

**PUDUMJEE
PULP & PAPER MILLS
LIMITED**



PUDUMJEE

**Annual Report
2009 – 2010**

PUDUMJEE PULP & PAPER MILLS LIMITED

DIRECTORS:

M. P. JATIA (Chairman & Managing Director)
V. O. SOMANI
O. P. GUPTA
R. N. SETHNA
A. K. JATIA
V. P. LEEKHA
S. K. BANSAL
B. C. DALAL

BANKERS:

STATE BANK OF INDIA
IDBI BANK LTD.
BANK OF INDIA
THE HONGKONG & SHANGHAI BANKING CORPN.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.,
17-24, VITTAL RAO NAGAR,
MADHAPUR.
HYDERABAD 500 081.

DEMAT STOCK CODE:

INE606A01024

EQUITY SHARES ARE LISTED AT:

MUMBAI, PUNE & NATIONAL STOCK EXCHANGES.

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTICE

The Forty fifth 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 28th day of August, 2010 at 9.00 a.m. (ST) to transact the following business:

1. To receive and adopt the audited Balance Sheet as on 31st March, 2010, the Profit and Loss Account and the Cash Flow statement for the year ended on that date together with the Reports of the Directors and the Auditors.
2. To declare a dividend for the year 2009-2010.
3. To appoint a Director in place of Mr. O.P. Gupta who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Rusi N. Sethna who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. V.P. Leekha who retires by rotation and is eligible for reappointment.
6. To appoint the Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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

The Register of members and Share Transfer Books of the Company will remain closed from Thursday, the 12th day of August, 2010 to Saturday, the 28th day of August, 2010, both days inclusive.

The Dividend, when sanctioned, will be paid on and from 7th September, 2010 to those shareholders whose names stand on the Company's Register of members as holders of the shares on 28th August, 2010. 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 11th August, 2010 as per the details furnished by the Depositories for this purpose. The payment of Dividend will be subject to the provisions of Section 206A of the Companies Act, 1956.

Messrs. O.P. Gupta, R.N. Sethna and V.P. Leekha whose appointments are to be considered by the Annual General Meeting as mentioned above hold Nil, 5120 and Nil shares of the Company.

Shareholders of the Company are informed that pursuant to the provisions of Section 205C of the Companies Act, 1956, the amount of dividend which remains unclaimed/unpaid for a period of 7 years would be transferred to the Investor Education & Protection Fund (IEPF) constituted by the Central Government and the Shareholders would not be able to claim any amount of the dividend so transferred to the Fund. As such, shareholders who have so far not encashed the 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.

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

By Order of the Board of Directors,
S. K. BANSAL
SECRETARY

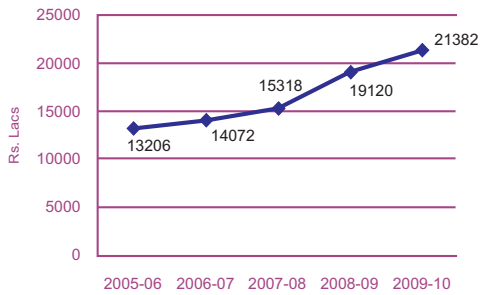
Registered Office:

Thergaon, Pune 411 033.

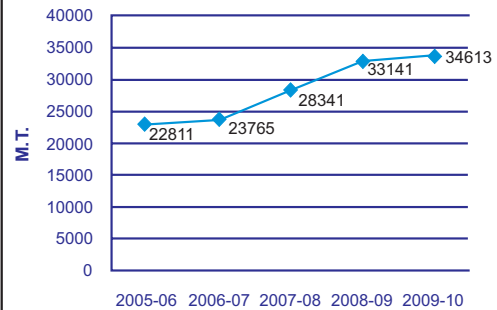
Dated : 20th May, 2010.

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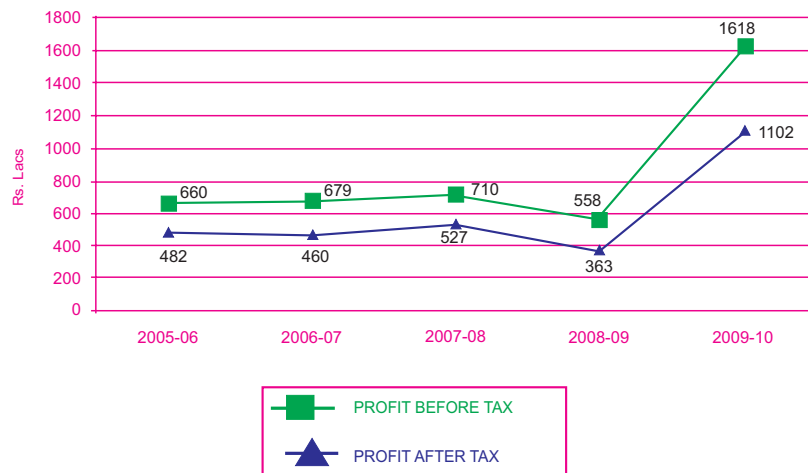
SALES OF PAPER



PAPER PRODUCTION



P.B.T. / P.A.T. (CONSOLIDATED)



FINANCIAL HIGHLIGHTS (CONSOLIDATED)

PARTICULARS	(RS. IN LACS)									
	As at 31st March									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Shareholders Fund	14,685	14,069	13,929	13,040	12,518	12,169	11,828	11,714	11,857	11,180
Borrowed Funds	6,823	5,206	8,218	6,803	7,038	4,244	5,206	6,815	6,576	7,724
TOTAL	2,1508	19,275	22,147	19,843	19,556	16,413	17,034	18,529	18,433	18,904
Net Fixed Assets	11,082	11,998	12,727	12,656	11,783	10,517	10,620	11,572	12,373	13,158
Investments	2,049	1,006	967	896	829	819	811	818	440	566
Working Capital	8377	6271	8453	6291	6944	5077	5603	6139	5620	5180
TOTAL	21,508	19,275	22,147	19,843	19,556	16,413	17,034	18,529	18,433	18904
Book value of Equity per share(Rs.)	36*	172	170	159	153	148	144	143	145	136
Earning per share (Rs.)	2.69*	4.42	6.43	5.61	5.88	7.48	2.27	0.80	6.33	5.06
Dividend per share (Rs.)	0.30*	0.25*	1.20	1.20	1.20	1.20	1.00	1.00	1.50	1.50

* Rs.2/- per share

PUDUMJEE PULP & PAPER MILLS LIMITED

DIRECTORS' REPORT TO THE MEMBERS.

The Directors present the 45th Annual Report on the working of the Company for the year ended 31st March, 2010 together with the statement of Accounts for that year.

FINANCIAL RESULTS

	2009-2010	Previous Year
	Rs. in lacs	Rs. in lacs
The gross profit before interest and Depreciation is	2703.74	2003.81
Reducing therefrom Interest of Depreciation of and Extra-ordinary items of	150.84	366.14
The net profit comes to	1014.94	1003.87
adding thereto the balance of Profit brought forward from last year of	—	18.09
	1537.96	615.71
the total comes to	2099.96	1999.17
Adjusting against this amount the following, namely:	3637.92	2614.88
Provision for Current Taxation of	688.00	304.00
Provision/(Saving) for Deferred Taxation of	(-) 178.00	(-) 109.00
Dividend on Equity Shares of	123.00	102.50
Tax on Dividend of	20.43	17.42
And Transfer to General Reserve of	500.00	200.00
Totalling to	1153.43	514.92
There remains a balance of which the Directors propose to carry-forward to next year's accounts.	2484.49	2099.96

CONSOLIDATED FINANCIAL STATEMENTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has not been any material departure;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year on 31st March, 2010 and of the profit of the Company for that period;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. that the Directors have prepared the annual accounts on a going concern basis.

DIVIDEND

The Directors recommend for your consideration the payment of Dividend for the year ended 31st March, 2010 at the rate of Re.0.30 per share. If approved, the Equity Dividend will, subject to the provisions of Section 206A of the Companies Act, 1956, be paid to those shareholders whose names stand on the Register of Members on 28th day of August, 2010. The Dividend in respect of shares held in the electronic form will be paid to the beneficial owners of the shares at the close of business hours on 11th August, 2010 as per the details furnished by the Depositories for this purpose.

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OPERATIONS

Your Directors are happy to inform that your Company has had a good performance in the year under review in terms of its profitability. As stated above, the profit before tax was Rs.1537.96 lacs compared to Rs.615.71 lacs which is 150% growth over the previous year. This was due to adoption of strategic planning of manufacturing the right product mix coupled with favourable cost of certain inputs. The sale of finished paper has also recorded a growth of approximate 12% compared to the previous year. All this has been possible as a result of substantial investments made in previous years for upgradation, modernization and increasing the manufacturing capacities.

Pudumjee G:Corp Developers in which the Company is a partner has commenced the construction of residential project and its 1st Phase has been formally launched. The response during the soft launch has been encouraging and so far over 60% of the flats have been booked. The entire project is expected to be completed in 3 phases involving construction and sale of over 650 luxurious flats of 2 BHK and 3 BHK with an aggregate saleable area of 9,30,000 sq.ft. (approx.). All the 3 phases of this project are expected to be completed during the next 5 years and are expected to generate a net revenue of about Rs.70 Crores barring unforeseen circumstances.

The labour relations in the Company remained peaceful.

64 Fixed Deposits amounting to Rs.17,75,000 which had matured for payment as at the close of 31st March, 2010 were not claimed by the deposit holders. Out of this amount 16 deposits of the value of Rs.4,90,000 have been claimed upto 19th May, 2010.

DIRECTORS

Messrs. O.P. Gupta, R.N. Sethna and V.P. Leekha retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

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

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

Statements giving details as required by the aforesaid provisions of the Companies Act, 1956 are annexed hereto and marked Annexures "A" and "B" respectively.

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 Annexure "C".

On behalf of the Board of Directors,

Mumbai,
Dated : 20th May, 2010.

MAHABIR PRASAD
CHAIRMAN

PUDUMJEE PULP & PAPER MILLS LIMITED

ANNEXURE “A” TO DIRECTORS’ REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors’ Report for the year ended 31st March, 2010.

I CONSERVATION OF ENERGY:

a) Measures taken

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

- power reduction in paper machine refiners by replacing disc pattern.
- Steam reduction in paper machine by provision of thermo compressor.
- Provision of Gravity Line in ETP Distribution tanks.

b) Proposals

Provision of Turbine in HP Line at Co-generation Plant.
Replacement of Alternation System by Diffusor System at ETP.
Provision of V.F.D. to compressor.

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

Impact of measures at (a) and (b) above would result in savings of about Rs. 100 Lacs per annum.

d) Power and Fuel Consumption:

	2009-10	Previous Year
i) Electricity		
(a) Purchased		
- Units (KWH in lacs)	358	376
- Total Amount (Rs. In lacs)	1965.35	1908.68
- Average Rate/KWH (Rs.in lacs)	5.49	5.08
(b) Own Generation:		
(i) Through Power Generator		
Units (KWH in lacs)	225	251
Units per Ltr. Of fuel oil	4.21	4.22
Cost/Unit (Rs.)	4.83	4.64
(ii) Through Steam Turbine		
Units (KWH in lacs)	20.29	5.39
Cost of equivalent power (Rs. In lacs)	111.39	27.40
ii) Steam Coal utilized in Boiler		
(Grade ‘C’ or Grade ‘D’ whichever is available)		
Quantity (MT)	21915	18637
Total Amount (Rs. In lacs)	894.49	947.34
Average Rate / MT (Rs.)	4082	5083
iii) Bagasse utilized in Boiler		
Quantity MT	-	792
Total Amount (Rs. In Lacs)	-	8.64
Average Rate /MT (Rs.)	-	1091
iv) Fuel Oil		
- Quantity (KL)	349	501
- Total Amount (Rs. In lacs)	76.72	112.06
- Average Rate (Rs. Per KL)	21983	22367
v) Steam (Self generated)		
(From waste heat recovery boiler)		
- Quantity (MT)	5057	6368
- Cost of equivalent fuel (Rs. In lacs)	40.62	65.88

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	2009-10	Previous Year
vi) Consumption per tonne of paper produced:		
- Electricity (KWH)	1743	1908
- Fuel Oil (KL)	0.010	0.015
- Steam from WHRB (MT)	0.146	0.192
- Steam Coal	0.633	0.562
- Bagasse (MT)	-	0.024

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

II RESEARCH AND DEVELOPMENT :

- | | | | | | | | | | |
|---|---|-------|--|-------|--|-------|--|------|--|
| <p>1 Specific Areas in which R & D Carried out by the Company</p> | <p>(a) Improved repulping, deinking of waste paper, and stickies control through use of chemicals.</p> <p>(b) Optimisation of chemicals for reductive bleaching of waste paper to improve brightness of deinked pulp quality and cost reduction at WPRP.</p> <p>(c) Use of speciality chemicals and process monitoring for improved quality.</p> <p>(d) Water conservation and improved waste water treatment.</p> | | | | | | | | |
| <p>2 Benefits derived as a result of Above R & D</p> | <p>(a) Improvement in deinked pulp quality and brightness.</p> <p>(b) Better quality of products.</p> <p>(c) Improved waste water treatment and thus improved environment management.</p> | | | | | | | | |
| <p>3 Future Plan of action</p> | <p>(a) Consistent efforts for improved quality.</p> <p>(b) Use of Research & Development in cost reduction.</p> <p>(c) Development of new value added products.</p> | | | | | | | | |
| <p>4 Expenditure on R & D</p> <p>(a) Capital</p> <p>(b) Recurring</p> <p>(c) Total</p> <p>(d) Total R & D expenditure as a percentage of Turnover</p> | <p>Rupees in Lacs</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tbody> <tr> <td style="padding: 0 10px;">02.02</td> <td style="border-bottom: 1px solid black; padding: 0 10px;"></td> </tr> <tr> <td style="padding: 0 10px;">68.00</td> <td style="border-bottom: 1px solid black; padding: 0 10px;"></td> </tr> <tr> <td style="padding: 0 10px;">70.02</td> <td style="border-bottom: 1px solid black; padding: 0 10px;"></td> </tr> <tr> <td style="padding: 0 10px;">0.32</td> <td style="border-bottom: 3px double black; padding: 0 10px;"></td> </tr> </tbody> </table> | 02.02 | | 68.00 | | 70.02 | | 0.32 | |
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| 68.00 | | | | | | | | | |
| 70.02 | | | | | | | | | |
| 0.32 | | | | | | | | | |

III TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

- | | |
|---|---|
| <p>1 Efforts in brief made towards technology absorption, adaptation and innovation</p> | <p>(a) Upgradation of WPRP-1 by adding screw press.</p> <p>(b) Upgradation of Co-generation Plant Boiler by addition of economizer tubes.</p> |
| <p>2 Benefits derived as a result of the above efforts</p> | <p>(a) Improvement in pulp quality. Increase in generation of Steam.</p> |
| <p>3 No new technology was imported in last five years.</p> | |

IV FOREIGN EXCHANGE EARNINGS AND OUTGO:

- 1 During the year the Company has exported 64 MT of paper at Rs. 46.74 lacs as compared to 348 MT of paper valued at Rs. 233.52 lacs during 2008-09. Though there are good prospects for export of paper, the same is not competitive in view of comparatively higher cost of inputs. The efforts are, however, continuing.
- 2 Foreign Exchange earned and used were Rs. 46.74 lacs and Rs. 6542.75 lacs, respectively.

On behalf of the Board of Directors,

Mumbai,
Dated : 20th May, 2010

MAHABIR PRASAD
CHAIRMAN

PUDUMJEE PULP & PAPER MILLS LIMITED

ANNEXURE 'B' TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2010.

Name & Age (Years)	Designation/ Nature of duties	Remuneration		Qualification & Experience (Years)	Date of common- cement of employment.	Last employed	
		Gross Rs.	Net Rs.			Name of the organisation.	Position held
Mr. Jatia M.P. (79)	Managing Director	57,33,403	42,29,080	Experience in Business Administration and Finance (54)	01.03.1975	Chem Mach Pvt Ltd.	Whole- time Director
Mr. Leekha V.P. (70)	Director (Technical)	35,59,690	27,00,020	B.E. (Mech.) (47)	07.03.2000	Star Paper Mills Ltd.	President
Mr. Bansal S.K. (50)	Director (Finance) & Secretary	29,44,623	23,41,501	B.Com. ACA, ACS (27)	03.10.1984	AF Fergu- sson & Co.	Asstt Manager

Notes-

- (1) Gross remuneration as shown above includes salary, bonus, Company's contribution to Provident and super annuation Funds 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 in all cases. The above employees are whole-time employees of the Company during the year.
- (3) Mr. M.P. Jatia is relative of Director Mr. A K Jatia.

On behalf of the Board of Directors,

Mumbai,
Dated : 20th May, 2010

MAHABIR PRASAD
Chairman.

ANNEXURE "C" TO DIRECTORS' REPORT CORPORATE GOVERNANCE DISCLOSURES

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. Affirmation regarding compliance with the Code of Conduct had been obtained from all Board members and Senior Management personnel of the Company. As required, a declaration duly signed by the Chairman and Managing Director to the effect is appended.

Board of Directors:

The Board of Directors is composed of 2 Promoter Directors (one of whom is the Chairman and Managing Director), two Whole-time Directors and the rest Non Executive Independent Directors. The Managing Director conducts the day to day management of the Company subject to the supervision and control of the Board of Directors and is assisted by the two Whole-time Directors. The composition of the Board of Directors is given hereunder:

Name	Category	No. of other Directorships & Committee Membership / Chairmanships held			Attendance Particulars (No. of Board Meetings held in 2009-2010 – 4)
		Directorships	Committee Memberships	Committee Chairmanships	
Mr. M. P. Jatia	CMD/PR	7	2	-	4
Mr. V. O. Somani	NED/IND	3	-	-	4
Mr. O. P. Gupta	NED/IND	1	3	2	1
Mr. R. N. Sethna	NED/IND	5	5	1	2
Mr. V. P. Leekha	WTD/IND	1	-	-	3
Mr. A. K. Jatia	NED/PR	6	-	1	4
Mr. S. K. Bansal	WTD/IND	4	1	-	4
Mr. B. C. Dalal	NED/IND	3	-	-	4

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

Messrs. Rusi N. Sethna, V. P. Leekha and S. K. Bansal, the Directors of the Company attended last Annual General Meeting held on 29th August, 2009.

During the year 2009 - 2010 Four Board Meetings were held on the following dates:

-15th June, 2009, 29th July, 2009, 31st October, 2009, and 30th January, 2010.

Details of remuneration paid to Directors during the year ended 31st March, 2010:

(Figures in Rupees)

Name	Sitting fees	Salaries	Perquisites	Commission	Total
Mr. M. P. Jatia	-	24,00,000	16,25,480	17,07,923	57,33,403
Mr. V. O. Somani	45,000	-	-	-	45,000
Mr. O. P. Gupta	10,000	-	-	-	10,000
Mr. R. N. Sethna	11,000	-	-	-	11,000
Mr. A. K. Jatia	44,000	-	-	-	44,000
Mr. V. P. Leekha	-	23,40,000	12,19,690	-	35,59,690
Mr. S. M. Chitnis	10,000	-	-	-	10,000
Mr. S. K. Bansal	-	21,00,000	8,44,623	-	29,44,623
Mr. B. C. Dalal	41,000	-	-	-	41,000

PUDUMJEE PULP & PAPER MILLS LIMITED

- Mr.M.P. Jatia is entitled to commission at 1% of the profits of the Company.
- 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.
- Severance fees, stock options and notice period are not applicable in case of Executive Directors. The appointments of Messrs M.P. Jatia is for a period of five years with effect from 1st April, 2007, of Mr.V.P. Leekha is for five years with effect from 1st April, 2009 and of Mr.S.K. Bansal is for five years with effect from 1st April, 2009.
- Non Executive Directors draw no remuneration except by way of sitting fees for each meeting of Board or Committee thereof attended by him, within the limits prescribed by law in this regard.
- Mr.A.K. Jatia is relative of Mr.M.P. Jatia.
- Messrs. V.O. Somani, O.P. Gupta, R.N. Sethna, A.K. Jatia, B.C. Dalal and S.K. Bansal held 7310, Nil, 5120, 20,36,045, Nil and 20 equity shares of Rs.2/- each of the Company respectively.

Appointment of Directors:

Resolutions have been proposed for the re-appointment of Messrs O.P. Gupta, R.N. Sethna and V.P. Leekha as Directors of the Company on their retirement by rotation.

- a) Mr.O.P. Gupta was appointed as Non-Executive Director in 1982 and since then he has been reappointed from time to time on retirement by rotation.. Mr.Gupta is the Ex-Chairman of Punjab National Bank. He does not hold any equity share of the Company. He is Director in the following Companies:

Mangalam Cement Ltd. and Rishi Roop Rubber (Internatona) Ltd.,

He is member of the following other Company's Committees:

Mangalam Cement Ltd.	-	Audit Committee (Chairman)
		Remuneration Committee (Chairman)
		Shareholders/Investors Grievance Committee (Member)
		Share Transfer Committee (Member).
		Buyback of Shares (Member).

- b) Mr.Rusi N. Sethna was appointed as Non-Executive Director in 1992 and since then he has been reappointed from time to time on retirement by rotation. Mr.Sethna is an eminent Solicitor with a wide and varied experience especially in the field of Corporate Law. He holds 5120 equity shares of Rs.2/- each of the Company. He is a partner in the firm of Manekshaw & Sethna and of Romer Dadachandi Sethna & Co., and Director of the following Companies:

The Great Eastern Shipping Co.Ltd., Modern India Ltd., Chalet Hotels Ltd., HSBC Agency (India) Pvt.Ltd., and National Peroxide Ltd.

He is member of the following other Company's Committees:

The Great Eastern Shipping Co.Ltd.	-	Member of Audit Committee and Remuneration Committee.
Modern Industries Ltd.	-	Shareholders Grievance Committee (Member)
National Peroxide Ltd.	-	Remuneration Committee (Member)
		Audit Committee (Chairman)

- c) Mr.V.P. Leekha was appointed as Whole-time Director in 2000 for a period of five years with effect from 1st April, 2000 and reappointed for a further period of 5 years with effect from 1st April, 2004 and further reappointed for five years with effect from 1st April, 2009. Mr.Leekha is B.E. Mechanical and has over 42 years experience in Paper Industry. He does not hold any equity share in the Company. He is Director of Pudumjee Hygiene Products Ltd.

He is not a Chairman or a member of any other Company's Committees.

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 Board.

Management Discussion and Analysis:

The Company mainly operates in specialty paper segment. It continuously updates its product mix and reduces cost to meet challenges emanating from unfair competition from imports so as to improve margins. The Company has also been able to manufacture and supply high quality of paper in writing and printing segment, utilizing the increased available capacity. Substantial quantities of such paper has also been used by well known Companies for their Annual Reports. Judicious choice of Product mix, raw material and lower input cost have helped to improve overall performance.

The Concern of current trend of higher raw material and fuel prices is being addressed by further optimization of raw materials and product mix and out look appears to have consistent performance.

Due to rapid expansion of Pune City, the current manufacturing facilities have reached their maximum potential in terms of expansion. It is imperative that the Company secures additional land and infrastructure for future growth and installation of additional manufacturing capacities. A Task Force has been appointed to implement this.

The Real Estate business being carried out by the Company in Partnership involving construction and sale of over 650 mid size luxurious flats aggregating about 9,30,000 sq.ft. in 3 phases at Thergaon, Pune is in progress. This project has received a good response as from its first phase which has just launched, 115 out of 176 apartments have already been booked. All 3 phases of this project are expected to be completed during the next 5 years. .

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

The Company employs about 507 employees and Company's relations with the labour remained cordial.

Committee of Directors:

(a) The Board has constituted a Committee of Directors under Section 292 of the Companies Act, 1956 consisting of Messrs. M.P. Jatia, A.K. Jatia and S.K. Bansal to deal with the matters relating to investment and Borrowings.

(b) Audit Committee:

The Audit Committee consists of four non Executive Directors, out of which three are independent Directors, namely Messrs. O.P. Gupta (Chairman) (Independent Director), V.O.Somani (Independent Director), A.K. Jatia and Mr.Bhupendra C. Dalal (Independent Director). The broad terms of reference of this Committee are:

- To review quarterly/half-yearly and annual financial statements.
- To review the Company's financial reporting systems.
- To consider the matter of appointment/re-appointment etc. of Statutory Auditors and their remuneration.
- To review the internal control and audit systems.
- To review the Company's financial and risk management policies;

The Committee had held four meetings during the financial year 2009-2010 viz the first for consideration of Annual Accounts for the year ending 31st March, 2009, the second for consideration of quarterly results for the quarter ending 30th June,2009 the third for consideration of quarterly/half-yearly results for the quarter ending 30th September, 2009 and the fourth for considering quarterly results for the quarter ending 31st December, 2009 respectively. Mr.O.P. Gupta attended one meeting, Messrs. V.O. Somani, A.K. Jatia and B.C. Dalal attended all the four meetings.

The Statutory Auditors had attended two meetings and Internal Auditor had attended all four Audit Committee Meetings.

(c) **Shareholders'/Investors' Grievance Committee:**

The Committee comprises of Messrs. V.O.Somani (Chairman), A.K. Jatia and S.K. Bansal. Its terms of reference include review of complaints of shareholders/investors, the Company's performance on redressal of complaints and to look into the correspondence with Securities & Exchange Board of India (SEBI) and the Stock Exchanges concerning Investor's Complaints.

Mr.S.K. Bansal, the Company Secretary is the Compliance Officer.

During the year 2009-2010, the Company received 44 complaints from investors and No complaints were received through SEBI and Stock Exchanges. The complaints received have been replied to and resolved. No complaints are pending for resolution.

As on 31st March, 2010 there was no transfer of shares pending for approval. The transfers are dealt with, invariably, within one month from their date of lodgement.

(d) **Remuneration Committee:**

The Remuneration Committee consists of three non Executive Independent Directors namely; Messrs. R.N. Sethna (Chairman), V.O.Somani and Mr.B.C. Dalal (Independent Directors).

The broad terms of reference of this Committee are:

- To review and determine the Company's Policy regarding remuneration payable to Managing and Whole-time Directors;
- To fix their remuneration within the limits laid down under the Companies Act, 1956

One meeting of the Committee was held during the year on 15th June, 2009 for considering re-appointment and remuneration payable to the whole-time Directors.

PUDUMJEE PULP & PAPER MILLS LIMITED

General Body Meetings:

The last three Annual General Meetings of the Company were held at the Registered Office of the Company at Thergaon, Pune 411 033 on 1st September, 2007, 30th August, 2008 and 29th August, 2009 at 9.00 a.m. (ST).

- (i) No special resolutions were proposed at the Annual General Meetings held on 1st September, 2007. Special resolutions were passed for remuneration payable to whole-time Directors on 30th August, 2008. Special Resolutions were passed for Appointment and Remuneration payable to Whole-time Directors on 29th August, 2009.

No special resolution was required to be put through Postal Ballot last year.

No Special Resolutions are proposed to be moved at the ensuing Annual General Meeting.

Two Special Resolutions have been separately put through Postal Ballot this year.

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 "C". Non-mandatory requirements have been complied with in so far as they relate to appointment of remuneration committee and having unqualified financial statements.
- (e) In terms of listing agreement, the Company has its "Risk Management Policy and Mitigation measures" and is adopted by the Board. The Board/Audit Committee periodically reviews the risks and the measures to mitigate the same.

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" (Regional Language).
- (b) These results are also posted on Company's website www.pudumjee.com and are also available on SEBI's website www.sebi.gov.in
- (c) The Company has created a dedicated E-mail ID for investor's complaints viz. 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.

General Information for Shareholders:

- (a) Annual General Meeting
- | | |
|-------------|--|
| Date & Time | : Saturday, 28th August, 2010 at 9.00 a.m. |
| Venue | : Registered Office of the Company at Thergaon, Pune 411 033 |
- (b) Financial Year : 1st April to 31st March
- Financial Calendar (Tentative)
- | | |
|---|---|
| Date of Book Closure | : 12th August, 2010 to 28th August, 2010. |
| Last date for receipt Of Proxy Form | : 26th August, 2010 (before 9.00 a.m.) |
| Dividend Payment Date | : 7th September, 2010. |
| Board Meeting for Consideration of unaudited results for first three quarters | : Last week of succeeding month. |

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Listing on Stock Exchanges:

The equity shares of the Company are listed at the following Stock Exchanges:

Sr.No.	Name and address of the Stock Exchanges	Stock Code
1.	Pune Stock Exchange Ltd. Shivaleela Chambers, 3 rd Floor, R. B. Kumthekar Marg, 752, Sadashiv Peth, PUNE 411 030.	PADPU 2440
2.	Bombay Stock Exchange Ltd., Mumbai, Phiroze Jeejibhoy Towers 25 th Floor, Dalal Street, MUMBAI 400 001.	500343
3.	The National Stock Exchange of India Ltd., Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), MUMBAI 400 051.	PDUMJEPULP

Listing fees paid : Listing fees for the year 2010-2011 have been paid in full to Pune Stock Exchange Ltd., Bombay Stock Exchange Ltd., Mumbai, and National Stock Exchange of India Ltd.

Demat : NSDL and CDSL for Equity Shares (Stock Code **INE606A01024**).

De-listing of Equity Shares : N.A.

(c) Market Price Data & Share Price Performance : (Face value Rs. 2/- per share)

Month	National Stock Exchange		Bombay Stock Exchange		BSE 500 Index (Closing)
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	
April,2009	9.85	8.00	10.15	8.05	4140.42
May, 2009	12.75	7.50	12.87	7.71	5520.25
June,2009	16.35	11.75	16.40	11.44	5492.03
July, 2009	19.90	11.60	20.20	12.05	5940.38
August, 2009	20.70	17.50	20.55	16.85	6044.61
Sept., 2009	21.60	17.85	21.50	18.00	6552.75
Oct. 2009	22.35	16.05	22.55	16.60	6142.43
Nov.,2009	19.85	14.15	19.00	15.15	6584.98
Dec. 2009	21.90	15.35	21.95	16.50	6842.25
Jan. 2010	29.90	19.05	29.80	19.80	6509.90
Feb. 2010	24.75	19.30	24.00	19.60	6518.38
March 2010	23.50	19.00	23.40	19.05	6919.55

(d) Registrars & Share Transfer Agents : M/s Karvy Computershare Pvt. Ltd.
(Share transfer and communication regarding share Certificates, Dividend and change of address) : 17-24, Vittal Rao Nagar, Madhapur, **HYDERABAD 500 081.**
Tel : 91-40-23420815-820
Fax : 91-40-23420814
E-mail : igkcpl@karvy.com
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 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.

(e) Share Transfer System : The Share transfers in physical form are presently processed and the Share Certificates returned within a period of 30 days from the date of receipt subject to the documents being in order in all respects.

PUDUMJEE PULP & PAPER MILLS LIMITED

(f) Shareholding pattern and distribution of shares as at 31st March, 2010 : Face Value Rs. 2/- per share:

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING		
Category	No.of shares	%	No. of shares	No.of shareholders	Shares held in each class
Promoters	24957481	60.87	1 – 500	6017	2192832
Banks/Institutions	1539610	3.76	501-1000	1292	1190746
			1001-5000	1364	3341452
Bodies Corporate	1695990	4.14	5001-10000	169	1254963
Public	12806919	31.23	10000 & above	182	33020007
Total	41000000	100.00		9024	41000000

- (g) Dematerialization of Shares : Approximately 95.47% of the shares are held in dematerialized form as on 31st March, 2010. The trading in Equity Shares of the Company by all investors is permitted only in dematerialized form.
- On and from 1st February, 2005, for the convenience of the Shareholders, the Company as required by SEBI is paying the Custody charges to the Depositories viz. NDSL & CDSL and as such the shareholders are requested to take advantage by dematerializing their shares at the earliest.
- Sub-division of shares : Each equity share of the Company of Rs.10 has been sub-divided into five equity shares of Rs. 2/- each with effect from 01.04.2009.
- (h) Liquidity : The total number of shares transferred in the non demat segments during 2009-2010 was 18705.
- (i) Plant Location : Thergaon, Pune 411 033.
- (j) (i) Investors Correspondence : Karvy Computershare Pvt. Ltd.
17-24, Vittal Rao Nagar, Madhapur, HYDERABAD 500 081.
Tel. : 91-40-23420815-820
Fax : 91-40-23420814
E-mail: igkcpl@karvy.com
- The Shareholders/investors can approach M/s Karvy Computershare Pvt. Ltd. at any of its service centers throughout the country for any of their queries relating to share transfer, dividend etc.
- (Note : Shareholders holding shares in Electronic Mode should address all correspondence to their respective Depository Participants).
- (ii) 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 : sk@pune.pudumjee.com
- (iii) Dedicated E-mail ID for Investor Complaints : inv_compl_ppm@pune.pudumjee.com

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- (k) Compliance Certificate : 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.
- (l) Qualifications in Auditors' Report. : The Auditors have not expressed any qualification or adverse remark in their Report.

On behalf of the Board of Directors,

Mumbai,
Dated : 20th May, 2010.

MAHABIR PRASAD
CHAIRMAN

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 29th October, 2005 has been displayed at Company's website 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, 2010.

Mumbai,
Dated : 20th day of May, 2010.

MAHABIR PRASAD
Chairman & Managing Director.

PUDUMJEE PULP & PAPER MILLS LIMITED

AUDITORS' CERTIFICATE

The Shareholders of,
Pudumjee Pulp & Paper Mills Ltd.,
Thergaon, Pune 411 033.

We have reviewed the records and documents concerning implementation of Corporate Governance procedures set by the Company during the financial year ended 31st March, 2010 and furnished to us for our review.

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

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

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

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

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

Mumbai,
Dated : 20th May, 2010

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

Y.P. SHUKLA
Proprietor.
Membership No. 16203

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have examined the attached Balance Sheet of Pudumjee Pulp & Paper Mills Ltd., as at 31st March, 2010 and also the Profit and Loss Account and Cash Flow Statement annexed thereto for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion the said Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards as referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of information and explanations given to us, and representations obtained by the Company and taken on record by the Board of Directors, we report that there are no directors of the Company who are disqualified under section 274(1) (g) of the Act, from being appointed as directors during the year.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes thereon give the information required by law in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of the Balance sheet of the state of affairs of the Company as at 31st March 2010;
 - ii. In the case of the Profit and Loss Account of the Profit for the year ended on that date and
 - iii. In the case of the Cash Flow Statement of the cash flows for the year ended on that date;

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

- i a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- b) As explained to us, the fixed assets have been physically verified by the Management at the end of the year. It has been reported to us that, no material discrepancies have been noticed on such verification;
- c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year;
- 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 book records;
- iii a) The Company has granted unsecured loans aggregating Rs.6185.13 lacs during the year to two Companies, covered in the register maintained under Section 301 of the Companies Act, 1956.

PUDUMJEE PULP & PAPER MILLS LIMITED

- b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loans given are not prima facie prejudicial to the interest of the Company;
- c) The parties to whom loans have been given by the Company are repaying the principal amounts as stipulated and interest thereon wherever applicable;
- d) In case of overdue amounts exceeding Rupees one lac, reasonable steps have been taken by the Company for recovery of the principal amount and interest thereon and necessary provisions have been made wherever such amounts appear to be doubtful of recovery;
- e) The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956;
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and also for the sale of goods and services. There are no continuing failure to correct major weaknesses in the internal control;
- v. a) According to the information and explanations given to us, the transactions that need to be entered in the register maintained U/s 301 of the Companies Act, 1956, have been so entered;
- b) According to the information and explanations given to us, these transactions have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available;
- vi. The Company has accepted deposits from the public and has complied with the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder, and the directives issued by the Reserve Bank of India;
- vii. The Company has appointed independent internal auditors and in our opinion the internal audit system is commensurate with the size and nature of its business;
- viii. We have broadly reviewed the records maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However no detailed examination of such accounts and records have been carried out by us;
- ix a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues have been regularly deposited during the year with the appropriate authorities;
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears as on 31st March, 2010 for a period of more than six months from the date they became payable;
- c) The disputed Statutory dues aggregating Rs. 152.55 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 (Rs. in lacs)
1	Excise Duty	High Court, Mumbai. (Dept's Appeal)	20.89
2	Excise Duty	CESTAT (Dept's Appeal)	60.05
3	Excise Duty	CESTAT (Dept's Appeal)	2.48
4	Customs	Commissioner Customs (Import)	68.32
5	Service Tax	Commissioner (Service Tax) / (Dept's Appeal)	0.81

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- x. The Company has no accumulated losses and it has not incurred cash losses during the year under report and the immediately preceding financial year;
- xi. According to the information and explanations given to us, the Company has not committed any default in repayment of dues to financial institutions or banks or debenture holders;
- xii. In our opinion and according to the information and explanations given to us, adequate documents and records are maintained in cases where the Company has granted loans on the basis of security by way of pledge of shares, debentures and other securities;
- xiii. In our opinion the Company is not a nidhi, mutual benefit fund or a society;
- xiv. In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures and other investments;
- xv. The Company has given guarantees for loan and other credit facilities taken by others from Bank and according to the information and explanations given to us, the terms and conditions of such guarantees are not prejudicial to the interest of the Company.
- xvi. According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained;
- xvii. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, We report that no funds raised on short term basis have been used for long term investment;
- xviii. According to the information and explanations given to us, during the year under report the Company has not made any allotment of shares;
- xix. According to the information and explanations given to us, the Company has not issued any debentures and hence the question of creating security or charge therefor does not arise;
- xx. During the year under report, no public issue has been made by the Company;
- xxi. To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For KHARE & CO.

Chartered Accountants
(FRN 105100W)

Y.P. SHUKLA

Proprietor
Membership No. 16203

Mumbai

Date : 20th May, 2010.

PUDUMJEE PULP & PAPER MILLS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

Schedule	AS AT		AS AT	
		<u>31.03.2010</u>	<u>31.03.2009</u>	
		Rs. in lacs	Rs. in lacs	
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	A	820.00	820.00	
Reserves & Surplus	B	<u>11,352.37</u>	<u>10,630.21</u>	
		12,172.37		11,450.21
LOAN FUNDS				
Secured Loans	C	3,178.46	3,562.80	
Unsecured Loans	D	<u>3,644.08</u>	<u>1,643.66</u>	
		6,822.54		5,206.46
PROVISION FOR DEFERRED TAX		<u>2,139.00</u>		2,317.00
		21,133.91		<u>18,973.67</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	E	24,516.06	24,658.08	
Less: Depreciation		<u>13,453.41</u>	<u>12,779.95</u>	
Net Block		11,062.65	11,878.13	
Capital Work in Progress		<u>19.40</u>	<u>120.41</u>	
		11,082.05		11,998.54
INVESTMENTS	F	1,242.99		242.77
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	G	3,165.30	3,219.46	
Sundry Debtors		3,078.86	2,690.81	
Cash & Bank Balances		190.21	102.58	
Loans & Advances		<u>6,260.46</u>	<u>3,765.47</u>	
		12,694.83	9,778.32	
Less: CURRENT LIABILITIES & PROVISIONS	H			
Liabilities		3,049.28	2,388.26	
Provisions		<u>836.68</u>	<u>657.70</u>	
		3,885.96	3,045.96	
NET CURRENT ASSETS		8,808.87		6,732.36
		21,133.91		<u>18,973.67</u>

NOTES AS PER SCHEDULE 'N'

As per our report of date attached.

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

Y. P. SHUKLA
Proprietor

Mumbai, Dated : 20th May, 2010

On behalf of the Board,

MAHABIR PRASAD
Chairman & Managing Director

O. P. GUPTA
Director

Mumbai, Dated : 20th May, 2010

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	<u>2009-2010</u>	<u>2008-2009</u>
		Rs. in lacs	Rs. in lacs
INCOME			
Sales & Income from Operation (Net)	I	21,799.63	22,030.03
Other Income	J	64.24	58.14
		21,863.87	22,088.17
EXPENDITURE			
Manufacturing & Other Expenses	K	18,420.69	17,128.11
Trade purchases		308.88	2,716.16
Interest & Financial Charges	L	150.84	366.14
Net Foreign Exchange Loss / (Gain)		(103.79)	267.08
Depreciation		1,014.94	1,003.87
		19,791.56	21,481.36
		2,072.31	606.81
INCREASE/ (DECREASE) IN STOCK M			
Stock at Commencement		1,631.48	1,604.49
Stock at Close		1,097.13	1,631.48
		(534.35)	26.99
PROFIT FOR THE YEAR BEFORE EXTRAORDINARY ITEMS			
		1,537.96	633.80
Less: Extraordinary Items			
V.R.S. compensation (to the extent written off)		-	18.09
PROFIT FOR THE YEAR BEFORE TAX			
		1,537.96	615.71
Less: Provision for Current Taxation		688.00	304.00
Less/(Add): Deferred Tax Expenses / (Savings)		(178.00)	195.00
PROFIT FOR THE YEAR AFTER DEFERRED AND CURRENT TAX			
		1,027.96	420.71
Balance brought forward from last year		2,099.96	1,999.17
AMOUNT AVAILABLE FOR APPROPRIATIONS			
		3,127.92	2,419.88
APPROPRIATIONS :			
Proposed Dividend on Equity			
Shares (Free of Tax)		123.00	102.50
Tax on Proposed Dividend		20.43	17.42
Transfer to General Reserve		500.00	200.00
		643.43	319.92
Balance carried forward to next year			
		2,484.49	2,099.96
Earning per share -After Current & Deferred Tax			
Basic		2.51	1.03
Diluted		1.96	0.82
(See note no. 16 of Schedule 'N')			

NOTES AS PER SCHEDULE 'N'

As per our report of date attached.

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

Y. P. SHUKLA
Proprietor

Mumbai, Dated : 20th May, 2010

S. K. BANSAL
Director (Finance) &
Company Secretary

On behalf of the Board,
MAHABIR PRASAD
Chairman & Managing Director

O. P. GUPTA
Director

Mumbai, Dated : 20th May, 2010

PUDUMJEE PULP & PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2010**

	AS AT 31.03.2010	AS AT 31.03.2009
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORISED		
4,75,00,000 Equity Shares of Rs.2/-each * (Last Year 95,00,000 Equity Shares of Rs.10/-each)	950.00	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 Rs.100/- each	50.00	50.00
	<u>1,000.00</u>	<u>1,000.00</u>
ISSUED,SUBSCRIBED AND PAID UP		
4,10,00,000 Equity Shares of Rs.2/- each * (Last year 82,00,000 Equity Shares of Rs.10/- each)	<u>820.00</u>	<u>820.00</u>

Of the above, 9,25,000 Equity shares of Rs.2/-each (Last Year 1,85,000 Equity Shares of Rs.10/-each) were allotted as fully paid up for consideration other than cash and 2,90,00,000 equity shares of Rs.2/-each (Last Year 58,00,000 Equity Shares of Rs.10/- each) were allotted as fully paid up Bonus shares issued by way of utilisation of Rs.410.00 lacs from share premium account and Rs.170.00 lacs from General Reserve.

* During the year each equity share of face value of Rs.10 was sub divided in to 5 Equity Shares of face value of Rs.2 each.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	<u>As At 31.03.2010</u>	<u>As At 31.03.2009</u>
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'B' - RESERVES & SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	6,600.00	6,400.00
Add : Transfer from Profit & Loss Account	500.00	200.00
	7,100.00	6,600.00
SHARE PREMIUM ACCOUNT		
As per last Balance Sheet	1,537.50	1,537.50
CAPITAL RESERVE		
On Reissue of forfeited shares	5.86	5.86
RESERVE FOR DOUBTFUL DEBTS		
(See Schedule 'H')	224.52	386.89
SURPLUS		
Balance in Profit & Loss Account	2,484.49	2,099.96
	11,352.37	10,630.21

PUDUMJEE PULP & PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	AS AT 31.03.2010	AS AT 31.03.2009
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'C' - SECURED LOANS		
FROM BANKS		
Term Loan (Secured by the hypothecation of assets specifically purchased therefrom)	-	8.02
Other Term Loan *	1,018.22	1,879.05
Other Loans (Against hypothecation of stocks, stores & book debts) **		
Working Capital Demand Loan	150.00	150.00
Cash Credit	1,530.24	805.73
	1,680.24	955.73
FROM FINANCIAL INSTITUTIONS *		
Term Loan	480.00	720.00
	3,178.46	3,562.80

Note: * Security : First charge on all immoveable and moveable properties of the Company, both present and future subject, however, to the prior charges created and / or to be created by the Company on its (i) moveables specifically hypothecated and (ii) other movables and book debts in favour of its bankers for securing borrowings for working capital and deferred payment guarantees. All these loans shall rank pari passu with the existing and future first charges created in favour of Financial Institutions and Banks.

** Security : Prior charge as aforesaid and a second charge on immovables.

SCHEDULE 'D' - UNSECURED LOANS

	AS AT 31.03.2010	AS AT 31.03.2009
	Rs. in Lacs	Rs. in Lacs
FIXED DEPOSITS	2,984.29	1,467.69
UNCLAIMED INTEREST ON FIXED DEPOSITS	1.59	1.06
SHORT TERM LOANS & ADVANCES		
From Bank	500.00	-
From Others	158.20	174.91
	658.20	174.91
	3,644.08	1,643.66

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SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)

(Rs. In Lacs)

SCHEDULE 'E' - FIXED ASSETS (At Cost)

TYPE OF ASSETS	Cost upto 31.3.2009	Additions/ Transfers during the year	Deductions/ Transfers during the year	Balance Cost upto 31.3.2010	Depreciation upto 31.3.2009	Depreciation for the year	Depreciation on sold Assets and on deductions written back	Depreciation Balance as on 31.3.2010	Net Book Value as on 31.3.2010	Net Book Value as on 31.3.2009
Land	5.89	-	-	5.89	-	-	-	-	5.89	5.89
Building	2,360.33	27.87	-	2,388.20	815.84	60.31	-	876.15	1,512.05	1,544.49
Expenditure for Dam, Weir etc.	629.36	-	-	629.36	-	-	-	-	629.36	629.36
Machinery	21,091.27	133.48	347.14	20,877.61	11,526.49	921.83	329.40	12,118.92	8,758.69	9,564.78
Laboratory Equipments	21.89	-	-	21.89	11.97	1.52	-	13.49	8.40	9.92
Furniture & Fixtures	373.09	2.16	0.10	375.15	306.26	11.23	0.10	317.39	57.76	66.83
Vehicles	176.25	54.95	13.24	217.96	119.39	20.05	11.98	127.46	90.50	56.86
Total	24,658.08	218.46	360.48	24,516.06	12,779.95	1,014.94	341.48	13,453.41	11,062.65	11,878.13
Previous year	24,278.90	397.71	18.53	24,658.08	11,787.66	1,003.87	11.58	12,779.95	11,878.13	12,491.24

PUDUMJEE PULP & PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	AS AT 31.03.2010	AS AT 31.03.2009
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'F' - INVESTMENTS		
LONG TERM INVESTMENTS (AT COST)		
TRADE INVESTMENTS (unquoted)		
Investment in Subsidiary Companies :		
1,990,000 Equity Shares of Pudumjee Investment & Finance Company Ltd. Of Rs.10/- each fully paid.	199.00	199.00
3,000,000 12% Non Cumulative Redeemable Preference shares of Pudumjee Investment & Finance Company Ltd. of Rs.10/- each fully paid	300.00	300.00
OTHER INVESTMENTS		
675,000 Equity shares of Pudumjee Plant Laboratories Ltd. of Rs 10/- each fully paid (unquoted)	60.00	60.00
3,66,725 Equity shares of Pudumjee Industries Ltd. of Rs. 2/- each. fully paid (quoted)	7.66	7.66
Investment in Pudumjee-G : Corp Developers, a Firm	35.00	35.00
SHORT TERM INVESTMENTS (AT COST)		
CURRENT INVESTMENTS (unquoted) (LOWER OF COST OR FAIR VALUE)		
30,003 (Last Year Nil) Units of Bharti AXA Liquid Fund. of Rs.1000/- each fully paid	300.03	-
10 (Last Year Nil) Units of Bharti AXA Treasury Advantage Fund. of Rs.1000/- each fully paid	0.10	-
2,997,961 (Last Year Nil) Units of Birla Sunlife Saving Fund. of Rs.10/- each fully paid	300.00	-
2,616,831 (Last Year Nil) Units of Reliance Liquid Fund. of Rs.10/- each fully paid	400.05	-
10 (Last Year Nil) Units of Reliance Money Manager Fund of Rs.1000/- each fully paid.	0.10	-
189 (Last year 640 Units) of Birla Sunlife cash Plus of Rs 10 each fully paid	0.05	0.11
	1,601.99	601.77
Less : Provision for Diminution in value of Long term Investments deducted per contra	359.00	359.00
	1,242.99	242.77
Aggregate amount of quoted investments Cost	7.66	7.66
Market Value	55.19	29.70
Aggregate amount of unquoted investments Cost	1,594.33	594.11

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	AS AT 31.03.2010		AS AT 31.03.2009
	Rs. in Lacs		Rs. in Lacs
SCHEDULE 'G' - CURRENT ASSETS, LOANS & ADVANCES			
CURRENT ASSETS			
INVENTORIES (As certified by a Director)			
STORES, SPARE PARTS ETC. (At lower of cost or realisable value)	739.93	1,026.65	
LOOSE TOOLS (At cost)	1.41	2.20	
STOCK-IN-TRADE			
Finished Paper (At lower of cost or market value.)	840.52	1,482.28	
Work-in-process (At cost)	256.61	149.20	
Raw material (At cost)	<u>1,326.83</u>	<u>559.13</u>	
	3,165.30		3,219.46
SUNDRY DEBTORS (Unsecured)			
Debts outstanding for a period exceeding six months			
Considered Good	110.73	192.67	
Considered Doubtful	<u>270.42</u>	<u>106.77</u>	
	381.15	299.44	
Other Debts			
Considered Good	2,968.13	2,498.14	
Considered Doubtful	<u>0.85</u>	<u>2.51</u>	
	3,350.13	2,800.09	
Less: Provision for Doubtful Debts deducted per contra	271.27	109.28	
	<u>3,078.86</u>		<u>2,690.81</u>
C/O	6,244.16		5,910.27

PUDUMJEE PULP & PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	<u>AS AT</u> <u>31.03.2010</u>	<u>AS AT</u> <u>31.03.2009</u>
	Rs. in Lacs	Rs. in Lacs
CURRENT ASSETS (contd.)		
B/O	6,244.16	5,910.27
CASH & BANK BALANCES		
On hand as per books	9.30	5.24
On deposit accounts with Scheduled Banks	61.85	10.21
On other accounts with Scheduled Banks	32.11	38.32
Cheques on hand	<u>86.95</u>	<u>48.81</u>
	190.21	102.58
LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Prepaid Expenses	45.33	29.45
Advances to employees of the Company	15.37	6.06
Deposits	32.49	34.62
Advances recoverable in cash or in kind		
considered good	6,167.27	3,695.34
considered doubtful	<u>43.95</u>	<u>43.57</u>
	6,304.41	3,809.04
Less : Provision for Doubtful Advances deducted per contra	<u>43.95</u>	<u>43.57</u>
	6,260.46	3,765.47
	<u>12,694.83</u>	<u>9,778.32</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	AS AT 31.03.2010	AS AT 31.03.2009
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'H' - CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Acceptances	1,476.87	804.96
Sundry Creditors	1,465.06	1,510.46
Unclaimed dividend	11.86	11.80
Interest on Loans accrued but not due	95.49	61.04
	3,049.28	2,388.26
PROVISIONS		
Provision for Diminution in value of Long term Investments		
As per Last Balance Sheet	359.00	359.00
Less : Deducted per contra from Investments	359.00	359.00
	—	—
Provision for Doubtful Debts & Advances	539.74	539.74
Less : Debts & Advances considered doubtful as deducted per contra	315.22	152.85
	224.52	386.89
Less : Surplus provision shown under Reserve & Surplus	224.52	386.89
	—	—
Provision for Current Taxation (Less : Advance Income Tax etc.)	146.25	159.83
Provision for Gratuity & Leave Encashment	567.43	395.37
Proposed Dividend	123.00	102.50
	836.68	657.70
	3,885.96	3,045.96

PUDUMJEE PULP & PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

		<u>2009-2010</u>	<u>2008-2009</u>
		Rs. in Lacs	Rs. in Lacs
SCHEDULE 'I' - SALES & INCOME FROM OPERATIONS			
PAPER	21,382.40	19,120.04	
Less : Excise Duty	<u>734.99</u>	<u>793.14</u>	
		20,647.41	18,326.90
TRADE SALE			
STEEL	—	2,191.07	
OTHERS	<u>344.25</u>	<u>554.73</u>	
		344.25	2,745.80
MISCELLANEOUS SALES			
	85.29	116.74	
Less : Excise Duty	<u>1.08</u>	<u>0.58</u>	
		84.21	116.16
PROCESSING & OTHER CHARGES			
		<u>723.76</u>	<u>841.17</u>
		<u>21,799.63</u>	<u>22,030.03</u>

		<u>2009-2010</u>	<u>2008-2009</u>
		Rs. in Lacs	Rs. in Lacs
SCHEDULE 'J' - OTHER INCOME			
DIVIDENDS			
Others		9.51	—
PROFIT ON SALE/TRANSFER OF FIXED ASSETS (NET)			
		—	3.77
PROFIT ON SALE OF INVESTMENTS			
On Current Investments		0.28	—
MISCELLANEOUS INCOME			
		<u>54.45</u>	<u>54.37</u>
		<u>64.24</u>	<u>58.14</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)**

	<u>2009-2010</u>	<u>2008-2009</u>
	Rs. in Lacs	Rs. in Lacs
SCHEDULE ' K' - MANUFACTURING & OTHER EXPENSES		
CONSUMPTION OF RAW MATERIALS	8,615.09	8,352.42
CONSUMPTION OF STORES, COLOURS, CHEMICALS etc.	2,071.10	1,448.94
SALARIES, WAGES, BONUS etc.		
Salaries, Wages, gratuity & Bonus	1,377.52	1,255.38
Contribution to Provident & Other Funds (Including Administrative Charges)	110.96	98.40
Employees State Insurance	2.87	1.74
Workmen & Staff Welfare Expenses	65.05	61.61
	<u>1,556.40</u>	1,417.13
FUEL, POWER & WATER	4,066.95	4,167.43
RENT, RATES & TAXES		
Includes Rent paid Rs. 5.15 lacs (Last Year Rs. 5.15 lacs)	109.67	31.96
EFFLUENT DISPOSAL EXPENSES	39.81	55.56
REPAIRS & MAINTENANCE		
Machinery	851.89	602.07
Buildings	46.40	55.32
Others	10.70	11.69
	<u>908.99</u>	669.08
INSURANCE	14.01	15.61
PACKING, CARTAGE, CUTTING, BALING, FREIGHT ETC.	357.18	402.43
COMMISSION ON SALES	133.19	170.00
DIRECTORS' FEES & ALLOWANCES	1.51	1.52
DIRECTORS' REMUNERATION	161.51	76.13
DEVELOPMENT & RESEARCH EXPENSES	70.02	66.52
LOSS ON SALE / TRANSFER OF ASSETS (NET)	7.23	-
BAD DEBTS & ADVANCES WRITTEN OFF	6.99	1.68
OFFICE & MISCELLANEOUS EXPENSES	301.04	251.70
	<u><u>18,420.69</u></u>	<u><u>17,128.11</u></u>

PUDUMJEE PULP & PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)**

	<u>2009-2010</u>	<u>2008-2009</u>
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'L' - INTEREST & FINANCIAL CHARGES		
INTEREST ON FIXED TERM LOANS	475.11	570.68
OTHER INTEREST & FINANCIAL CHARGES	<u>181.99</u>	<u>229.52</u>
	657.10	800.20
LESS: INTEREST RECEIVED ON TRADE DEBTS	158.13	76.69
INTEREST RECEIVED FROM OTHERS	<u>348.13</u>	<u>357.37</u>
	<u>506.26</u>	<u>434.06</u>
	<u>150.84</u>	<u>366.14</u>

	<u>2009-2010</u>	<u>2008-2009</u>
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'M' - INCREASE/ (DECREASE) IN STOCK		
STOCK AT COMMENCEMENT		
Finished Paper	1,482.28	1,494.09
Work-in-Process	<u>149.20</u>	<u>110.40</u>
	1,631.48	1,604.49
STOCK AT CLOSE		
Finished Paper	840.52	1,482.28
Work-in-Process	<u>256.61</u>	<u>149.20</u>
	<u>1,097.13</u>	<u>1,631.48</u>
	<u>(534.35)</u>	<u>26.99</u>

**SCHEDULE OF NOTES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010**

SCHEDULE 'N' -

1 Information required under Schedule VI

	2009-2010		2008-2009	
	Quantity M.T	Value Rs.in lacs	Quantity M.T	Value Rs.in lacs
Turnover:				
Paper	36,126	21,382.40	33,059	19,120.04
Trade Sales				
Steel	—	—	7,284	2,191.07
Others	—	344.25	—	554.73
Processing charges	—	723.76	—	841.17
Others	—	85.29	—	116.74
The value of raw materials consumed and quantities thereof:				
Pulp	30,154	7,856.29	15,738	4,925.85
Waste Paper	6,896	758.80	23,862	3,426.57
Trade Purchase				
Steel	—	—	7,284	2,181.24
Others	—	308.88	—	534.92
Opening Stock of goods produced				
Paper	2,985	1,482.28	2,903	1,494.09
Closing stock of goods produced				
Paper	1,472	840.52	2,985	1,482.28
Licenced Capacity:				
Paper	Not Applicable (Delicenced)		Not Applicable (Delicenced)	
Installed capacity:				
Paper	42,500 MT		42,500 MT	
Installed capacities are certified by the management and relied upon by the auditors being a technical matter.				
Actual Production:				
Paper	34613 MT		33141 MT	
Pulp	16686 MT		25414 MT	
(Includes processed for others)	11394 MT		13607 MT	
Value of direct imports calculated on CIF basis during the financial year				
Raw Material		5774.19		4327.60
Components & Spare Parts		451.25		196.99
Capital Goods		—		23.27
Goods for resale		308.33		116.50
Expenditure in foreign currency during the financial year on account of royalty, know-how, interest, professional consultation, travelling, subscription and periodicals etc.		8.98		42.25

PUDUMJEE PULP & PAPER MILLS LIMITED

SCHEDULE 'N' - (Contd.)

1. Information required under schedule VI (Contd.)

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

	2009-2010		2008-2009	
	Value (Rs. in lacs)	%	Value (Rs. in lacs)	%
Raw Materials:				
Direct Imports	6,014.49	69.81	6,245.54	74.78
Others	2,600.60	30.19	2,106.88	25.22
Total:	8,615.09	100.00	8,352.42	100.00
Spare Parts & Components:				
Direct Imports	554.95	20.15	255.65	13.43
Others	2,199.22	79.85	1,647.62	86.57
Total:	2,754.17	100.00	1,903.27	100.00
		2009-2010		2008-2009
		(Rs. in lacs)		(Rs. in lacs)
The amount remitted during the year in foreign currencies on account of dividend		—		—
The amount remitted during the year in foreign currencies on account of dividend				
The amount of dividend for the year 2008-2009 remitted in rupees into NRE Account of 201 (Last year 203) NRI shareholders holding 49,36,815 shares of Rs.2/-each (Last year 10,03,551 of Rs.10/-each) Equity shares		12.34		12.04
Export of goods calculated on FOB basis (Earning in foreign Exchange)		46.74		233.52
Deemed Exports		774.83		651.07
		821.57		884.59
Royalty, Knowhow, Professional and consultation fees, Interest and dividend etc. (Earning in foreign Exchange)		—		—
2 (a) Directors' Remuneration consists of the following:				
Managerial remuneration		68.40		44.64
Commission on net profit		17.08		—
Perquisites		27.26		19.81
Company's contribution to Provident Fund		8.21		5.36
Provision for Gratuity		40.56		6.32
		161.51		76.13

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SCHEDULE 'N' - (Contd.)
Information required under schedule VI (Contd.)

	<u>2009-2010</u>	<u>2008-2009</u>
	(Rs. in lacs)	(Rs. in lacs)
(b) Computation of net profit as per Section 349 read with section 309 of the Companies Act, 1956		
Profit as per Profit & Loss Account	1,537.96	615.71
Add :		
Directors' Remuneration	161.51	76.13
Directors' Fees & Allowances	1.51	1.52
Loss / (Profit) on sale of Assets (Net)	7.23	(3.77)
Less :		
Profit on Sale of Investments (Net)	0.28	—
Profit available for Managerial Commission	1,707.93	689.59
Commission on net profit to Managing Director @ 1%	17.08	Nil
3 Miscellaneous sales have been stated net of stocks.		
4 Interest, dividend and other income received includes Income tax deducted at source Rs. 58.19 lacs (Last year Rs. 81.47 lacs)		
5 Salary, Wages, gratuity and bonus (Schedule 'L') does not include a sum of Rs. 74.75 lacs (Last year Rs. 64.84 lacs) transferred to other accounts.		
6 Break up of Net foreign exchange Loss / (Gain) is as under:		
	<u>2009-2010</u>	<u>2008-2009</u>
	(Rs. in lacs)	(Rs. in lacs)
(i) Consumption of raw materials	(89.47)	267.43
(ii) Consumption of stores, colours and chemicals	(14.13)	5.82
(iii) Consumption of Machinery stores & spares	(0.15)	0.18
(iv) Sales	(0.04)	(6.35)
	(103.79)	267.08
7 Payments made to Auditors:		
Audit fees	1.75	1.30
Taxation matters	0.60	0.45
Others	1.65	1.35
	4.00	3.10
8 Development and Research Expenditure includes Rs. 2.02 lac (Last year Rs. 11.39 lac) for Equipments.		
9 To the best of knowledge of the company, none of the creditors are 'Small enterprise' within its meaning under clause (m) of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006 & therefore principal amount, interest paid / payable or accrued is NIL.		
10 Estimate of contracts remaining to be executed on capital account and not provided for amounted to Rs. 7.50 lacs (Last year Rs. 14.86 lacs).		
11 The expenditure for dam, weir, etc. as shown in Schedule 'E'- Fixed Assets represents expenditure, contributed to Government authorities in respect of assets owned or that may be owned by them and therefore has not been subjected to depreciation in conformity with the Generally Accepted Accounting Principles.		
12 Land admeasuring about 4000 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.		

PUDUMJEE PULP & PAPER MILLS LIMITED

SCHEDULE 'N' - (Contd.)

13 The Equity Shares of the company were sub-divided from Rs. 10 each to Rs. 2 per share w.e.f. 1.4.2009 by altering the capital clause in Memorandum of Association vide Resolution Passed at EOGM of Shareholders held on 27.2.2009.

14 Contingent Liabilities not provided for in respect of:

	<u>AS AT</u> 31.03.2010 (Rs. in lacs)	<u>AS AT</u> 31.03.2009 (Rs. in lacs)
i) Bank Guarantees and Letters of Credit in favour of suppliers of raw materials, spares etc.*	759.24	1,669.18
ii) Guarantee for other Companies *	161.65	35.00
iii) Claims against the Company not acknowledged as debts for excise duty, property tax and commercial claims etc. **	639.93	630.16

* Will not affect the future Profitability.

** May affect the future profitability to the extent indicated, if such liabilities crystallise.

15 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 in accordance with Schedule XIV of the Companies Act, 1956 as in force as on the date of Balance Sheet. However, No depreciation is provided on capital expenditure incurred in respect of assets owned or that may be owned by the Government authorities.
- d) Finished paper stock is valued at lower of cost or market value. All other inventories are valued at lower of cost on First In First Out Method or realisable value.
- e) Investments are classified into current and long term investments. Current investments are stated at lower of cost or fair value. Long term investments are stated at cost, less provision for permanent diminution in value, if any.
- f) (i) Contributions to defined contribution schemes, namely, Provident Fund and Superannuation Fund is made at a pre-determined rates and are charged to the Profit & Loss Account.
(ii) Contributions to the defined benefit scheme, namely, Gratuity Fund & provision for the remaining Gratuity and for Leave encashment are made on the basis of actuarial valuations made in accordance with the revised Accounting Standard (AS) 15 at the end of each Financial Year and are charged to the Profit & Loss Account of the year.
(iii) Actuarial gains & losses are recognized immediately in the Profit & Loss Account.
- g) Foreign Exchange Transactions are recorded at the then prevailing rate. Closing balances of Assets & Liabilities relating to foreign currency transactions are converted into rupees at the rates prevailing on the date of the Balance Sheet. The difference in transactions are dealt with in the Profit & Loss Account.
- h) Miscellaneous Expenditure-Compensation paid under Voluntary Retirement Scheme has been deferred, to be written off over a period of five years.
- i) Revenue recognition is postponed to a later year only when it is not possible to estimate it with reasonable accuracy.
- j) 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.

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SCHEDULE 'N' - (Contd.)

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

	<u>AS AT</u> <u>31.03.2010</u>	<u>AS AT</u> <u>31.03.2009</u>
Basic EPS:		
(a) Net Profit after tax as per Profit & Loss Account :		
After current and deferred Tax	Rs 1,027.96 lacs	Rs 420.71 lacs
(b) No. of Equity shares of Rs.2/- each :	410.00 lacs	410.00 lacs
(c) Basic EPS		
After current and deferred Tax (a / b)	Rs 2.51	Rs 1.03
Diluted EPS:		
(d) Value of Originally Sanctioned loan with right of conversion in case of default in repayment obligations*	Rs 1200.00 lacs	Rs 1,200.00 lacs
(e) Maximum conversion at 20% in case of default in repayment obligations*	Rs 240.00 lacs	Rs 240.00 lacs
(f) Number of Equity Shares of Rs. 2/- each on such notional conversion at the beginning of the year	120.00 lacs	120.00 lacs
(g) Total number of Equity Shares both existing and notionally converted (b+f)	530.00 lacs	530.00 lacs
(h) Net Profit After Tax as per Profit & Loss Account		
After current and deferred Tax	Rs.1,027.96 lacs	Rs 420.71 lacs
Add : Hypothetical saving in Interest for the period on notional conversion	Rs. 19.20 lacs	Rs 19.20 lacs
Less : Income Tax thereon	Rs. 6.53 lacs	Rs 6.53 lacs
Total of (h)		
After current and deferred Tax	Rs.1,040.63 lacs	Rs 433.38 lacs
(i) Diluted Earning Per Share		
After current and deferred Tax [(h) / g]	Rs. 1.96	Re. 0.82

* There has been no default in repayment obligations during the year and the balance of such loan as at 31.03.2010 was Rs. 480 lacs (Last year Rs. 720 lacs)

During the year, each equity share of face value of Rs.10/- was subdivided into 5 equity shares of face value of Rs.2/-each.

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

	<u>AS AT</u> <u>31.03.2010</u>	<u>AS AT</u> <u>31.03.2009</u>
	(Rs. in lacs)	(Rs. in lacs)
In respect of Depreciation	2,464	2,582
In respect of allowances and disallowances under various provisions of Income Tax Act.	(325)	(265)
Net Deferred Tax Liability	2,139	2,317

(b) The Deferred Tax Asset in respect of carry forward of losses and tax credit has been worked out on the basis of assessment orders, returns of income filed for subsequent assessment years and estimate of the taxable income for the year ending 31st March, 2010.

PUDUMJEE PULP & PAPER MILLS LIMITED

SCHEDULE 'N' - (Contd.)

- 18 The following amounts which had become due and payable to the credit of The Investor Education and Protection Fund have been so paid and there are no amounts remaining outstanding as at 31st March, 2010 which are to be credited to the fund.

	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
Unclaimed Dividends	1.75	1.50
Unclaimed matured deposits	0.33	-
Unclaimed interest on deposits	0.05	-
	2.13	1.50

- 19 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) M/s. Prime Developers.
c) Pudumjee Industries Limited.
d) Pudumjee Plant Laboratories Limited.
e) Pudumjee Hygiene Products Limited.

C) Key Management personnel

Shri. M. P. Jatia
Chairman & Managing Director

Shri. V. P. Leekha
Wholetime Director

Shri. S. K. Bansal
Wholetime Director

(D) Transactions with related Parties

	2009-2010 (2008-2009)	(Rs. in lacs)
	Subsidiary Company	Associate Companies Maximum during the year Key Management Personnel
a) Interest bearing Inter Corporate Deposits lent during the year	88.13 (74.62)	6097.00 (620.00)
b) Interest charged during the year	41.28 (36.51)	242.50 (232.59)
c) Inter Corporate Deposits / Advances etc. outstanding receivable as at 31st March, 2010 including interest		

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SCHEDULE 'N' - (Contd.)

Transactions with related Parties (Contd.)	2009-2010 (2008-2009)	(Rs. in lacs)	
	Subsidiary Company	Associate Companies	Maximum during the year
			Key Management Personnel
Pudumjee- G : Corp Developers		127.00 (132.38)	127.00 (132.38)
Pudumjee Investment and Finance Company Limited	555.05 (574.63)		609.66 (574.63)
Pudumjee Industries Limited		4,527.25 (1,821.88)	4,569.00 (2,163.33)
d) Asset sold during the year	—	— (0.10)	
e) Sale / Processing charges of goods during the year	—	771.00 (829.64)	
f) Purchases made during the year	—	1,196.06 (1,554.13)	
g) Reimbursement of common services and utilities during the year.	—	186.99 (243.70)	
h) Remuneration	—	—	161.51 (76.13)
i) Guarantees outstanding as at 31st March, 2010	—	161.65 (35.00)	
j) Debts Outstanding as at 31st March, 2010	—	73.83 (61.25)	156.23 (671.61)
k) Amount payable as at 31st March, 2010 includes Material Received on Loan Rs. Nil lacs (Last year Rs. 10.56)	—	1.15 (10.56)	
l) Deposits (Unsecured loans) outstanding during the year	—	110.00 (110.00)	

PUDUMJEE PULP & PAPER MILLS LIMITED

SCHEDULE 'N' - (Contd.)

20. SEGMENT REPORTING (Accounting standard 17)

Information about business segments (Contd.)

			2009-2010
			(2008-2009)
			(Rs. in lacs)
	Paper	Commodities	TOTAL
SEGMENT REVENUE			
From External Customers	22,191.45	344.25	22,535.70
	(20,077.95)	(2,745.80)	(22,823.75)
From Inter Segments	-	-	-
	(-)	(-)	(-)
Total Revenue	22,191.45	344.25	22,535.70
	(20,077.95)	(2,745.80)	(22,823.75)
SEGMENT RESULTS	1,713.20	35.37	1,748.57
	(993.37)	(9.55)	(1,002.92)
Unallocated corporate expenses			163.02
			(77.65)
Operating Profit			1,585.55
			(925.27)
Interest Expenses			563.64
			(743.62)
Interest Income			506.26
			(434.06)
Dividend Income			9.51
			(-)
Income in respect of Investments			0.28
			(-)
Income Taxes including Deferred Tax			510.00
			(195.00)
Profit from ordinary activities			1,027.96
			(420.71)
Extra Ordinary Income			-
			(-)
Net Profit as per Profit & Loss Account			1,027.96
			(420.71)
OTHER INFORMATION			
Total carrying amount of Segment Assets	18,356.99	-	18,356.99
	(18,573.51)	(767.25)	(19,340.76)
Add : Unallocated Corporate Assets			6,662.88
			(2,678.87)
Total Assets as per Balance Sheet			25,019.87
			(22,019.63)
Total carrying amount of Segment Liabilities	3,727.85	-	3,727.85
	(2,874.33)	-	(2,874.33)
Add : Unallocated Corporate Liabilities			21,292.02
			(19,145.30)
Total Liabilities as per Balance Sheet			25,019.87
			(22,019.63)
Capital Expenditure incurred during the year	117.45	-	117.45
	(282.24)	(-)	(282.24)
Depreciation for the Year	1,014.94	-	1,014.94
	(1,003.87)	(-)	(1,003.87)
Other Non Cash Expenditure	-	-	-
	(-)	(-)	(-)

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SCHEDULE 'N' - (Contd.)

Information about business segments (Contd.)

	Paper	Commodities	2009-2010
			(2008-2009) (Rs. in lacs) TOTAL
Sales Revenue by Geographical Segments			
WITHIN INDIA	22,144.71 (19,844.43)	344.25 (2,745.80)	22,488.96 (22,590.23)
OUTSIDE INDIA	46.74 (233.52)	-	46.74 (233.52)
	22,191.45 (20,077.95)	344.25 (2,745.80)	22,535.70 (22,823.75)

- i) The Paper segment relates to manufacture and marketing of Paper, processing activity.
 ii) The Commodities Segment relates to trading in steel & other items.

21 The details of the firm 'Pudumjee-G : Corp Developers' in which the company is partner, are as under:

	Pudumjee Pulp and Paper Mills Limited	G-Corp Properties Private Limited.
Capital - Rs. In lacs	35	35
Profit / Loss - Sharing ratio	60%	40%

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

- a) An amount of Rs.100.31 lacs (Last year Rs.81.55 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.
 c) Expenses recognized during the year and reconciliation of the Assets & Liabilities recognized in Balance Sheet as at 31.03.2010 :

	Gratuity (Partly funded) (Rs. in lacs)		Leave Encashment (Unfunded) (Rs. in lacs)	
	2009-10	2008-09	2009-10	2008-09
i) The present value of defined benefit obligations at the commencement of the Year	672.64	603.38	70.66	47.43
ii) Current Service cost	37.29	43.98	12.16	24.16
iii) Interest cost	52.72	48.27	5.46	3.76
iv) Actuarial (Gain) / Loss	150.49	11.36	(7.10)	(2.26)
v) Benefits Paid	94.20	34.35	6.13	2.43
vi) Past Service Cost	-	-	-	-
vii) The present value of defined benefit obligations at the close of the Year	818.94	672.64	75.05	70.66
viii) The fair value of plan assets at the close of the year	326.56	345.54	-	-
ix) The Past service cost not yet recognized	-	-	-	-

PUDUMJEE PULP & PAPER MILLS LIMITED

SCHEDULE 'N' - (Contd.)

Information about business segments (Contd.)

Expenses aggregating Rs.150.69 lacs (Last year Rs.74.97 lacs) covered under items (ii),(iii),(iv),(v) and (vi) above have been debited to the Profit & Loss Account to the extent of Rs.110.13 lacs (Last year Rs.68.65 lacs) under the Head "Salaries,Wages,Bonus,etc. (Schedule "L") and Rs.40.56 lacs (Last year Rs.6.32 lacs) under the Head " Directors' remuneration"(Schedule "L")

d) Actuarial assumptions	2009-10	2008-09	2009-10	2008-09
i) Rate of interest (Per annum)	8.25%	8.00%	8.25%	8.00%
ii) Salary growth (Per annum)	5.50%	5.00%	5.50%	5.00%
iii) Withdrawal rate (Per annum)	1.00%	1.00%	1.00%	1.00%
iv) Expected return on Plan Assets	9.25%	9.00%	-	-
v) Mortality rates [LIC(1994.96) ultimate]	-	-	-	-

23 The deposit with Banks include Rs.58.85 lacs (Last year Rs.7.21 lacs) being margin money kept with Bank.

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

SCHEDULE 'N' - (Contd.)

24. Balance Sheet Abstract and Company's General Business Profile -

I. Registration Details

Registration No.

1	3	0	5	8
---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet Date

3	1	0	3	1	0
---	---	---	---	---	---

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

N	I	L
---	---	---

 Right Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

2	1	1	3	3	9	1
---	---	---	---	---	---	---

 Total Assets

2	1	1	3	3	9	1
---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

8	2	0	0	0
---	---	---	---	---

 Reserves & Surplus

1	1	3	5	2	3	7
---	---	---	---	---	---	---

Secured Loans

3	1	7	8	4	6
---	---	---	---	---	---

 Unsecured Loans

3	6	4	4	0	8
---	---	---	---	---	---

Provision for Deferred Tax

2	1	3	9	0	0
---	---	---	---	---	---

Application of Funds

Net Fixed Assets

1	1	0	8	2	0	5
---	---	---	---	---	---	---

 Investments

1	2	4	2	9	9
---	---	---	---	---	---

Net Current Assets

8	8	0	8	8	7
---	---	---	---	---	---

 Misc. Expenditure

N	I	L
---	---	---

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

2	1	7	9	9	6	3
---	---	---	---	---	---	---

 Total Expenditure

2	0	3	2	5	9	1
---	---	---	---	---	---	---

Profit/Loss before tax

+	-	1	5	3	7	9	6
---	---	---	---	---	---	---	---

 Profit/Loss after tax

+	-	1	0	2	7	9	6
---	---	---	---	---	---	---	---

(Please tick appropriate box + for profit, - for Loss)

Earnings per Share in Rs.

2	.	5	1
---	---	---	---

 Dividend rate %

1	5	.	0
---	---	---	---

PUDUMJEE PULP & PAPER MILLS LIMITED

SCHEDULE 'N' - (Contd.)

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	4	8	0	2	5	7	.	9	0				
Product Description	M	A	P	L	I	T	H	O	P	A	P	E	R
Item Code No. (ITC Code)	4	8	0	2	5	5	.	9	0				
Product Description	P	R	I	N	T	I	N	G	P	A	P	E	R
Item Code No. (ITC Code)	4	8	0	6	4	0	.	1	0				
Product Description	G	L	A	S	S	I	N	E	P	A	P	E	R

SIGNATURES TO SCHEDULES 'A' TO 'N'

As per our report of date attached.

For **KHARE & CO.**
Chartered Accountants

Y. P. SHUKLA
Proprietor

Mumbai, Dated : 20th May, 2010

On behalf of the Board,

MAHABIR PRASAD
Chairman & Managing Director

O. P. GUPTA
Director

Mumbai, Dated : 20th May, 2010

ANNUAL REPORT 2009-2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

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

	(Rs. in Lacs)	
	<u>2009-2010</u>	<u>2008-2009</u>
A Cash Flow from Operating Activities		
Net profit before Taxation & Extraordinary Items	1,537.96	633.80
Adjustments for :		
Depreciation	1,014.94	1,003.87
Interest & Financial charges	150.84	366.14
Loss on sale of Fixed Assets	7.23	—
Other income	(9.79)	(3.77)
	<u>1,163.22</u>	<u>1,366.24</u>
Operating profit before Working Capital Changes	2,701.18	2,000.04
(Increase)/Decrease in Inventories	54.16	1,354.37
(Increase)/Decrease in Debtors	(550.04)	435.73
(Increase)/Decrease in Advances	485.40	929.76
Increase/(Decrease) in Liabilities	798.63	(979.21)
	<u>788.15</u>	<u>1,740.65</u>
Cash Generated from Operations	3,489.33	3,740.69
Income Tax (paid)/Refund Received (Net)	(663.82)	(240.63)
Net cash from Operating Activities	2,825.51	3,500.06
B Cash flow from Investing Activities		
Purchase of Fixed Assets	(117.45)	(282.24)
Sale Proceeds of Fixed Assets etc.	11.77	10.72
Investment in Mutual Funds etc.	(2,175.33)	—
Sales Proceeds of Investments	1,175.39	—
Change in Loans & Advances	(2,983.73)	180.46
Interest Received	451.03	354.44
Dividend Received	9.51	—
Net cash from / (used) in Investing Activities	(3,628.81)	263.38
C Cash flow from Financing Activities		
Proceeds from Borrowings	3,291.91	658.69
Repayment of Borrowings	(1,675.83)	(3,670.38)
Payment of Interest	(622.65)	(823.12)
Dividend paid	(102.50)	(98.40)
Net cash from / (used) Financing Activities	890.93	(3,933.21)
Net change in Cash & Cash Equivalents (A+B+C)	87.63	(169.77)
Cash & Cash Equivalents (Opening Balance)	102.58	272.35
Cash & Cash Equivalents (Closing Balance)	190.21	102.58

Note : Figures in brackets represent cash outflows.

Correctly extracted from Audited Accounts of the Company.

On behalf of the Board,

For **KHARE & CO.**
Chartered Accountants

MAHABIR PRASAD
Chairman & Managing Director

Y. P. SHUKLA
Proprietor

S. K. BANSAL
Director (Finance) &
Company Secretary

O. P. GUPTA
Director

Mumbai, Dated : 20th May, 2010

Mumbai, Dated : 20th May, 2010

PUDUMJEE PULP & PAPER MILLS LIMITED

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

1. The Company held 100% of the paid up Equity Capital of Rs. 199 Lakhs and Preference Capital of Rs. 300 Lakhs in Pudumjee Investment and Finance Company Ltd., (PIFCO) a subsidiary of this Company as on 31st March, 2010 which is the financial year end of both the Companies.
2. No part of the net profit of Rs. 38.08 Lakhs for the current financial year ended 31st March, 2010 and no part of the net loss of Rs. 387.57 Lakhs for the previous financial years of PIFCO, since it became a subsidiary of this Company, have been dealt with in the Company's Accounts for the year ended 31st March, 2010.

On behalf of the Board,

S. K. BANSAL
Director (Finance) &
Company Secretary

O. P. GUPTA
Director

MAHABIR PRASAD
Chairman & Managing Director

Mumbai,
Dated : 20th May, 2010

**PUDUMJEE
INVESTMENT & FINANCE COMPANY
LIMITED**

*Annual Report
2009 – 2010*

DIRECTORS' REPORT TO THE MEMBERS

The Directors present the Nineteenth Annual Report on the working of the Company for the year ended 31st March, 2010 together with the statement of Accounts for that year.

FINANCIAL RESULTS

	Rs. in lacs	
	<u>2009-2010</u>	<u>Previous Year</u>
The Profit/(Loss) for the year before tax is	38.08	(97.29)
Reducing therefrom		
Provision for tax of	6.10	—
Profit for the year after tax	<u>31.98</u>	<u>(97.29)</u>
Adding thereto		
Income tax for earlier year	(2.15)	
Balance of loss brought forward		
from last year of	<u>(392.30)</u>	<u>(295.01)</u>
The total of loss comes to	<u>(362.47)</u>	<u>(392.30)</u>

which is proposed to be carried forward to next year's accounts.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there had not been any material departure;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 on 31st March, 2010 and of the Profits of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors have prepared the annual accounts on a going concern basis.

DIVIDEND

In view of the accumulated losses, the Directors regret their inability to recommend any dividend on the Equity and Preference Shares of the Company.

OPERATIONS

During the year comparative favorable market conditions have resulted in profit of Rs. 38.08 lacs. By and large the market is showing stable trend and therefore it is hoped that it will improve in the times to come.

DIRECTORS

Mr. M.P. Jatia and Mr. S.K. Bansal retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

PUDUMJEE INVESTMENT & FINANCE COMPANY LIMITED

AUDITORS

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

COMPLIANCE CERTIFICATE

Pursuant to Section 383A of Companies Act, 1956 and the Rules made thereunder, a certificate of the Company Secretary in Whole-time practice is attached.

INFORMATION AS REQUIRED UNDER SECTION 217(1)(e).

In view of the nature of business of the Company, the information under Section 217(1)(e), information regarding Conservation of Energy, Research & Development and technology absorption etc. are not given.

Foreign Exchange Earnings : NIL Foreign Exchange Outgo : NIL

INFORMATION UNDER SECTION 217(2A).

The Company does not have any employees whose particulars are required to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

On behalf of the Board of Directors,

Mumbai,
Dated : 20th May, 2010.

MAHABIR PRASAD
CHAIRMAN

Compliance Certificate

Company No. : U65993PN1991PLC062635

Nominal Capital : Rs. 5,00,00,000

To,
The Members,
Pudumjee Investment & finance Co. Ltd.
Thergaon, Pune – 411 033

We have examined the registers, records, books and papers of PUDUMJEE INVESTMENT & FINANCE COMPANY LIMITED as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010, In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been generally recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as mentioned in the said Annexure.
3. The Company being a public limited company has the minimum prescribed paid up share capital.
4. The Board of Directors met 5 (Five) times on 03.04.2009, 15.06.2009, 29.07.2009, 31.10.2009 and 30.01.2010 in respect of which meetings notices were given and the proceedings were recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the year as it was not required to close the same.
6. The annual general meeting for the financial year ended on 31st March, 2009 was held on 29.08.2009 after giving notice to the members of the company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the approvals were not necessary from the Board of Directors, members or approval of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) There was no allotment / transfer / transmission of securities during the financial year.
(ii) The Company was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
(iv) There are no unpaid dividends, application money due for refund, matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
(v) The Company has generally complied with the requirements of section 217 of the Act.

PUDUMJEE INVESTMENT & FINANCE COMPANY LIMITED

14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A/ 58AA or directions of Reserve Bank of India during the financial year.
24. The amount borrowed by the company from holding company during the financial year ended 31st March, 2010 is within the borrowing limits of the company.
25. The Company has not made any loans or investments, or given guarantees or provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to deduct any contribution towards Provident Fund during the financial year.

For Parikh & Associates

Sd/-

P.N. Parikh

Company Secretary

Partner

C. P. No. 1228

Place : Mumbai

Date : 20th May, 2010.

Annexure A

Statutory Registers as maintained by the Company:

1. Register of Charges	u/s	143 of the Act.
2. Register of Members	u/s	150 of the Act.
3. Minutes Book of Board Meetings	u/s	193 of the Act. (in loose-leaf)
4. Minutes Book of General Meetings	u/s	193 of the Act. (in loose-leaf)
5. Books of Accounts	u/s	209 of the Act are being audited by the Statutory Auditors of the Company.
6. Register of Contracts	u/s	301 of the Act.
7. Register of disclosure of interest	u/s	301 of the Act.
8. Register of Particulars of Directors etc.	u/s	303 of the Act.
9. Register of Directors' Shareholding	u/s	307 of the Act.

Other Registers:

1. Register of Transfers

For Parikh & Associates

Place: Mumbai
Date: 20th May, 2010.

Sd/-
P.N. Parikh
Company Secretary
Partner
C. P. No. 1228

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended March 31,2010:

Sr. No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid. Yes/ No
1	Form 66 Compliance Certificate	383A Companies (Compliance Certificate) Rules, 2001	Compliance Certificate as at 31.03.2009	04.09.2009	Yes	N.A
2	Form 23 AC & 23ACA alongwith Annual Report for the year ended 31.03.2009	220	Final Accounts (31.3.2009) adopted at AGM held on 29.08.2009	25.09.2009	Yes	N.A
3	Form 20B Annual Return made upto 29.08.2009	159	Annual Return made upto 29.08.2009	23.10.2009	Yes	N.A.

For Parikh & Associates

Place: Mumbai
Date: 20th May, 2010.

Sd/-
P.N. Parikh
Company Secretary
Partner
C. P. No. 1228

PUDUMJEE INVESTMENT & FINANCE COMPANY LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have examined the attached Balance Sheet of **Pudumjee Investments and Finance Co. Limited** as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and Cash Flow Statement attached thereto for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c) In our opinion, the said Profit & Loss Account and Balance Sheet and Cash Flow Statement comply with the accounting standards as referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
- d) The said Balance Sheet and the Profit and Loss Account and Cash Flow Statement are in agreement with the books of account;
- e) On the basis of information and explanations given to us, and representations obtained by the Company and taken on record by the Board of Directors, we report that, there are no directors of the Company who are disqualified under section 274(1) (g) of the Act, from being appointed as directors during the year;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii. In the case of Profit and Loss Account, of the Profit for the year ended on that date.
 - iii. In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

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

- i. The Company has no Fixed Assets ;
- ii.
 - a) It is reported that, the inventories of Shares etc. have been physically verified by the management at reasonable intervals during the year;
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories of shares etc. 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 of shares etc. and as explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records;
- iii.
 - a) The Company has taken unsecured loan aggregating Rs.88.13 lacs during the year from holding Company, covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan taken are not prima facie prejudicial to the interest of the Company;
 - c) The payment of the principal amount and interest thereon is also regular;
 - d) There are no overdue amounts in respect of loans taken by the Company;
 - e) However, the company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956;

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- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories of shares etc., fixed assets and also for the sale of shares and services etc. There are no major weaknesses in the internal control to be corrected;
- v. According to the information and explanations given to us, there are no transactions that need to be entered in the register maintained U/s 301 of the Companies Act, 1956;
- vi. The Company has not accepted any deposits from the public;
- vii. The Company has appointed independent internal auditors and in our opinion the internal audit system is commensurate with the size and nature of its business;
- viii. The Central Government has not prescribed the maintenance of cost records under Section 209 of the Companies Act, 1956;
- ix.
 - a) According to the records of the Company, undisputed statutory dues have been regularly deposited during the year with the appropriate authorities.
 - b) According to the information and explanations given to us, there are no disputed/undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and Cess which were in arrears as on 31st March 2010 for a period of more than six months from the date they became payable;
- x. The Company has accumulated losses and such losses exceed 50% of the net worth at the end of the year under audit. The Company has not incurred cash Loss during the year under report. The Company has incurred cash loss in the immediately preceding financial year.
- xi. According to the information and explanations given to us, there are no Loans from financial institutions or banks or debenture holders ;
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans on the basis of security by way of pledge of shares debentures and other securities;
- xiii. The Company is not a nidhi, mutual benefit fund or a society;
- xiv. The Company is dealing or trading in shares, debentures etc. and according to the information and explanations given to us, the Company has maintained proper records of transactions and contracts in respect of such trading. All shares, debentures etc. have been held by the Company in its own name except to the extent of the exemption granted u/s. 49 of the Companies Act, 1956. Some of the Shares ,debentures etc. are in the process of transfer to the name of the Company;
- xv. The Company has not given any guarantees for loans taken by others from banks or financial institutions :
- xvi. According to the information and explanations given to us, the Company has not obtained any term loans during the year.
- xvii. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, We report that no funds raised on short term basis have been used for long term investment;
- xviii. According to the information and explanations given to us, during the year under report the Company has not made any allotment of shares;
- xix. According to the information and explanations given to us the Company has not issued any debentures and hence the question of creating securities or charge therefor does not arise;
- xx. During the year under report, no public issue has been made by the Company;
- xxi. To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

Y.P. SHUKLA
Proprietor
Membership No. 16203

Mumbai,
Date : 20th May, 2010.

PUDUMJEE INVESTMENT & FINANCE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	499.00	499.00
Reserves & Surplus	B	—	—
		499.00	499.00
LOAN FUNDS			
Unsecured loans	C	555.05	574.63
		1,054.05	1,073.63
APPLICATION OF FUNDS			
INVESTMENTS			
	D	573.16	573.16
CURRENT ASSETS, LOANS & ADVANCES			
Stock in Trade		128.94	121.27
Cash & Bank Balances		0.80	0.74
Loans & Advances		0.07	0.09
		129.81	122.10
Less: CURRENT LIABILITIES & PROVISIONS			
Liabilities	F	5.11	9.20
Provisions		1.55	—
		6.66	9.20
NET CURRENT ASSETS		123.15	112.90
MISCELLANEOUS EXPENDITURE	G		
PROFIT & LOSS ACCOUNT		357.74	387.57
		357.74	387.57
		1,054.05	1,073.63

NOTES AS PER SCHEDULE 'H'

As per our report of date attached.

For **KHARE & CO.**
Chartered Accountants

Y. P. SHUKLA
Proprietor

Mumbai, Dated: 20th May, 2010

On behalf of the Board,

MAHABIR PRASAD
Chairman

SHYAM M. JATIA
Director

Mumbai, Dated: 20th May, 2010

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year ended 31.03.2010 (Rs. in lacs)	Year ended 31.03.2009 (Rs. in lacs)
INCOME		
Sale of Shares etc.	120.83	24.18
Dividend	2.38	2.62
Other Income	0.21	0.07
	<u>123.42</u>	<u>26.87</u>
EXPENDITURE		
Purchase of Shares etc.	47.57	35.68
Staff Salaries, Bonus etc.	2.97	3.48
Interest & Bank Charges	41.34	36.57
Office & Miscellaneous Expenses	1.13	1.72
	<u>93.01</u>	<u>77.45</u>
	<u>30.41</u>	<u>(50.58)</u>
INCREASE (DECREASE) IN STOCK OF SHARES		
Opening Stock	121.27	167.98
Closing Stock	128.94	121.27
	<u>7.67</u>	<u>(46.71)</u>
PROFIT / (LOSS) FOR THE YEAR BEFORE TAX	38.08	(97.29)
Less : Provision for Tax	6.10	—
PROFIT / (LOSS) FOR THE YEAR AFTER TAX	31.98	(97.29)
Income tax for earlier year	(2.15)	—
Balance of (Loss) brought forward from last year	(392.30)	(295.01)
	<u>(394.45)</u>	<u>(295.01)</u>
Balance of (Loss) carried forward to next year	<u>(362.47)</u>	<u>(392.30)</u>
Earning per Share (Basic)		
After Tax (Rs.)	1.61	(4.89)
(See note 6 of Schedule 'H')		

NOTES AS PER SCHEDULE 'H'

As per our report of date attached.

For **KHARE & CO.**
Chartered Accountants

Y. P. SHUKLA
Proprietor

Mumbai, Dated: 20th May, 2010

On behalf of the Board,

MAHABIR PRASAD
Chairman

SHYAM M. JATIA
Director

Mumbai, Dated: 20th May, 2010

PUDUMJEE INVESTMENT & FINANCE COMPANY LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2010**

	<u>As at 31.03.2010</u> (Rs. in lacs)	<u>As at 31.03.2009</u> (Rs. in lacs)
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORISED		
20,00,000 Equity Shares of Rs. 10/- each	200.00	200.00
30,00,000 12% Non Cumulative Redeemable Preference Shares of Rs. 10/-each	300.00	300.00
	<u>500.00</u>	<u>500.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
19,90,000 Equity Shares of Rs. 10/- each fully paid up	199.00	199.00
30,00,000 12% Non Cumulative Redeemable Preference Shares of Rs. 10/-each fully paid up	300.00	300.00
	<u>499.00</u>	<u>499.00</u>

1. The entire paid up capital is held by Pudumjee Pulp & Paper Mills Ltd., the holding Company.
2. The Preference Shares are redeemable, any time by giving one month notice of its intention to redeem all or any part of the said shares on or before 05.09.2013.
3. Of the above 20,00,000 preference shares were allotted as fully paid up to the Preference Shareholders of Gresham Investments & Finance Ltd., as per the scheme of Amalgamation.

	<u>AS AT 31.03.2010</u> (Rs. In lacs)	<u>AS AT 31.03.2009</u> (Rs. In lacs)
SCHEDULE 'B' - RESERVES & SURPLUS		
GENERAL RESERVE		
As per last Balance sheet	4.73	4.73
Less : Shown as deducted per contra from Debit Balance of Profit & Loss A/c	4.73	4.73
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>

	<u>AS AT 31.03.2010</u> (Rs. In lacs)	<u>AS AT 31.03.2009</u> (Rs. In lacs)
SCHEDULE 'C' - UNSECURED LOANS		
Short Term Loans & Advances from Holding Company	555.05	574.63
	<u>555.05</u>	<u>574.63</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
SCHEDULE 'D' - INVESTMENTS		
LONG TERM INVESTMENTS (At Cost)		
OTHER INVESTMENT (quoted)		
39,45,790 Equity Shares of Rs. 2 each fully paid of Pudumjee Industries Ltd	573.16	573.16
	<u>573.16</u>	<u>573.16</u>
AGGREGATE AMOUNT OF QUOTED INVESTMENTS		
Cost	573.16	573.16
Market Value	593.84	319.61
	<u>AS AT 31.03.2010 (Rs. In lacs)</u>	<u>AS AT 31.03.2009 (Rs. In lacs)</u>
SCHEDULE 'E' - CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
STOCK IN TRADE		
Equity Shares(at cost or Market value whichever is less)	128.94	121.27
SUNDRY DEBTORS (Unsecured)		
Debts Outstanding for a period exceeding six months	—	—
Other Debts		
Considered good	0.07	—
	<u>0.07</u>	<u>—</u>
CASH AND BANK BALANCES		
On hand as per books	—	—
With Scheduled Banks		
On Current accounts	0.80	0.74
	<u>0.80</u>	<u>0.74</u>
LOANS AND ADVANCES		
Advance Income Tax (Less Provision etc.)	—	0.09
	<u>129.81</u>	<u>122.10</u>
	<u>AS AT 31.03.2010 (Rs. in lacs)</u>	<u>AS AT 31.03.2009 (Rs. in lacs)</u>
SCHEDULE 'F' - CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	5.11	9.20
PROVISIONS		
Income Tax Provision (Less Advance Tax etc.)	1.55	—
	<u>6.66</u>	<u>9.20</u>

PUDUMJEE INVESTMENT & FINANCE COMPANY LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	<u>As at</u> <u>31.03.2010</u> (Rs. in lacs)		<u>As at</u> <u>31.03.2009</u> (Rs. in lacs)
SCHEDULE 'G'- MISCELLANEOUS EXPENDITURE			
PROFIT & LOSS ACCOUNT			
Loss as per Profit & Loss Account	362.47		392.30
Less: Balance in General Reserve (Deducted per contra)	4.73		4.73
	<u>357.74</u>		<u>387.57</u>
	<u><u>357.74</u></u>		<u><u>387.57</u></u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010.**

SCHEDULE 'H'-

Information required under Schedule VI (As certified by the Management)

1. Information in respect of Opening Stock, Purchases, Sales & Closing Stock of Shares. (Including under portfolio Management)

	<u>2009-2010</u>		<u>2008-2009</u>	
	<u>Quantity</u> <u>No.</u>	<u>Value</u> <u>Rs. in Lacs</u>	<u>Quantity</u> <u>No.</u>	<u>Value</u> <u>Rs. in Lacs</u>
Opening Stock				
Equity/Preference Shares etc.	897,152.00	121.27	714,491	167.98
Mutual fund Units	-	-	-	-
Purchases				
Equity Shares	68,170.000	45.05	374,103	35.68
Mutual fund Units	252.483	2.52	-	-
Sales/preference shares etc.				
Equity Shares	385,598.00	118.33	191,442	24.18
Mutual fund Units	250.00	2.50	-	-
Closing Stock				
Equity/Preference Shares etc.	579,724.000	128.92	897,152	121.27
Mutual fund Units	2.483	0.02	-	-

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010. (Contd.)**

2. As on the date of the Balance Sheet, the Company was holding following securities as Stock in Trade. (Including under portfolio Management)

A. Equity Shares :

467500 of Prime Textiles Ltd., 5000 of Tamilnadu Newsprint Ltd., 147 of Infosys Technologies Ltd., 381 of Reliance Industries Ltd., 2840 of Thacker & Co.Ltd., 5000 of BLJ Finance & Investments Pvt.Ltd., 300 of Heath Shrink Technologies Ltd, 84752 of Associated Stone Industries (Kotah) Ltd., 100 of Flower & Tissue Ltd., 100 of Micro Plante Ltd., 804 of G.E. Shipping Co.Ltd., 150 of ITC.Ltd., 78 of GESCO Corporation Ltd., 149 of Tata Motors Ltd., 50 of Shri Vindhya Paper Ltd., 6 of Essar Steel Ltd., 8 of JSW Steels Ltd., 20 of Videocon Industries Ltd., 1825 of Rama Newsprint & Papers Ltd., 5000 of Supreme Holdings Ltd., 100 of Vast Textile Ltd., 500 of Modern India Ltd., 1000 of Tata Sponge Ltd., 12 of Sterlite Industries Ltd, 7 of Andhra bank Ltd., 11 of Bajaj Auto Ltd, 13 of BPCL, 16 of Reliance Infrastructure Ltd., 60 of Lupin Laboratories Ltd., 90 of Kotak Mahindra Bank Ltd. 56 of Dr.Reddy's Laboratories Ltd., 389 of Hindalco, 25 of Reliance Power Ltd, 5 of Oracle Financial Services Ltd, 53 of Tech Mahindra Ltd., 12 of DLF Ltd., 17 of Maruti Suzuki Ltd., 37 of Siemens India Ltd., 44 of HDFC Bank Ltd., 62 of Tata Power Ltd., 40 of Jindal Steel Power Ltd., 58 of ONGC Ltd., 81 of Ranbaxy Laboratories Ltd., 56 of Bank of Baroda., 52 of Hero Honda Ltd., 58 of Punjab National Bank., 44 of LIC Housing Finance Ltd., 95 of Larsen & Toubro Ltd., 85 of Axis Bank Ltd, 27 of HDFC Ltd., 36 of Wipro Ltd., 208 of Mahindra & Mahindra Ltd., 243 of Crompton Greaves Ltd., 174 of SESA Goa Ltd., 168 of Tata Consultancy Service Ltd, 209 of Corporation Bank, 103 of ICICI Bank Ltd, 520 of MRPL, 4 of BHEL, 120 of Tata Steel Ltd., 127 of IFCI Ltd, 2 of Asian Paints Ltd., 2 of Reliance Natural Resources Ltd., 43 of MPHASIS Ltd.

B. Preference Shares :

450 of Shri Royalseema Alkali Ltd.

C. Mutual Fund Units :

2.483 of BENCHMARK MF- Liquid Bees,

3. Office & Miscellaneous expenses include Auditors Remuneration:

	<u>2009-2010</u>	<u>2008-2009</u>
	Rs. in lacs	Rs. in lacs
Audit fees	0.44	0.44
Taxation Matters	0.22	-
Others	0.06	0.28
	0.72	0.72

- 4 Following significant accounting policies have been adopted in preparation and presentation of the financial statements.

- Stock of Shares is valued at lower of cost or market value.
- Investments are classified into current and long term investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost, less provision for permanent diminution in value, if any.
- Borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.
- Revenue recognition is postponed to a later year only when it is not possible to estimate it with reasonable accuracy.

- 5 In view of prevailing circumstances, no deferred tax asset has been recognised in respect of accumulated losses.

- 6 Computation of basic Earning Per Share (EPS)

	As At 31.03.2010	As At 31.3.2009
Net Profit (Loss) after tax as per Profit & Loss A/c	Rs. (31.98) lacs	Rs. (97.29) lacs
No of Equity Shares of Rs.10/- each	19.90 lacs	19.90 lacs
Basic EPS after tax	Rs. 1.61	Rs. -4.89

PUDUMJEE INVESTMENT & FINANCE COMPANY LIMITED

7 Related Party Disclosures (Accounting Standard-18)

a) Relationship

Holding Company

Pudumjee Pulp & Paper Mills Ltd

Associate Companies / Firm

Pudumjee Plant Laboratories Ltd.,

Pudumjee Industries Ltd.

Pudumjee Hygiene Products Limited,

Prime Developers.

Pudumjee-G : Corp Developers

b) Transactions with related parties

- i) Interest bearing intercorporate deposit received during the year from holding company Rs. 88.13 lacs (Previous year Rs. 74.62 lacs)
- ii) Interest debited to the Profit & Loss account in respect of loan availed from holding company Rs. 41.28 lacs. (Previous year Rs. 36.51 lacs)
- iii) Interest bearing intercorporate deposits availed from Holding company Pudumjee Pulp & Paper Mills Ltd, outstanding as on 31-03-2010 including interest Rs. 555.05 lacs (Previous year 574.63 lacs) Maximum during year Rs. 609.66 lacs (Previous year Rs. 574.63 lacs)

8 Some of the stocks of Shares etc. are in the process of transfer in the name of the Company.

9 Contingent Liability NIL NIL

10. The Company has not accepted any public deposits during the year.

11. Previous year's figures have been recast and regrouped wherever necessary to conform to this year's presentation.

12 Schedule to the Balance Sheet (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

(Rs. in lacs)

Particulars	Year Ending 31.03.2010	
	Amount Outstanding	Amount Overdue

LIABILITIES SIDE :

(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured		
: Unsecured		
(other than falling within the meaning of public deposits)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Terms Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	555.05	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (Specify nature)	NIL	NIL

ASSETS SIDE :

	Amount	Outstanding
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured		NIL
(b) Unsecured		NIL

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		Amount Outstanding (Rs. in Lacs)
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i)	Lease assets including lease rentals under Sundry Debtors	NIL
	(a) Financial lease	
	(b) Operating lease	
(ii)	Stock on hire including hire charges under Sundry Debtors	NIL
	(a) Assets on hire	
	(b) Repossessed Assets	
(iii)	Other loans counting towards AFC activities	NIL
	(a) Loans where assets have been repossessed	
	(b) Loans other than (a) above	
(4)	Break-up of Investments :	
	Current Investments :	
1.	Quoted :	128.91
	(i) Shares : (a) Equity	NIL
	(b) Preference	0.01
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	0.02
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
2.	Unquoted :	
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
	Long Term investments :	
1.	Quoted :	
	(i) Shares : (a) Equity	573.16
	(b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	
	(v) Others (please specify)	
2.	Unquoted :	
	(i) Shares : (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL

PUDUMJEE INVESTMENT & FINANCE COMPANY LIMITED

		Amount Outstanding (Rs. in Lacs)		
(5) Borrower group-wise classification of assets financed as in (2) & (3) above :				
Category	Amount net of provisions			Total
	secured	Unsecured		
1. Related Parties **				
(a) Subsidiaries				NIL
(b) Companies in the same group				NIL
(c) Other related parties				NIL
2. Other than related parties				NIL
Total	NIL	NIL		NIL
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
Category	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
1. Related Parties **				
(a) Subsidiaries		NIL		NIL
(b) Companies in the same group		593.84		573.16
(c) Other related parties		NIL		NIL
2. Other than related parties		128.94		128.94
Total		722.78		702.10
** As per Accounting Standard of ICAI				
(7) Other information				
Particulars	Amount (Rs. in Lacs)			
(i) Gross Non-Performing Assets				
(a) Related Parties	NIL			
(b) Other than related parties	NIL			
(ii) Net Non-Performing Assets				
(a) Related Parties	NIL			
(b) Other than related parties	NIL			
(iii) Assets acquired in satisfaction of debt	NIL			

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13. Balance Sheet Abstract and Company's General Business Profile –

I. Registration Details

Registration No. State Code
 Balance Sheet Date

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue Right Issue
 Bonus Issue Private Placement

III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus
 Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure
 Accumulated Loss

IV. Performance of Company (Amount in Rs. thousands)

Turnover Total Expenditure
 Profit / Loss before tax Profit / Loss after tax

(Please tick appropriate box + for profit, – for Loss)

Earnings per Share in Rs. Dividend rate %

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Not Applicable

SIGNATURES TO SCHEDULES 'A' TO 'H'

As per our report of date attached.

For **KHARE & CO.**
Chartered Accountants

Y. P. SHUKLA
Proprietor

Mumbai, Dated : 20th May, 2010

On behalf of the Board,

MAHABIR PRASAD
Chairman

SHYAM M. JATIA
Director

Mumbai, Dated : 20th May, 2010

PUDUMJEE INVESTMENT & FINANCE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

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

(Rs. in lacs)

	2009-2010	2008-2009
A Cash Flow from Operating Activities		
Net profit / (Loss) before Taxation & Extraordinary Items	38.08	(97.29)
Adjustments for :		
Interest & Financial charges	41.34	36.57
Other income	(2.59)	(2.69)
	<u>38.75</u>	<u>33.88</u>
Operating profit before Working Capital Changes	76.83	(63.41)
(Increase) / Decrease in Inventories	(7.67)	46.71
Increase / (Decrease) in Debtors	(0.07)	—
Increase / (Decrease) in Liabilities	(4.09)	1.06
	<u>(11.83)</u>	<u>47.77</u>
Cash Generated / (used) from Operations	65.00	(15.64)
Income Tax (paid) / Refund Received (Net)	(4.46)	0.35
Cash Flow before Extraordinary Items	60.54	(15.29)
(Expenses) / Income of earlier years	(2.15)	—
Net cash from / (used) in Operating Activities	<u>58.39</u>	<u>(15.29)</u>
B Cash flow from Investing Activities		
Dividend Received	2.59	2.69
Net cash from / (used) Investing Activities	<u>2.59</u>	<u>2.69</u>
C Cash flow from Financing Activities		
Proceeds from Borrowings	129.41	111.13
Repayment of Borrowings	(148.99)	(61.90)
Payment of Interest	(41.34)	(36.57)
Net cash from / (used) in Financing Activities	<u>(60.92)</u>	<u>12.66</u>
Net change in Cash & Cash Equivalents (A+B+C)	0.06	0.06
Cash & Cash Equivalents (Opening Balance)	0.74	0.68
Cash & Cash Equivalents (Closing Balance)	<u>0.80</u>	<u>0.74</u>

Note: Figures in brackets represent cash outflows.

Correctly extracted from Audited Accounts of the Company.

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

Y. P. SHUKLA
Proprietor

Mumbai, Dated : 20th May, 2010

On behalf of the Board,

MAHABIR PRASAD
Chairman

SHYAM M. JATIA
Director

Mumbai, Dated : 20th May, 2010

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,

The Board of Directors,
Pudumjee Pulp & Paper Mills Limited.

We have examined the attached Consolidated Balance Sheet of PUDUMJEE PULP & PAPER MILLS LIMITED ("the Company") and its subsidiary as at 31st March, 2010, and the Consolidated Profit and Loss Account for the year then ended annexed thereto and the consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiary as at 31st March, 2010; and
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiary for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiary for the year ended on that date.

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

Y.P. SHUKLA
PROPRIETOR.
Membership No.16203

Mumbai, dated 20th May, 2010

PUDUMJEE PULP & PAPER MILLS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Schedule	AS AT 31.03.2010	AS AT 31.03.2009
	Rs. in lacs	Rs. in lacs
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	A 820.00	820.00
Reserves & Surplus	B 11,726.50	10,931.45
	12,546.50	11,751.45
LOAN FUNDS		
Secured Loans	C 3,178.46	3,562.80
Unsecured Loans	D 3,644.08	1,643.66
	6,822.54	5,206.46
PROVISION FOR DEFERRED TAX	2,139.00	2,317.00
	21,508.04	19,274.91
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	E 24,516.06	24,658.08
Less: Depreciation	13,453.41	12,779.95
Net Block	11,062.65	11,878.13
Capital Work in Progress	19.40	120.41
	11,082.05	11,998.54
INVESTMENTS	F 2,049.03	1,005.74
CURRENT ASSETS, LOANS & ADVANCES		
Inventories	G 3,294.24	3,340.73
Sundry Debtors	3,078.93	2,690.81
Cash & Bank Balances	191.01	103.33
Loans & Advances	5,705.41	3,190.84
	12,269.59	9,325.71
Less : CURRENT LIABILITIES & PROVISIONS	H	
Liabilities	3,054.40	2,397.47
Provisions	838.23	657.61
	3,892.63	3,055.08
NET CURRENT ASSETS	8,376.96	6,270.63
	21,508.04	19,274.91

NOTES AS PER SCHEDULE 'N'

As per our report of date attached.

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

Y. P. SHUKLA
Proprietor

Mumbai, Dated : 20th May, 2010

On behalf of the Board,

MAHABIR PRASAD
Chairman & Managing Director

O. P. GUPTA
Director

Mumbai, Dated : 20th May, 2010

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CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	2009-2010 Rs. in Lacs	2008-2009 Rs. in Lacs
INCOME			
Sales & Income from Operation	I	21,920.46	22,054.21
Other Income	J	108.86	99.91
		<u>22,029.32</u>	<u>22,154.12</u>
EXPENDITURE			
Manufacturing & Other Expenses	K	18,424.79	17,133.31
Trade purchases		356.45	2,751.84
Interest & Financial Charges	L	192.18	402.70
Net Foreign Exchange Loss / (Gain)		(103.79)	267.08
Depreciation		1,014.94	1,003.87
		<u>19,884.57</u>	<u>21,558.80</u>
		<u>2,144.75</u>	<u>595.32</u>
INCREASE / (DECREASE) IN STOCK			
Stock at Commencement	M	1,752.75	1,772.48
Stock at Close		1,226.06	1,752.75
		<u>(526.69)</u>	<u>(19.73)</u>
PROFIT FOR THE YEAR BEFORE EXTRAORDINARY ITEMS			
		<u>1,618.06</u>	<u>575.59</u>
Less: V.R.S. compensation (to the extent written off)		-	18.09
PROFIT FOR THE YEAR BEFORE TAX			
		<u>1,618.06</u>	<u>557.50</u>
Less: Provision for Current Taxation		694.10	304.00
Add / (Less) : Deferred Tax Saving / (Expense)		(178.00)	(109.00)
		<u>516.10</u>	<u>195.00</u>
PROFIT FOR THE YEAR AFTER TAX			
		<u>1,101.96</u>	<u>362.50</u>
Income / (Expenditure) for earlier years (Net)		(2.15)	-
Balance brought forward from last year		1,954.01	1,950.50
		<u>1,951.86</u>	<u>1,950.50</u>
AMOUNT AVAILABLE FOR APPROPRIATIONS			
APPROPRIATIONS:			
Proposed Dividend on Equity Shares (Free of Tax)		123.00	102.50
Tax on Proposed Dividend		20.43	17.42
Transfer to General Reserve		500.00	200.00
Transfer to Capital Reserve III		42.04	39.07
		<u>685.47</u>	<u>358.99</u>
Balance carried forward to next year		<u><u>2,368.35</u></u>	<u><u>1,954.01</u></u>
Earning per share			
		<u>Rs.</u>	<u>Rs.</u>
Basic			
After Current Tax & Deferred Tax.		2.69	0.88
Diluted			
After Current Tax & Deferred Tax.		2.10	0.71
(See note no. 13 of Schedule 'N')			

NOTES AS PER SCHEDULE 'N'

As per our report of date attached.

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

Y. P. SHUKLA
Proprietor

Mumbai, Dated : 20th May, 2010

S. K. BANSAL
Director (Finance) &
Company Secretary

On behalf of the Board,
MAHABIR PRASAD
Chairman & Managing Director

O. P. GUPTA
Director

Mumbai, Dated : 20th May, 2010

PUDUMJEE PULP & PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

	AS AT 31.03.2010	AS AT 31.03.2009
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORISED		
4,75,00,000	Equity Shares of Rs.2/-each * (Last Year 95,00,000 Equity Shares of Rs.10/-each)	
	950.00	950.00
50,000	14% (Free of Company's tax but subject to deduction of tax at source at the prescribed rates) Redeemable Cummulative Preference Shares of Rs. 100/- each.	
	50.00	50.00
	1,000.00	1,000.00
ISSUED, SUBSCRIBED AND PAID UP		
4,10,00,000	Equity Shares of Rs.2/- each * (Last year 82,00,000 Equity Shares of Rs.10/- each)	
	820.00	820.00

Of the above, 9,25,000 Equity shares of Rs.2/-each (Last Year 1,85,000 Equity Shares of Rs.10/-each) were allotted as fully paid up for consideration other than cash and 2,90,00,000 equity shares of Rs.2/-each (Last Year 58,00,000 Equity Shares of Rs.10/-each) were allotted as fully paid up Bonus shares issued by way of utilisation of Rs.4,10,00,000 from share premium account and Rs. 1,70,00,000 from General Reserve.

* During the year each equity share of face value of Rs.10 was sub divided in to 5 Equity Shares of face value of Rs.2 each.

	AS AT 31.03.2010	AS AT 31.03.2009
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'B' - RESERVES & SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	6,358.39	6,158.39
Add : Transfer from Profit & Loss Account	500.00	200.00
	6,858.39	6,358.39
SHARE PREMIUM ACCOUNT		
As per last Balance Sheet	1,537.50	1,537.50
CAPITAL RESERVE I		
On Reissue of forfeited shares	5.86	5.86
CAPITAL RESERVE II (On Consolidation of Subsidiary Companies)		
As per last Balance Sheet	297.83	297.83
CAPITAL RESERVE III (On Consolidation of Associate Companies)		
On Valuation of Investments	392.01	351.90
Add: Transfer from P & L Account	42.04	39.07
	434.05	390.97
RESERVE FOR DOUBTFUL DEBTS (See Schedule 'H')		
	224.52	386.89
SURPLUS		
Balance in Profit & Loss Account	2,368.35	1,954.01
	11,726.50	10,931.45

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	AS AT 31.03.2010	AS AT 31.03.2009
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'C' - SECURED LOANS		
FROM BANKS		
Term Loan (Secured by the hypothecation of assets specifically purchased therefrom)	—	8.02
Other Term Loan*	1,018.22	1,879.05
Other Loans (Against hypothecation of stocks, stores & book debts of parent company)**		
Working Capital Demand Loan	150.00	150.00
Cash Credit	1,530.24	805.73
	<u>1,680.24</u>	955.73
FROM FINANCIAL INSTITUTIONS *		
Term Loan	480.00	720.00
	<u>3,178.46</u>	<u>3,562.80</u>

Note: .* Security : First charge on all immoveable and moveable properties of the Parent Company, both present and future subject, however, to the prior charges created and / or to be created by the Company on its (i) moveables specifically hypothecated and (ii) other movables and book debts in favour of its bankers for securing borrowings for working capital and deferred payment guarantees . All these loans shall rank pari passu with the existing and future first charges created in favour of Financial Institutions and Banks.

** Security : Prior charge as aforesaid and a second charge on immovables of the Parent Company.

	AS AT 31.03.2010	AS AT 31.03.2009
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'D' - UNSECURED LOANS		
FIXED DEPOSITS	2,984.29	1,467.69
UNCLAIMED INTEREST ON FIXED DEPOSITS	1.59	1.06
OTHER SHORT TERM LOANS & ADVANCES		
From Bank	500.00	—
From Others	158.20	174.91
	<u>658.20</u>	174.91
	<u>3,644.08</u>	<u>1,643.66</u>

PUDUMJEE PULP & PAPER MILLS LIMITED

PUDUMJEE PULP & PAPER MILLS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)

SCHEDULE 'E' - FIXED ASSETS (At Cost) (Rs. in lacs)

TYPE OF ASSETS	Cost upto 31.3.2009	Additions/ Transfers during the year	Deductions/ Transfers during the year	Balance Cost upto 31.3.2010	Depreciation upto 31.3.2009	Depreciation for the year	Depreciation on sold Assets and on deductions written back	Depreciation Balance as on 31.3.2010	Net Book Value as on 31.3.2010	Net Book Value as on 31.3.2009
Land	5.89	-	-	5.89	-	-	-	-	5.89	5.89
Building	2,360.33	27.87	-	2,388.20	815.84	60.31	-	876.15	1,512.05	1,544.49
Expenditure for Dam										
Wfer etc.	629.36	-	-	629.36	-	-	-	-	629.36	629.36
Machinery	21,091.27	133.48	347.14	20,877.61	11,526.49	921.83	329.40	12,118.92	8,758.69	9,564.78
Laboratory Equipments	21.89	-	-	21.89	11.97	1.52	-	13.49	8.40	9.92
Furniture & Fixtures	373.09	2.16	0.10	375.15	306.26	11.23	0.10	317.39	57.76	66.83
Vehicles	176.25	54.95	13.24	217.96	119.39	20.05	11.98	127.46	90.50	56.86
Total	24,658.08	218.46	360.48	24,516.06	12,779.95	1,014.94	341.48	13,453.41	11,062.65	11,878.13
Previous Year	24,278.90	397.71	18.53	24,658.08	11,787.66	1,003.87	11.58	12,779.95	11,878.13	12,491.24

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	<u>AS AT</u> <u>31.03.2010</u>	<u>AS AT</u> <u>31.03.2009</u>
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'F' - INVESTMENTS		
LONG TERM INVESTMENTS		
IN ASSOCIATE COMPANIES (UNDER EQUITY METHOD)		
675,000 Equity shares of Pudumjee Plant Laboratories Ltd. of Rs. 10/- each fully paid (unquoted)	60.00	60.00
43,12,515 Equity shares of Pudumjee Industries Ltd. of Rs. 2/- each fully paid (quoted)	1,013.71	970.63
Investment in Pudumjee-G. Corp Developers - a Firm	35.00	35.00
SHORT TERM INVESTMENTS (AT COST)		
CURRENT INVESTMENTS (unquoted) (LOWER OF COST OR FAIR VALUE)		
30,003 (Last Year Nil) Units of Bharti AXA Liquid Fund. of Rs.1000/- each fully paid	300.03	-
10 (Last Year Nil) Units of Bharti AXA Treasury Advantage Fund. of Rs.1000/- each fully paid	0.10	-
2,997,961 (Last Year Nil) Units of Birla Sunlife Saving Fund. of Rs.10/- each fully paid	300.00	-
2,616,831 (Last Year Nil) Units of Reliance Liquid Fund. of Rs.10/- each fully paid	400.04	-
10 (Last Year Nil) Units of Reliance Money Manager Fund of Rs.1000/- each fully paid.	0.10	-
189 (Last year 640 Units) of Birla Sunlife cash Plus of Rs 10 each fully paid	0.05	0.11
	2,109.03	1,065.74
Less : Provision for Diminution in value of Long term Investments deducted per contra	60.00	60.00
	2,049.03	1,005.74
Aggregate amount of quoted investments		
Cost	1,013.71	970.63
Market Value	649.03	349.31
Aggregate amount of unquoted investments		
Cost	1,095.32	95.11

PUDUMJEE PULP & PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	AS AT 31.03.2010		AS AT 31.03.2009
	Rs. in Lacs		Rs. in Lacs
SCHEDULE 'G' - CURRENT ASSETS, LOANS & ADVANCES			
CURRENT ASSETS			
INVENTORIES			
(As certified by a Director)			
STORES, SPARE PARTS ETC. (At cost) (At lower of cost or realisable value)	739.93	1,026.65	
LOOSE TOOLS (At cost)	1.41	2.20	
STOCK-IN-TRADE			
Finished Paper / Shares (At lower of cost or market value.)	969.46	1,603.55	
Work-in-process (At cost)	256.61	149.20	
Raw material (At cost)	1,326.83	559.13	
	<u>3,294.24</u>	<u>3,340.73</u>	
SUNDRY DEBTORS (Unsecured)			
Debts outstanding for a period exceeding six months			
Considered Good	110.73	192.67	
Considered Doubtful	270.42	106.77	
	<u>381.15</u>	<u>299.44</u>	
Other Debts			
Considered Good	2,968.20	2,498.14	
Considered Doubtful	0.85	2.51	
	<u>3,350.20</u>	<u>2,800.09</u>	
Less : Provision for Doubtful Debts deducted per contra	271.27	109.28	
	<u>3,078.93</u>	<u>2,690.81</u>	
C/O	<u>6,373.17</u>	<u>6,031.54</u>	

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

		<u>AS AT</u> <u>31.03.2010</u>	<u>AS AT</u> <u>31.03.2009</u>
		Rs. in Lacs	Rs. in Lacs
CURRENT ASSETS (contd.)			
	B/O	6,373.17	6,031.54
CASH & BANK BALANCES			
On hand as per books	9.30	5.25	
On deposit accounts with Scheduled Banks	61.85	10.21	
On other accounts with Scheduled Banks	32.91	39.06	
Cheques on hand	86.95	48.81	
		191.01	103.33
LOANS & ADVANCES			
(Unsecured, considered good unless otherwise stated)			
Prepaid Expenses	45.33	29.45	
Advances to employees	15.37	6.06	
Deposits	32.49	34.62	
Advances recoverable in cash or in kind considered good	5,612.22	3,120.71	
considered doubtful	43.95	43.57	
	5,749.36	3,234.41	
Less : Provision for Doubtful Advances deducted per contra	43.95	43.57	
		5,705.41	3,190.84
		12,269.59	9,325.71

PUDUMJEE PULP & PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd.)**

	AS AT 31.03.2010	AS AT 31.03.2009
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'H' - CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Acceptances	1,476.87	804.96
Sundry Creditors	1,470.18	1,519.67
Unclaimed dividend	11.86	11.80
Interest on Loans accrued but not due	95.49	61.04
	3,054.40	2,397.47
PROVISIONS		
Provision for Diminution in value of long term investments As per last balance sheet	60.00	60.00
Less: Deducted per contra from Investments	60.00	60.00
	—	—
Provision for Doubtful Debts & Advances	539.74	539.74
Less : Debts & Advances considered Doubtful as deducted per contra	315.22	152.85
	224.52	386.89
Less : Surplus provision shown under Reserves & Surplus	224.52	386.89
	—	—
Provision for Current Taxation (Less : Advance Income Tax etc.)	147.80	159.74
Provision for Gratuity & Leave Encashment	567.43	395.37
Proposed Dividend	123.00	102.50
	838.23	657.61
	3,892.63	3,055.08

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	<u>2009-2010</u>	<u>2008-2009</u>
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'I' - SALES & INCOME FROM OPERATIONS		
PAPER	21,382.40	19,120.04
Less : Excise Duty	<u>734.99</u>	<u>793.14</u>
	20,647.41	18,326.90
TRADE SALE		
STEEL	-	2,191.07
SHARES	120.83	24.18
OTHERS	<u>344.25</u>	<u>554.73</u>
	465.08	2,769.98
MISCELLANEOUS SALES	85.29	116.74
Less : Excise Duty	<u>1.08</u>	<u>0.58</u>
	84.21	116.16
PROCESSING & OTHER SERVICE CHARGES	<u>723.76</u>	<u>841.17</u>
	<u>21,920.46</u>	<u>22,054.21</u>

	<u>2009-2010</u>	<u>2008-2009</u>
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 'J' - OTHER INCOME		
DIVIDENDS		
Others	11.89	2.63
PROFIT ON SALE / TRANSFER OF FIXED ASSETS (NET)	-	3.77
PROFIT ON SALE OF INVESTMENTS On Current Investments	0.28	-
SHARE OF PROFIT IN ASSOCIATE COMPANY	42.04	39.07
MISCELLANEOUS INCOME	54.65	54.44
	<u>108.86</u>	<u>99.91</u>

PUDUMJEE PULP & PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)**

	<u>31.03.2010</u>		<u>31.03.2009</u>
	Rs. in Lacs		Rs. in Lacs
SCHEDULE 'K' - MANUFACTURING & OTHER EXPENSES			
CONSUMPTION OF RAW MATERIALS	8,615.09		8,352.42
CONSUMPTION OF STORES, COLOURS, CHEMICALS etc.	2,071.10		1,448.94
SALARIES, WAGES, BONUS etc.			
Salaries, Wages, gratuity & Bonus	1,380.50	1,258.86	
Contribution to Provident & Other Funds (Including Administrative Charges)	110.96	98.40	
Employees State Insurance	2.87	1.74	
Workmen & Staff Welfare Expenses	65.05	61.61	
	<u>1,559.38</u>		1,420.61
FUEL, POWER & WATER	4,066.95		4,167.43
RENT, RATES & TAXES { Includes Rent paid Rs. 5.15 lacs (Previous year Rs. 5.15 lacs) }	109.67		31.96
EFFLUENT DISPOSAL EXPENSES	39.81		55.56
REPAIRS & MAINTENANCE			
Machinery	851.89	602.07	
Buildings	46.40	55.32	
Others	10.70	11.69	
	<u>908.99</u>		669.08
INSURANCE	14.01		15.61
PACKING, CARTAGE, CUTTING, BALING, FREIGHT ETC.	357.18		402.43
COMMISSION ON SALES	133.19		170.00
DIRECTORS' FEES & ALLOWANCES	1.51		1.52
DIRECTORS' REMUNERATION	161.51		76.13
DEVELOPMENT & RESEARCH EXPENSES	70.02		66.52
BAD DEBTS & ADVANCES WRITTEN OFF	6.99		1.68
LOSS ON SALE /TRANSFER OF FIXED ASSETS	7.23		-
OFFICE & MISCELLANEOUS EXPENSES	302.16		253.42
	<u>18,424.79</u>		<u>17,133.31</u>
<hr/>			
	<u>31.03.2010</u>		<u>31.03.2009</u>
	Rs. in Lacs		Rs. in Lacs
SCHEDULE 'L' - INTEREST & FINANCIAL CHARGES			
INTEREST ON DEBENTURES & FIXED TERM LOANS	475.11	570.67	
OTHER INTEREST & FINANCIAL CHARGES	182.05	229.58	
	<u>657.16</u>		800.25
LESS:			
INTEREST RECEIVED ON TRADE DEBTS	158.13	76.69	
INTEREST RECEIVED FROM OTHERS	306.85	320.86	
	<u>464.98</u>		397.55
	<u>192.18</u>		<u>402.70</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)**

	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
SCHEDULE 'M' - INCREASE/ (DECREASE) IN STOCK		
STOCK AT COMMENCEMENT		
Finished Paper/ Shares	1,603.55	1,662.08
Work-in-Process	149.20	110.40
	1,752.75	1,772.48
STOCK AT CLOSE		
Finished Paper/ Shares	969.45	1,603.55
Work-in-Process	256.61	149.20
	1,226.06	1,752.75
	(526.69)	(19.73)

**SCHEDULE OF NOTES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT AND THE CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

SCHEDULE 'N' -

	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
Information required under schedule VI		
1 Directors' Remuneration consists of the following:		
Managerial remuneration	68.40	44.64
Commission on net profit	17.08	-
Perquisites	27.26	19.81
Company's contribution to Provident Fund	8.21	5.36
Gratuity	40.56	6.32
	161.51	76.13
2 Miscellaneous sales have been stated net of stocks.		
3 Salary, Wages, gratuity and bonus (Schedule 'L') does not include a sum of Rs. 74.75 lacs (Last year Rs.64.84 lacs) transferred to other accounts.		
4 Break up of Net foreign exchange Loss / (Gain) as under:		
	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
(i) Consumption of raw materials	(89.47)	267.43
(ii) Consumption of stores, colours and chemicals	(14.13)	5.82
(iii) Consumption of Machinery stores & Spares	(0.15)	0.18
(iv) Interest & Financial charges	-	-
(v) Sales	(0.04)	(6.35)
	(103.79)	267.08

PUDUMJEE PULP & PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT AND THE CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)**

SCHEDULE 'N' - (contd.)

	<u>2009-2010</u>	<u>2008-2009</u>
	(Rs.in lacs)	(Rs.in lacs)
5 Payments made to Auditors: (For all statutory Auditors)		
Audit fees	2.19	1.74
Taxation matters	0.82	0.45
Others	1.71	1.63
	<u>4.72</u>	<u>3.82</u>
6 Development and Research Expenditure includes Rs. 2.02 lacs (Last year Rs. 11.39 lacs) for Equipment.		
7 Estimate of contracts remaining to be executed on capital account and not provided for amounted to Rs. 7.50 lacs (Last year Rs.14.86 lacs).		
8 The expenditure for dam, weir, etc.as shown in Schedule 'E'-Fixed Assets represents expenditure, contributed to Government authorities in respect of assets owned or that may be owned by them and therefore has not been subjected to depreciation in conformity with the Generally Accepted Accounting Principles.		
9 Land admeasuring about 4000 Sq.Meters has been acquired by Municipal Corporation for road widening purpose in the earlier years. The parent 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.		
10 The Equity Shares of the company were sub-divided from Rs.10 each to Rs.2 per share w.e.f. 1.4.2009 by altering the capital clause in Memorandum of Association vide EOGM of Shareholders held on 27.2.2009.		
11 Contingent Liabilities not provided for in respect of:	AS AT	AS AT
	31.03.2010	31.03.2009
	(Rs. in lacs)	(Rs. in lacs)
i) Letters of Credit and Bank Guarantees in favour of Govt. Authorities and suppliers of raw materials, spares etc.*	812.75	1,705.92
ii) Guarantee for loans granted to Companies *	199.37	71.51
iii) Claims against the Companies not acknowledged as debts for excise duty, property tax, Sales tax, Income tax and commercial claims etc. **	753.26	743.80
* Will not affect the future Profitability.		
** May affect the future profitability to the extent indicated, if such liabilities crystallise.		
12 Following significant accounting policies have been adopted in preparation and presentation of the financial statements:		
a) Fixed Assets are valued at cost.		
b) Borrowing costs comprising interest etc. relating to projects are capitalised up to the date of its completion and other borrowing costs are charged to Profit & Loss Account in the year of their accrual.		
c) Depreciation on Machinery & Building has been provided on Straight Line Method and that on the other Assets on Written Down Value method in accordance with Schedule XIV of the Companies Act, 1956 as in force as on the date of Balance Sheet.		

SCHEDULE 'N' - (contd.)

However, No depreciation is provided on capital expenditure incurred in respect of assets owned or that may be owned by the Government authorities.

- d) Stock of Finished goods and Shares is valued at lower of cost or market value. All other inventories are valued at lower of cost on First in First Out Method or realisable value.
- e) Investments are classified into current and long term investments. Current investments are stated at lower of cost or fair value. Long term investments are stated at cost, less provision for permanent diminution in value, if any.
- f) (i) Contributions to defined contribution schemes, namely, Provident Fund and Superannuation Fund is made at a pre-determined rates and are charged to the Profit & Loss Account.
- (ii) Contributions to the defined benefit scheme, namely, Gratuity Fund & provision for the remaining Gratuity and for Leave encashment are made on the basis of actuarial valuations made in accordance with the revised Accounting Standard (AS) 15 at the end of each Financial Year and are charged to the Profit & Loss Account of the year.
- (iii) Actuarial gains & losses are recognized immediately in the Profit & Loss Account.
- g) Foreign Exchange Transactions are recorded at the then prevailing rate. Closing balances of Assets & Liabilities relating to foreign currency transactions are converted into rupees at the rates prevailing on the date of the Balance Sheet.
- The difference for transactions are dealt with in the Profit & Loss Account.
- h) Miscellaneous Expenditure - Compensation paid under Voluntary Retirement Scheme has been deferred, to be written off over a period of five years.
- i) Revenue recognition is postponed to a later year only when it is not possible to estimate it with reasonable accuracy.
- j) 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.

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

	AS AT 31.03.2010	AS AT 31.03.2009
Basic EPS:		
(a) Net Profit after tax as per Profit & Loss Account :		
After current and deferred Tax	Rs. 1,101.96 lacs	Rs. 362.50 lacs
(b) No. of Equity shares of Rs.2/- each :	410.00 lacs	410.00 lacs
(c) Basic EPS (in Rs.)		
After current and deferred Tax (a / b)	Rs. 2.69	Re. 0.88
Diluted EPS:		
(d) Value of Originally Loan / allotted Debentures with right of conversion in case of default in repayment obligations*	Rs 1,200.00 lacs	Rs 1,200.00 lacs
(e) Maximum conversion at 20% in case of default in repayment obligations*	Rs 240.00 lacs	Rs 240.00 lacs
(f) Number of Equity Shares of Rs. 2/- each on such notional conversion as on 1st April, 2009. (last year 1st April, 2008)	120.00 lacs	120.00 lacs
(g) Total number of Equity Shares both existing and notionally converted (b+f)	530.00 lacs	530.00 lacs

PUDUMJEE PULP & PAPER MILLS LIMITED

SCHEDULE 'N' - (contd.)

13 Computation of basic and diluted Earning Per Share (EPS) (contd.)

	AS AT 31.03.2010	AS AT 31.03.2009
(h) Net Profit After Tax as per Profit & Loss Account		
After current and deferred Tax	Rs 1,101.96 lacs	Rs 362.50 lacs
Add : Hypothetical saving in Interest for the period on notional conversion	Rs 19.20 lacs	Rs 19.20 lacs
Less : Income Tax thereon	Rs 6.53 lacs	Rs 6.53 lacs
Total of (h)		
(i) After current and deferred Tax	Rs 1,114.63 lacs	Rs 375.17 lacs
Diluted Earning Per Share (in Rs.)		
After current and deferred [(h)/(g)]	Rs 2.10	Re 0.71

* There has been no default in repayment obligations during the year and the balance of such loan / debentures as at 31.03.2010 was Rs.480 lacs (Last year Rs.720 lacs)

During the year, each equity share of face value of Rs.10/- was subdivided into 5 equity shares of face value of Rs.2/- each.

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

	AS AT 31.03.2010	AS AT 31.03.2009
	(Rs. in lacs)	(Rs. in lacs)
In respect of Depreciation	2,464	2,582
In respect of allowances and disallowances under various provisions of Income Tax Act.	(325)	(265)
Net Deferred Tax Liability	<u>2,139</u>	<u>2,317</u>

(b) The Deferred Tax Asset in respect of carry forward of losses has been worked out on the basis of assessment orders, returns of income filed for subsequent assessment years and estimate of the taxable income for the period ending 31st March, 2010.

15 The following amounts which had become due and payable to the credit of The Investor Education and Protection Fund have been so paid and there are no amounts remaining outstanding as at 31st March, 2009 which are to be credited to the fund.

	31.03.2010	31.03.2009
	(Rs. in Lacs)	(Rs. in lacs)
Unclaimed Dividends	1.75	1.50
Unclaimed matured deposits	0.33	-
Unclaimed Interest on deposits	0.05	-
	<u>2.13</u>	<u>1.50</u>

SCHEDULE 'N' - (contd.)

16 Related party disclosures (Accounting Standard 18) :

A) Associate Firms / Companies

- a) M/s Pudumjee-G : Corp Developers
- b) M/s Prime Developers.
- c) Pudumjee Industries Limited.
- d) Pudumjee Plant Laboratories Limited.
- e) Pudumjee Hygeine Products Limited.

B) Key Management personnel

- Shri. M.P.Jatia
Chairman & Managing Director
- Shri. V.P.Lekha
Wholtime Director
- Shri. S.K.Bansal
Wholtime Director

C) Transactions with related Parties.

	2009-2010 (2008-2009) (Rs. in lacs)		
	Associate Companies	Maximum during the year	Key Management Personnel
a) Interest bearing Inter Corporate Deposits etc. lent during the year	6097.00 (620.00)		
b) Interest charged during the year	242.50 (232.59)		
c) Inter Corporate Deposits / Advances etc. outstanding receivable as at 31st March, 2010 including interest			
Pudumjee-G : Corp Developers	127.00 (132.38)	127.00 (132.38)	
Pudumjee Industries Limited	4,527.25 (1,821.88)	4569.00 (2,163.33)	
d) Asset sold during the year	-		
	(0.10)		
e) Sale / Processing charges of goods during the year	771.00 (829.64)		
f) Purchases made during the year	1,196.06 (1,554.13)		
g) Reimbursement of common services and utilities during the year.	186.99 (243.70)		
h) Remuneration paid	-	-	161.51 (76.13)
	(-)	(-)	
i) Guarantees outstanding as at 31st March, 2010	161.65 (35.00)		
j) Debts Outstanding as at 31st March, 2010	73.83 (61.25)	156.23 (671.61)	
k) Amounts payable as at 31st March, 2010 Includes Material Received on loan Rs. Nil Lacs (Last year Rs. 10.56)	1.15 (10.56)		
l) Deposits (Unsecured loans) outstanding during the year	110.00 (110.00)		

PUDUMJEE PULP & PAPER MILLS LIMITED

SCHEDULE 'N' - (contd.)				2009-10
				(2008-09)
17 SEGMENT REPORTING (Accounting Standard 17)				(Rs. in lacs)
Information about business segments.	PAPER	COMMODITES	INVESTMENT	TOTAL
SEGMENT REVENUE				
From External Customers	22,191.45	344.25	120.83	22,656.53
	(20,077.95)	(2,745.80)	(24.18)	(22,847.93)
From Inter Segments	-	-	-	-
	(-)	(-)	(-)	(-)
Total Revenue	22,191.45	344.25	120.83	22,656.53
	(20,077.95)	(2,745.80)	(24.18)	(22,847.93)
SEGMENT RESULTS	1,755.22	35.37	76.98	1,867.57
	(1,032.45)	(9.55)	63.42	(978.58)
Unallocated corporate expenses				163.02
				(77.65)
Operating Profit				1,704.55
				(900.93)
Interest Expenses				563.64
				(743.61)
Interest Income				464.98
				(397.55)
Dividend Income				11.89
				(2.63)
Income in respect of Investments				0.28
				(-)
Income Taxes including Deferred Tax				516.10
				(195.00)
Profit from ordinary activities				1,101.96
				(362.50)
Extra Ordinary Income				-
				(-)
Net Profit as per Profit & Loss Account				1,101.96
				(362.50)
OTHER INFORMATION				
Total carrying amount of Segment Assets	18,356.99	-	129.81	18,486.80
	(18,573.43)	(767.25)	(122.10)	(19,462.78)
Add: Unallocated Corporate Assets				6,913.87
				(2,867.21)
Total Assets as per Balance Sheet				25,400.67
				(22,329.99)
Total carrying amount of Segment Liabilities	3,727.85	-	5.12	3,732.97
	(2,874.34)	-	(9.20)	(2,883.54)
Add: Unallocated Corporate Liabilities				21,667.70
				(19,446.45)
Total Liabilities as per Balance Sheet				25,400.67
				(22,329.99)
Capital Expenditure incurred during the year	117.45	-	-	117.45
	(282.24)	(-)	(-)	(282.24)
Depreciation for the Year	1,014.94	-	-	1,014.94
	(1,003.87)	(-)	(-)	(1,003.87)
Other Non Cash Expenditure				-
				(-)
Sales Revenue by Geographical Segments				
WITHIN INDIA	22,144.71	344.25	120.83	22,609.79
	(19,838.08)	(2,745.80)	(24.18)	(22,608.06)
OUTSIDE INDIA	46.74	-	-	46.74
	(239.87)	-	-	(239.87)
	22,191.45	344.25	120.83	22,656.53
	(20,077.95)	(2,745.80)	(24.18)	(22,847.93)

- i) The Paper segment relates to manufacture and marketing of Paper, processing activity.
ii) The Commodities Segment relates to trading in steel and other items.
iii) The Investment segment relates primarily to the activity of Investment i. e. purchase & sale of shares etc.
iv) Figures in bracket relate to previous year

SCHEDULE 'N' - (contd.)

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

- a) An amount of Rs.100.31 lacs (Last year Rs.81.55 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.
- c) Expenses recognized during the year and reconciliation of the Assets & Liabilities recognized in Balance Sheet as at 31.03.2010 :

	Gratuity (Partly funded) (Rs.in lacs)		Leave Encashment (Unfunded) (Rs.in lacs)	
	2009-10	2008-09	2009-10	2008-09
i) The present value of defined benefit obligations at the commencement of the Year	672.64	603.38	70.66	47.43
ii) Current Service cost	37.29	43.98	12.16	24.16
iii) Interest cost	52.72	48.27	5.46	3.76
iv) Actuarial (Gain)/Loss	150.49	11.36	(7.10)	(2.26)
v) Benefits Paid	94.20	34.35	6.13	2.43
vi) Past Service Cost	-	-	-	-
vii) The present value of defined benefit obligations at the close of the Year	818.94	672.64	75.05	70.66
viii) The fair value of plan assets at the close of the year	326.56	345.54	-	-
ix) The Past service cost not yet recognized	-	-	-	-
Expenses aggregating Rs.150.69 lacs (Last year Rs.74.97 lacs) covered under items (ii),(iii),(iv),(v) and (vi) above have been debited to the Profit & Loss Account to the extent of Rs.110.13 lacs (Last year Rs.68.65 lacs) under the Head "Salaries,Wages, Bonus,etc. (Schedule "L") and Rs.40.56 lacs (Last year Rs.6.32 lacs) under the Head " Directors' remuneration"(Schedule "L")				
d) Actuarial assumptions	2009-10	2008-09	2009-10	2008-09
i) Rate of interest (per annum)	8.25%	8.00%	8.25%	8.00%
ii) Salary growth (per annum)	5.50%	5.00%	5.50%	5.00%
iii) Withdrawal rate (Per annum)	1.00%	1.00%	1.00%	1.00%
iv) Expected return on Plan Assets	9.25%	9.00%	-	-
v) Mortality rates [LIC (1994.96) ultimate]	-	-	-	-

19 The details of the firm 'Pudumjee-G : Corp Developers' in which the Parent Company is a partner, are as under:

	Pudumjee Pulp and Paper Mills Limited	G-Corp Properties Private Limited.
Capital - Rs. In lacs	35	35
Profit / Loss - Sharing ratio	60 %	40%

20 The deposit with Banks include Rs.58.85 lacs (Last year Rs.7.21 lacs) being margin money kept with Bank.

PUDUMJEE PULP & PAPER MILLS LIMITED

SCHEDULE 'N' - (Contd.)

21 Details of Subsidiary / Associate Companies / Firms :

Name of the company	Country of incorporation	Proportion of Ownership Interest	Minority Interest	Financial Accounting year ended
I) Subsidiary Company				
a) Pudumjee Investment & Finance Co.Ltd.	India	100%	Nil	31.03.2010
II) Associate Companies/ Firms				
a) M/s Pudumjee-G : Corp Developers	India	60%	40%.	31.03.2010
b) M/s Prime Developers	India	Nil	N. A.	31.03.2010
c) Pudumjee Industries Ltd.	India	23.96%	N. A.	31.03.2010
d) Pudumjee Plant Laboratories Ltd.	India	27.11%	N. A.	31.03.2010
e) Pudumjee Hygiene Products Ltd.	India	Nil	N. A.	31.03.2010

b) During the year Pudumjee Investment & Finance Co. Ltd. subsidiary of the parent company Pudumjee Pulp and Paper Mills Limited, has incurred a loss of Rs. 31.98 Lacs for the year ending 31st March, 2010, which has been appropriately dealt with in these consolidated financial statements.

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

SIGNATURES TO SCHEDULES 'A' TO 'N'

Correctly extracted from Audited Accounts of the Company.

On behalf of the Board

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

MAHABIR PRASAD
Chairman & Managing Director

Y. P. SHUKLA
Proprietor

S. K. BANSAL
Director(Finance) &
Company Secretary

O. P. GUPTA
Director

Mumbai, Dated : 20th May, 2010

Mumbai, Dated : 20th May, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

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

	<u>2009-2010</u>	<u>2008-2009</u>
	(Rs. in Lakhs)	(Rs. in Lakhs)
A Cash Flow from Operating Activities		
Net profit before Taxation & Extraordinary Items	1,618.06	575.59
Adjustments for :		
Depreciation	1,014.94	1,003.87
Interest & Financial charges	192.18	402.70
Loss on sale / Transfer of Fixed Assets	7.23	-
Other income	<u>(12.17)</u>	<u>(6.40)</u>
	1,202.18	1,400.17
Operating profit before Working Capital Changes	2,820.24	1,975.76
(Increase)/Decrease in Inventories	46.49	1,401.07
(Increase)/Decrease in Debtors	(550.11)	435.74
(Increase)/Decrease in Advances Others	485.40	929.76
Increase/(Decrease) in Liabilities	<u>794.55</u>	<u>(978.16)</u>
	776.33	1,788.41
Cash Generated from Operations	3,596.57	3,764.17
Income Tax (paid)/Refund Received (Net)	<u>(668.28)</u>	<u>(240.28)</u>
Cash Flow before Extraordinary Items	2,928.29	3,523.89
(Expenses)/Income of earlier years	<u>(2.15)</u>	-
Net cash from Operating Activities	2,926.14	3,523.89
B Cash flow from Investing Activities		
Purchase of Fixed Assets	(117.45)	(282.24)
Sale Proceeds of Fixed Assets	11.77	10.72
Investment in Mutual Funds Etc.	(2,217.37)	(39.07)
Sale Proceeds of Investments	1,175.39	-
Change in Loans & Advances	(3,003.31)	229.69
Interest Received	409.75	317.93
Dividend Received	11.89	2.63
Net cash from / (used) in Investing Activities	(3,729.33)	239.66
C Cash flow from Financing Activities		
Proceeds from Borrowings	3,291.91	664.10
Repayment of Borrowings	(1,675.83)	(3,675.78)
Payment of Interest	(622.71)	(823.17)
Dividend paid	(102.50)	(98.40)
Net cash from / (used) in Financing Activities	(890.87)	(3,933.25)
Net change in Cash & Cash Equivalents (A+B+C)	87.68	(169.70)
Cash & Cash Equivalents (Opening Balance)	103.33	273.03
Cash & Cash Equivalents (Closing Balance)	191.01	103.33

Note : Figures in brackets represent cash outflows.

Correctly extracted from Audited Accounts of the Company.

On behalf of the Board,

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

MAHABIR PRASAD
Chairman & Managing Director

Y. P. SHUKLA
Proprietor

S. K. BANSAL
Director(Finance) &
Company Secretary

O. P. GUPTA
Director

Mumbai, Dated : 20th May, 2010

Mumbai, Dated : 20th May, 2010

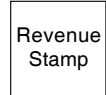
PROXY FORM

PUDUMJEE PULP & PAPER MILLS LIMITED

Registered Office :
Thergaon, Pune 411 033.

I/We of in the
district of being a member/members of the above named
Company hereby appoint of in the
district of or failing him of
in the district of as my/our proxy to vote for me/us on my/our behalf at the Annual
General Meeting of the Company to be held on the 28th day of August, 2010 and at any adjournment thereof.

Signed at this day of 2010.



Signature

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

PUDUMJEE PULP & PAPER MILLS LIMITED

Registered Office :
Thergaon, Pune 411 033.

ATTENDANCE SLIP

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

I hereby record my presence at the Forty fifth Annual General Meeting of the Company at its Registered Office at Thergaon, Pune 411 033 at 9.00 a.m. on Saturday, the 28th day of August, 2010.

Name of Shareholder

Folio No./Depository A/c No.

Name of Proxy (If any)

No. of Shares held

Signature of Member / Proxy

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