contracts of Parent company remaining to be executed on capital account	<b>207.57</b>	46.33

**25.08** 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 & 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 till 31-03-2014. The depreciation is provided on all the assets based on the useful lives of the assets on straight line method w.e.f. 01/04/2014, in accordance with schedule II of the Companies Act 2013.  
Lease hold land is depreciated based on period of residual lease. In case of joint venture firm temporary structures are amortized in proportion of properties fully completed.
- d) Finished paper stock is valued at lower of cost or market value. Land treated as stock in trade duly revalued at fair market value on the date of treatment, is carried at that value together with actual development expenses incurred thereon.  
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, Pension 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. The joint venture firm has followed completed building method for recognizing its revenue, when the constructed flats are ready for possession.

## PUDUMJEE PULP & PAPER MILLS LIMITED

### NOTE '25' (Contd.)

- 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.

#### 25.09 Computation of basic and diluted Earning Per Share (EPS)

	<u>AS AT</u>	<u>AS AT</u>
	31.03.2015	31.03.2014
Basic / Diluted EPS :		
(a) Net Profit after tax as per Profit & Loss Account :		
After current and deferred Tax	₹ 2,075.49 lacs	₹ 1,417.63 lacs
(b) No. of Equity shares of ₹ 2/- each :	410.00 lacs	410.00 lacs
(c) Basic EPS		
After current and deferred Tax (a/ b)	₹ 5.06	₹ 3.46

#### 25.10 Depreciation

- a) The Company has adopted the estimates of the useful lives of the Fixed Assets wef. 1<sup>st</sup> April, 2014 as prescribed under schedule II of the companies Act. 2013, as a result the charge of Depreciation for the year is lower by ₹ 304.40 lacs.
- b) Further an amount of ₹ 29.05 lacs has been added to the depreciation for the year in respect of the residual value of assets, whose remaining useful lives has become Nil.
- c) The Company has now adopted straight line method for all the assets instead of written down value method for certain assets, consequently an amount of ₹ 50.65 Lacs has been deducted from depreciation for the year.
- d) Consequent to these changes the depreciation for the year ended 31<sup>st</sup> March 2015 is lower by ₹ 326.00 Lacs and profit before and after tax is correspondingly higher by the same amount.

#### 25.11 (a) The Deferred Tax Liabilities / (Deferred Tax Assets) into major components are as under :

	<u>AS AT</u>	<u>AS AT</u>
	31.03.2015	31.03.2014
	₹ in Lacs	₹ in Lacs
In respect of Depreciation	1,858	1,897
In respect of allowances and disallowances under various provisions of Income Tax Act.	(418)	(360)
Net Deferred Tax Liability	<u>1,440</u>	<u>1,537</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 31<sup>st</sup> March, 2015.
- c) No Deferred Tax Asset has been recognised in case of Joint venture firm and subsidiary company.

#### 25.12 Related party disclosures (Accounting Standard 18) :

##### A) Associate Firms / Companies

- a) Pudumjee Industries Limited.
- b) Pudumjee Plant Laboratories Limited.
- c) Pudumjee Hygeine Products Limited.
- d) Pudumjee Holdings Limited.

NOTE '25' (Contd.)

**B) Key Management personnel**

Shri. Arunkumar M. Jatia  
Executive Chairman

Shri. V.P. Leekha  
Managing Director

Shri. S.K. Bansal  
Director (Finance) & C.F.O.

Dr. Ashok Kumar  
Executive Director

Shri. R.M. Kulkarni  
Company Secretary

**C) Transactions with related Parties**

**2014-15**  
(2013-2014)  
**₹ in Lacs**

	<b>Associate Companies</b>	<b>Maximum during the year</b>	<b>Key Management Personnel</b>
a) Interest bearing Inter Corporate Deposits lent during the year	<b>5373.00</b> (5852.00)		
b) Interest charged during the year	<b>649.52</b> (580.09)		
c) Inter Corporate Deposits/Advances etc.outstanding receivable as at 31 <sup>st</sup> March, 2015 including interest Pudemjee Industries Limited	<b>6,114.88</b> (4,703.79)	<b>6201.84</b> (5185.00)	
d) Sale / Processing charges of goods during the year (Including Fixed Assets ₹ NIL previous year ₹ 72.05 lacs)	–	<b>1,622.49</b> (1,660.45)	
e) Purchases made during the year (Including Fixed Assets ₹ NIL previous year ₹ 66.19 lacs)	–	<b>20.31</b> (411.59)	
f) Reimbursement of common services and utilities during the year.	–	<b>335.84</b> (114.68)	
g) Remuneration	–	–	<b>402.16</b> (146.94)
h) Guarantees outstanding as at 31 <sup>st</sup> March, 2015	<b>35.00</b> (35.00)		
i) Debts outstanding as at 31 <sup>st</sup> March, 2015	<b>195.18</b> (169.42)	<b>292.61</b> (169.42)	
j) Dividend to Associates during the year	<b>10.24</b> (10.24)		

Note : The figures in bracket relates to earlier year.

## PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '25' (Contd.)

2014-2015  
(2013-2014)  
₹ in Lacs

**25.13 SEGMENT REPORTING (Accounting standard 17)**  
**Information about business segments.**

	Paper-Unit	Real Estate	Investment Other	Power Generation	TOTAL
SEGMENT REVENUE	27,482.13	3,951.07	1,563.46	312.41	33,309.07
	(22,353.07)	(3,562.65)	(224.47)	(642.92)	(26,783.11)
SEGMENT RESULTS	1,348.29	1,718.11	103.10	80.25	3,249.75
	(300.21)	(1,750.79)	70.20	(379.85)	(2,360.65)
Unallocated corporate expenses					394.64
					(149.00)
Operating Profit					2,855.11
					(2,211.65)
Interest Expenses					1,074.00
					(932.36)
Interest Income					863.85
					(731.90)
Dividend Income					40.03
					(62.40)
Income in respect of Investments					—
					(—)
Income Taxes including Deferred Tax					608.95
					(655.96)
Profit from ordinary activities					2,076.04
					(1,417.63)
Extra Ordinary Income					—
					(—)
Minority Interest					0.55
					(—)
Net Profit after Minority interest as per Profit & Loss Account					2,075.49
					(1,417.63)
OTHER INFORMATION					
Total carrying amount of Segment Assets	23,807.93	3,421.59	1,293.80	2,255.31	30,778.63
	(21,788.10)	(5,417.79)	(1,096.09)	(2,280.94)	(30,582.92)
Add : Unallocated Corporate Assets					9,038.32
					(8,075.31)
Total Assets as per Balance Sheet					39,816.95
					(38,658.23)
Total carrying amount of Segment Liabilities	5,726.56	736.33	56.18	74.33	6,593.40
	(6,020.94)	(568.53)	(452.88)	(25.54)	(7,067.89)
Add : Unallocated Corporate Liabilities					33,223.55
					(31,590.34)
Total Liabilities as per Balance Sheet					39,816.95
					(38,658.23)
Capital Expenditure incurred during the year	1,482.86	18.39	31.14	-	1,532.39
	(388.64)	(7.10)	(29.32)	-	(425.06)
Depreciation for the Year	348.56	16.87	55.35	100.80	521.58
	(620.35)	(13.46)	(63.21)	(126.41)	(823.43)
Other Non Cash Expenditure	—	—	—	—	—
	(—)	(—)	—	(—)	(—)
<b>Sales Revenue by Geographical Segments</b>					
WITHIN INDIA	27,020.49	3,951.07	1,563.46	312.41	32,847.43
	(22,148.58)	(3,562.65)	(224.47)	(642.92)	(26,578.62)
OUTSIDE INDIA	461.64	-	-	-	461.64
	(204.49)	-	-	-	(204.49)
	27,482.13	3,951.07	1,563.46	312.41	33,309.07
	(22,353.07)	(3,562.65)	(224.47)	(642.92)	(26,783.11)

**NOTE '25' - (Contd.)**

- i) The Discontinuing Segment relates to paper manufacturing business.
- ii) The Continuing Segment Relates to -
  - a) Construction Activity Development of land for residential / commercial building carried directly or through firm.
  - b) Power Segment relates to Power Generation from Wind Power Turbines.
  - c) The Investment/Other segment relates primarily to the activity of investment i.e.purchase & sale of shares etc. and activities not covered by aforesaid segments.

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

- a) An amount of ₹169.05 lacs (Last year ₹145.46 lacs) has been recognized as an expenses for defined contribution plans by way of Company's contribution to Provident Funds & Super annuation Fund.
- b) 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.In addition,during the current year, as per special resolution passed by shareholders at their meeting held on 13<sup>th</sup> September, 2014, a pension / Family pension liability on the basis of actuarial valuation has been provided by debit to P&L Account at Rs.76.65 lacs in respect of one director of the company.The pension payable will crystalise on his leaving service & family pension after his death to his spouse.  
The actuary has assumed rate of interest at 8% p.a.in the valuation of pension / family pension liability & the LIC annuitants mortality (96-98) ultimate table.
- c) Expenses recognized during the year and reconciliation of the Assets & Liabilities recognized in Balance Sheet as at 31.03.2015 :

	Gratuity (Partly funded) (₹ in Lacs)		Leave Encashment (Unfunded) (₹ in Lacs)	
	2014-2015	2013-2014	2014-2015	2013-2014
i) The present value of defined benefit obligations at the commencement of the Year	<b>895.05</b>	901.87	<b>126.13</b>	82.06
ii) Current Service cost	<b>55.14</b>	44.61	<b>19.48</b>	35.26
iii) Interest cost	<b>80.55</b>	72.15	<b>11.35</b>	6.56
iv) Actuarial (Gain)/Loss	<b>67.39</b>	(8.38)	<b>29.64</b>	26.18
v) Benefits (Paid)	<b>(138.58)</b>	(115.20)	<b>(28.84)</b>	(23.93)
vi) Past Service Cost	—	—	—	—
vii) The present value of defined benefit obligations at the close of the Year	<b>959.55</b>	895.05	<b>157.76</b>	126.13
viii) The fair value of plan assets at the close of the year	<b>259.30</b>	292.93	—	—
ix) The Past service cost not yet recognized	—	—	—	—
x) Expected return on plan assets	<b>(22.16)</b>	(23.87)	—	—

Expenses aggregating ₹ 126.96 lacs (Last year ₹ 165.52 lacs) covered under items (ii), (iii), (iv), (vi) and (x) above have been debited to the Profit & Loss Account.

	2014-2015	2013-2014	2014-2015	2013-2014
d) Actuarial assumptions				
i) Rate of interest ( per annum)	<b>7.75%</b>	9.00%	<b>7.75%</b>	9.00%
ii) Salary growth ( per annum)	<b>7.00%</b>	7.00%	<b>7.00%</b>	7.00%
iii) Withdrawal rate ( Per annum)	<b>1.00%</b>	1.00%	<b>1.00%</b>	1.00%
iv) Expected return on Plan Assets	<b>9.00%</b>	8.75%	-	8.75%
v) Mortality rates : Indian Assured Lives (2006-08)	<b>Ultimate</b>	Ultimate	<b>Ultimate</b>	Ultimate

**25.15 a) Details of Subsidiary / Associate Companies/Joint Venture Firm :**

Name of the Company	Country of incorporation	Proportion of Ownership Interest	Minority Interest	Financial Accounting year ended
<b>I) Subsidiary Companies</b>				
a) Pudumjee Investment & finance co.Ltd.	India	100%	Nil	31.03.2015
b) Pudumjee Paper Products Ltd.	India	51%	49%	31.03.2015
<b>II) Joint Venture Firm</b>				
a) M/s Pudumjee-G : Corp Developers	India	60%	40%	31.03.2015
<b>III) Associate Companies/ Firm</b>				
a) M/s Prime Developers	India	Nil	N. A.	31.03.2015
b) Pudumjee Industries Ltd.	India	27.24%	N. A.	31.03.2015
c) Pudumjee Plant Laboratories Ltd.	India	27.11%	N. A.	31.03.2015
d) Pudumjee Hygeine Products Ltd.	India	Nil	N. A.	31.03.2015
e) Pudumjee Holding Ltd.	India	Nil	N. A.	31.03.2015



## PUDUMJEE PULP & PAPER MILLS LIMITED

### NOTE '25' - (Contd.)

- b) (i) Pudumjee Investment & Finance Co.Ltd subsidiary of the parent company Pudumjee Pulp and Paper Mills Limited has earned a Profit of ₹ 3.39 Lacs for the year ending 31<sup>st</sup> March 2015, which has been appropriately dealt with in these consolidated financial statements.
- (ii) Pudumjee Paper Products Ltd. subsidiary of the parent company Pudumjee Pulp and Paper Mills limited has earned a Profit of ₹1.12 Lacs for the year ending 31<sup>st</sup> March 2015, which has been appropriately dealt with in these consolidated financial statements.
- (iii) Since the company has made full provision for it's investment in Pudumjee Plant Laboratories Ltd, the loss suffered by later has been ignored while consolidating the accounts in accordance with Accounting standard AS 23.
- c) Financial information of subsidiary company / Joint Venture :-

	Pudumjee Investment & Finance Co.Ltd		M/S Pudumjee-G : Corp Developers		Pudumjee Paper Products Ltd.	
	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2015
i ) Share Capital	499.00	499.00	70.00	70.00	—	5.00
ii ) Reserves & Surplus	(483.44)	(486.18)	-	-	-	96.12
iii) Total Assets	987.21	1,656.67	5,538.99	9,309.56	101.84	101.84
iv ) Total Liabilities	987.21	1,656.67	5,538.99	9,309.56	101.84	101.84
v ) Investment	673.16	673.16	234.11	513.01	—	—
vi ) Turnover	1,563.46	224.47	6,585.12	5,937.74	—	—
vii ) Profit / (Loss) before Tax	3.39	(39.18)	2,683.18	2,862.93	1.73	1.73
viii ) Provision for Tax	0.65	—	427.82	958.27	0.61	0.61
ix ) Profit / (Loss) after Tax	2.74	(39.18)	2,255.36	1,904.66	1.12	1.12
x ) Proposed Dividend	—	—	—	—	—	—

d) Minority Interest in all Subsidiaries, Associates. (Investment as per the equity Method) :-

Name of the entity in the	Net Assets i.e.total Assets Minus total Liabilities		Share in Profit / (Loss)	
	As % of Consolidated Net Assets	Amount (Rs. in Lacs)	As % of Consolidated Net Assets	Amount (Rs. in Lacs)
<b>Parent Subsidiaries (Indian)</b>				
1) Pudumjee Investment & Finance Company Ltd.	0.08%	15.56	0.13%	2.74
2) Pudumjee Paper Products Ltd.	0.54%	101.12	0.03%	0.57
<b>Associates</b>				
1) Pudumjee Plant Laboratories Ltd	-1.00%	(186.21)	-2.45%	(50.93)
2) Pudumjee Industries Ltd	23.20%	4320.18	0.43%	8.82
<b>Joint Ventures (as per Proportionate consolidation) (Indian)</b>				
1) Pudumjee G: Corp Developers	0.38%	70.00	65.00%	1353.21
<b>Total</b>		4506.86		1365.34

- e) No contingent liability has been incurred by the company in respect of Joint Venture except to the extent of a corporate guarantee of ₹1100 lacs given by it to the lending bank of Joint Venture. Its share in the contingent liability is nil, since the loan availed by the Joint Venture has already been accounted for in the consolidated accounts, following the principle of proportionate consolidation.

- f) No capital commitment has been incurred by the company in respect of the Joint Venture. Its share of aggregate capital commitment is Nil.

**25.16** Sale of wind power & expenditure of Fuel power & water include ₹ 79.68 lacs (last year ₹ 522.03 lacs) captively consumed for paper manufacturing operations to make the presentation under Accounting Standard 24 Discontinuing Operations meaningful.

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

#### OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

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

**Y. P. SHUKLA**  
Proprietor

**B.C. DALAL**  
Director

**R. M. KULKARNI**  
Company Secretary

**S. K. BANSAL**  
Director (Finance) &  
Chief Financial Officer

On behalf of the Board,

**A. K. JATIA**  
Executive Chairman

**V.P. LEEKHA**  
Managing Director

Mumbai, Dated : 30<sup>th</sup> May, 2015

Mumbai, Dated : 30<sup>th</sup> May, 2015

**FORM NO. MGT-11  
Proxy Form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]**

Name of the Company : **PUDUMJEE PULP & PAPER MILLS LIMITED - CIN : L21012MH1964PLC013058**

Registered office : **THERGAON, PUNE 411 033.**

Name of the member (s) :	
Registered address :	
E-mail Id :	
Folio No./ Client Id/DPID :	

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

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ..... or failing him
2. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ..... or failing him
3. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : .....

as my/ our proxy to attend and vote (on a poll) for me/ us and on our behalf at the 50<sup>th</sup> Annual General Meeting of the company, to be held on the Saturday, the 19<sup>th</sup> day of September, 2015 at 12.00 noon (ST) at the Registered Office of the Company at Thergaon, Pune 411 033 and at any adjournment thereof in respect of such resolutions as are indicated below :

**Resolution No(s).** (Please ✓ at appropriate  below )

- |   |                          |   |                          |
|---|--------------------------|---|--------------------------|
| 1. Adoption of Accounts & Reports of Directors & Auditors     | <input type="checkbox"/> | 9. Consent to the subsisting contracts already entered into with Related Parties. | <input type="checkbox"/> |
| 2. Appointment of Director retiring by rotation.              | <input type="checkbox"/> | 10. Consent for acceptance of fixed deposits from Public/Members                  | <input type="checkbox"/> |
| 3. Declaration of Dividend                                    | <input type="checkbox"/> | 11. Approval to the remuneration of Cost Auditors.                                | <input type="checkbox"/> |
| 4. Appointment of Auditors                                    | <input type="checkbox"/> | 12. Revision in the Remuneration of Managing Director, Mr. V. P. Leekha           | <input type="checkbox"/> |
| 5. Appointment of Ms.Preeti Mehta as an Independent Director. | <input type="checkbox"/> | 13. Revision in the Remuneration of Whole-time Director, Mr. S. K. Bansal         | <input type="checkbox"/> |
| 6. Appointment of Dr. Ashok Kumar as a Director.              | <input type="checkbox"/> |   |                          |
| 7. Appointment of Dr. Ashok Kumar as an Executive Director.   | <input type="checkbox"/> |   |                          |
| 8. Revision in the Remuneration of Executive Chairman.        | <input type="checkbox"/> |   |                          |

Signed this.....day of .....2015.



Signature of shareholder

Signature of Proxy holder(s)

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





COURIER / REGD. POST

If undelivered, please return to :  
**Pudumjee Pulp & Paper Mills Ltd.,**  
Thergaon, Pune – 411 033.