

**PUDUMJEE  
PULP & PAPER MILLS  
LIMITED**



**PUDUMJEE**

**Annual Report  
2013 - 2014**



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

### **DIRECTORS :**

A.K. JATIA (Executive Chairman w.e.f. 01.06.2014)  
V.O. SOMANI  
R.N. SETHNA (Expired on 11.05.2014)  
V.P. LEEKHA  
S.K. BANSAL  
B.C. DALAL  
V.K. BESWAL  
GAUTAM KHAITAN (w.e.f. 23.10.2013)  
NANDAN S. DAMANI (w.e.f. 26.07.2014)

### **BANKERS :**

STATE BANK OF INDIA  
IDBI BANK LIMITED  
BANK OF INDIA  
ING VYSYA BANK LTD.

### **SOLICITORS :**

KANGA & COMPANY

### **AUDITORS :**

KHARE & COMPANY

### **REGISTERED OFFICE :**

THERGAON, PUNE 411 033.

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

KARVY COMPUTERSHARE PVT. LTD.,  
**UNIT : PUDUMJEE PULP & PAPER MILLS LTD.,**  
17-24, VITTAL RAO NAGAR,  
MADHAPUR,  
**HYDERABAD 500 081.**

### **DEMAT STOCK CODE :**

INE606A01024

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

MUMBAI, PUNE & NATIONAL STOCK EXCHANGES.

**NOTICE**

The Forty Ninth 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 13<sup>th</sup> day of September, 2014 at 12.00 noon (ST) to transact the following business:

1. To receive and adopt the audited Balance Sheet as on 31<sup>st</sup> March, 2014, 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 2013-2014 at ₹ 0.30 per Equity share.
3. To appoint a Director in place of Mr. Arun Kumar Jatia, who retires by rotation and being eligible offers himself of re-appointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s Khare & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company for a period of Three years from conclusion of this meeting till the conclusion of 51<sup>st</sup> annual general meeting, subject to shareholders’ further ratification of appointment every year in general meeting at such remuneration and on such other terms as may be fixed by the Board of Directors of the company.”

**SPECIAL BUSINESS**

**5. Appointment of Mr. V.O. Somani as an Independent Director of the Company**

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

“RESOLVED that pursuant to the provisions of section 149, 152 and other applicable provisions, if any, of the companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. V.O. Somani (DIN-00314683), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 13<sup>th</sup> September, 2014 to 12<sup>th</sup> September, 2019”.

**6. Appointment of Mr. B.C. Dalal as an Independent Director of the Company**

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

“RESOLVED that pursuant to the provisions of section 149, 152 and other applicable provisions, if any, of the companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. B.C. Dalal (DIN-00061492), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 13<sup>th</sup> September, 2014 to 12<sup>th</sup> September, 2019”.

**7. Appointment of Mr. V.K. Beswal as an Independent Director of the Company**

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

“RESOLVED that pursuant to the provisions of section 149, 152 and other applicable provisions, if any, of the companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. V.K. Beswal (DIN-00120095), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 13<sup>th</sup> September, 2014 to 12<sup>th</sup> September, 2019”.

8. To appoint a Director in place of Mr. Gautam Khaitan who was appointed as an additional Director of the Company pursuant to Article 126 of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provisions of Section 260 of the Companies Act, 1956/Section 161 of the Companies Act, 2013 and being eligible, offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature to the office of a Director in accordance with the provisions of Section 160 of the Companies Act, 2013 and, if thought fit, to pass the following resolution as an Ordinary Resolution :

“RESOLVED that pursuant to the provisions of section 149, 152 and other applicable provisions, if any, of the companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Gautam Khaitan (DIN-00021117), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 13<sup>th</sup> September, 2014 to 12<sup>th</sup> September, 2019”.

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

“RESOLVED THAT pursuant to the provisions of Section 196, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and subject to the approval of Shareholders in General Meeting, and subject to such other approvals including that of the Central Government as may be necessary, and subject to such modification(s) as may be required and which Mr. Arunkumar Mahabirprasad Jatia may accept, Mr. Arunkumar Mahabirprasad Jatia be and is hereby appointed as Whole-time Director designated as “Executive Chairman” of the Company for a period of five years with effect from 1<sup>st</sup> June, 2014 AND THAT consent be and is hereby accorded to the following remuneration, payments, benefits and amenities, for an initial period of 3 years, and the terms of the appointment of the said Mr. Arunkumar Mahabirprasad Jatia with power to the Board of Directors to alter or vary from time to time at its discretion, the remuneration and other terms so however that they do not exceed the permissible limits laid down under Schedule V to the Act and/or any statutory modification(s) or re-enactment thereof for the time being in force, namely :

- (a) The Executive Chairman shall, subject to the supervision and control of the Board of Directors, be in overall charge of the Company’s activities and shall perform such other duties and services and exercise such further powers as shall, from time to time, be entrusted to him by the Board of Directors.
- (b) Remuneration at the rate of ₹ 6,50,000/- per month including Dearness Allowance.
- (c) Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof at the rate of ₹ 2,00,000/- per month.
- (d) Expenses on electricity, gas, water and furnishing of the residential accommodation.
- (e) Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges in India or abroad and travelling expenses incurred for himself, his wife and dependent children.
- (f) Leave Travel Assistance to cover air or first class air-conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India and abroad.
- (g) Membership fees including entrance and other fees for any two Clubs.
- (h) Personal accident insurance premium.
  - (i) Benefits and Amenities : The following shall not be included for the purpose of computation of remuneration or perquisites as aforesaid :
    - a) Company’s contribution to Provident Fund and Pension / Superannuation Fund as per Company’s Rules;
    - b) Gratuity as per the Company’s rules applicable to its Executive Staff Members.

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- (j) (i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave.
- (ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.
- (k) Maintenance of telephones at his place of residence and mobile phones at the entire cost of the Company.
- (l) Exclusive free use of a motor car for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as Chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 196, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and subject to such consents and sanctions as may be necessary and subject to such modification(s) as may be required and which Mr. Ved Prakash Leekha may accept, Mr. Ved Prakesh Leekha be and is hereby appointed as Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> April, 2014 AND THAT consent be and is hereby accorded to the following remuneration, payments, benefits and amenities, for an initial period of 3 years, and the terms of the appointment of the said Mr. Ved Prakash Leekha with power to the Board of Directors to alter or vary from time to time at its discretion the remuneration and other terms so however that they do not exceed the permissible limits laid down under Schedule V to the Act or any statutory modification(s) or re-enactment thereof for the time being in force, namely:

- (a) The Managing Director shall, subject to the supervision and control of the Board of Directors, be in overall charge of the Company's activities and in particular attend to all matters concerning production planning, manufacture, marketing and administration and shall perform such other duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board of Directors and the Executive Chairman of the Company.
- (b) Remuneration at the rate of ₹ 4,50,000/- per month including Dearness Allowance.
- (c) Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof at the rate of ₹ 1,20,000/- per month.
- (d) Expenses of electricity, gas and water, furnishing of the residential accommodation.
- (e) Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges and traveling expenses incurred for himself, his wife and dependent children.
- (f) Leave Travel Assistance to cover air or first class air conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
- (g) Membership fees including entrance and other fees for any two Clubs.
- (h) Personal accident insurance premium.
- (i) (i) Participation in the Provident Fund.
- (ii) Gratuity as per the Company's rules applicable to its Executive staff members.

- (iii) Pension, by whatever name called, @ ₹ 1,45,000/- per month to Mr. V.P. Leekha during his life time from a date next following the date of his leaving the service and to his spouse thereafter.
- (j) (i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave at the end of tenure.
- (ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.
- (k) Maintenance of telephone at his place of residence and Mobile phones at the entire cost of the Company.
- (l) Exclusive free use of a motor car for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as Chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.

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

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

"RESOLVED THAT, pursuant to the provisions of Section 196,203 and other applicable provisions of the Companies Act, 2013 (the Act) and subject to such consents and sanctions as may be necessary and subject to such modification(s) as may be required and which Mr.Surendra Kumar Bansal may accept, Mr. Surendra Kumar Bansal be and is hereby appointed as Whole-time Director of the Company for a period of five years with effect from 1<sup>st</sup> April, 2014 AND THAT consent be and is hereby accorded to the following remuneration, payments, benefits and amenities for an initial period of 3 years and the terms of the appointment of the said Mr. Surendra Kumar Bansal with power to the Board of Directors to alter or vary from time to time at its discretion the remuneration and other terms so however that they do not exceed the permissible limits laid down under Schedule V to the Act or any statutory modification(s) or re-enactment thereof for the time being in force, namely :

- (a) He shall, subject to the supervision and control of the Board of Directors, perform such services and duties and exercise such powers as from time to time be entrusted to him by the Board of Directors, Executive Chairman and Managing Director.
- (b) Remuneration at the rate of ₹ 4,45,000/- per month including Dearness Allowance.
- (c) Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof at the rate of ₹ 1,15,000/- per month.
- (d) Expenses of electricity, gas and water, furnishing of the residential accommodation.
- (e) Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges, and traveling expenses incurred for himself, his wife and dependent children.
- (f) Leave Travel Assistance to cover air or first class air conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
- (g) Membership fees including entrance and other fees for any two Clubs.
- (h) Personal accident insurance premium.
- (i) Participation in the Provident Fund and Pension/Superannuation Schemes.
- (j) Gratuity as per the Company's rules applicable to its Executive staff members.
- (k) (i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave at the end of the tenure.
- (ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.

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

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

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

"RESOLVED THAT pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 and all other enabling provisions, if any, and Article 72 of Articles of Association of the Company, and in supersession of the resolution passed at the Annual General Meeting held on 27<sup>th</sup> August, 2011, the Directors of the Company be and are hereby authorized to borrow monies from time to time from any one or more bodies corporate or financial institutions, Banks or any entity or any person or persons by way of credit, advance or other loans or deposits whether unsecured or secured by mortgage, charge, hypothecation or pledge of the fixed assets and properties of the Company whether moveable or immovable or stock-in-trade including raw materials, stores, spares or components installed or uninstalled or in transit and of goods-in-process and finished goods for the purpose of carrying on the business of the Company notwithstanding that such borrowings, together with monies already borrowed by the Company (apart from temporary loans obtained if any, from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose for the time being and from time to time but so that the total amount of monies so borrowed by the Directors shall not exceed the sum of "Rupees One thousand crores".

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

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

14. To appoint a Director in place of Mr.Nandan Surajratan Damani who was appointed as an additional Director of the Company pursuant to Article 126 of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provisions of Section 161 of the Companies Act, 2013 and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature to the office of a Director in accordance with the provisions of Section 160 of the Companies Act, 2013 and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of section 149, 152 and other applicable provisions, if any, of the companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Nandan Surajratan Damani (DIN-00021117), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 13<sup>th</sup> September, 2014 to 12<sup>th</sup> September, 2019.



**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 Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the above mentioned items 5 to 14 are annexed hereto.

The Register of members and Share Transfer Books of the Company will remain closed from Tuesday, the 2<sup>nd</sup> day of September, 2014 to Saturday, the 13<sup>th</sup> day of September, 2014, both days inclusive.

The Dividend, when sanctioned, will be paid on and from 19<sup>th</sup> September, 2014 to those shareholders whose names stand on the Company's Register of members as holders of the shares on 13<sup>th</sup> September, 2014. 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 1<sup>st</sup> September, 2014 as per the details furnished by the Depositories for this purpose. The payment of Dividend will be subject to the provisions of Section 126 of the Companies Act, 2013.

Shareholders of the Company are informed that pursuant to the provisions of Section 205C of the Companies Act, 1956/Section 125 of the Companies Act, 2013, 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.

Messrs. A.K. Jatia, V.P. Leekha and S.K. Bansal whose appointments are to be considered by the Annual General Meeting as mentioned above hold 20,48,000, Nil and Nil equity shares of ₹ 2/- each of the Company respectively. Mr. V.O. Somani hold 2,150 Equity Share, Messrs. B.C. Dalal, V.K. Beswal, Gautam Khaitan and Nandan Damani do not hold any shares of the Company.

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

In compliance with the provisions of section 108 of the Act and the Rules framed there under, The Company is pleased to provide the Members facility to cast their votes electronically, through the e-voting services provided by Karvy Computershare Pvt. Ltd., on all resolutions set forth in this Notice. E-voting facility is optional.

**The instructions for e-voting are as under :**

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

- i. Open the e-mail and also open PDF file namely "PPP E-VOTING PDF" / "<https://www.evoting@karvy.com>" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Open the internet browser and type the following URL:<https://www.evoting@karvy.com>.
- iii. Click on Shareholder – Login.
- iv. if you are already registered with Karvy for e-voting then you can use your existing user ID and password.
- v. if you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.

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- viii. Select "EVEN" (E-Voting Event Number) of Karvy Computershare Pvt.Ltd. Now you are ready for e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once the vote on the resolution is cast, the Members shall not be allowed to change it subsequently.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail @savitajyoti@yahoo.vom, with a copy marked to evoting@karvy.com.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) – Shareholders and e-voting user manual – Shareholders, available at the downloads section of www.evoting.karvy.com.

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

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

**C. Other Instructions :**

- i. The e-voting period commences on Monday, the 8<sup>th</sup> September, 2014 (9.00 a.m. IST) and ends on Tuesday, the 9<sup>th</sup> September, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 1<sup>st</sup> September, 2014, may cast their vote electronically. The e-voting module shall be disabled by Karvy Computershare Pvt. Ltd. for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 1<sup>st</sup> September, 2014.
- iii. Mrs. Savita Jyoti, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. The results declared along with the Scrutinizer's Report will be placed on the Company's website www.pudumjee.com and on the website of KARVY www.evoting@karvy.com within two days of the passing of the resolutions and communicated to the BSE Limited and National Stock Exchange of India Limited, and Pune Stock Exchange Ltd. where the Shares of the Company are Listed.
- vi. Those shareholders who do not have access to evoting facility may write to Registrar and Share Transfer Agent, M/s. Karvy Computershare Pvt. Ltd. or to the Company for Ballot Paper which after fillingup should reach to the Scrutinizer's, Ms. Savita Jyoti c/o M/s. Karvy Computershare Pvt. Ltd. on or before 7<sup>th</sup> September, 2014.

By Order of the Board of Directors,

R.M. KULKARNI  
COMPANY SECRETARY

Registered Office :  
Thergaon, Pune 411 033.  
Dated : 26<sup>th</sup> July, 2014.

**Communication to Members**

1. Pursuant to Section 101 and other provisions of the Companies Act, 2013 and relevant rules made thereunder, and also “Green Initiative in the Corporate Governance” taken by Ministry of Company Affairs by allowing paperless compliances by the companies and has issued circular stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, sofar, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with Karvy Computershare Private Limited.

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

**Subsidiary Accounts :**

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

However, the annual accounts of the subsidiary, Pudumjee Investment & Finance Co.Ltd., and the related detailed information shall be supplied to the shareholders of the Company on a requisition made in this regard. The Annual Accounts of the subsidiary are available on Company's website : [www.pudumjee.com](http://www.pudumjee.com) and are open for inspection by shareholders at the Registered Office during office hours.

**3. Cost Auditor Details :**

M/s Y.R. Doshi & Co., Cost Accountants, Mumbai, the Cost Auditors, have filed the Cost Audit Report for the Financial Year 2012-2013 in XBRL format on 27<sup>th</sup> September, 2013 (Due Date: 30<sup>th</sup> September, 2013).

**ANNEXURE TO THE NOTICE**

**Explanatory Statement under section 102 of the Companies Act, 2013.**

The following Explanatory Statement sets out all the material facts relating to items of business as mentioned in Serial Nos. 5 to 14 under Special Business in the accompanying Notice dated 26<sup>th</sup> July , 2014 convening the Annual General Meeting.

**RESOLUTION NOS. 5 to 7**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Messrs.V.O. Somani, B.C. Dalal and V.K. Beswal, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nomination Committee has recommended the appointment of these directors as Independent Directors from 13<sup>th</sup> September, 2014 to 12<sup>th</sup> September, 2019.

Messrs. V.O. Somani, B.C. Dalal and V.K. Beswal, the non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act, In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

**A brief profile of the Independent Directors to be appointed is given below :**

**Mr. V.O. Somani** is an industrialist and has a long and varied experience of over 46 years especially in the field of business administration and finance.

**Mr. B.C. Dalal** is Bachelor of Commerce & Bachelor of Law and comes from a business family and has over 45 years of experience in Business. He is an advocate by profession and has been a regular speaker at Staff Training College of Reserve Bank of India and other Banks, as well as IIM Ahmedabad and Administrative Staff College of Hyderabad.

**Mr. V.K. Beswal** is Bachelor of Commerce & a Chartered Accountant and has a vast and varied experience in Tax and Financial Matters.

**RESOLUTION NO. 8**

Mr. Gautam Khaitan was appointed as additional Director of the Company under Article 126 of the Articles of Association with effect from 23<sup>rd</sup> October, 2013. Under the provisions of Section 161 of the Companies Act, 2013 and the provisions of the said Article he holds office only upto the date of the ensuing Annual General Meeting. Mr. Khaitan is B.Com, LLB and an eminent Advocate having over 25 years of wide and varied experience in Corporate Law and comes from Delhi. A Notice proposing Mr. Khaitan for appointment to the office of Director at the ensuing Annual General Meeting together with a deposit of ₹ 1,00,000/- has been received by the Company as required by Section 160 of the Companies Act, 2013.

Except Mr. Gautam Khaitan no other Director or Key Managerial Person or their relatives is concerned or interested in the resolution.

In the opinion of the Board, Mr. Khaitan fulfills the conditions specified under the Companies Act, 2013 for an appointment as an independent director. He will not be liable to retire by rotation under the provisions of section 149 of the Act.

The Ordinary Resolution in this behalf is, commended for the approval of the members.

**RESOLUTION NO. 9**

Mr. Arun Kumar Jatia was appointed as Director of the Company with effect from 26.06.1998 and was re-appointed on retirement by rotation from time to time. Mr. Jatia is a Promoter Director and was designated as the Chairman of the Company with effect from 1<sup>st</sup> October, 2013. Mr. Jatia is B.S. (Financial & Business Administration) with over 30 years experience in business and finance. The Board is of the opinion that it will be in the interest of the Company to appoint Mr. Jatia now as the Whole-time Director designated as Executive Chairman of the Company for a period of 5 years with effect from 1<sup>st</sup> June, 2014. The Remuneration Committee has considered the appointment and approved remuneration and other benefits payable to Mr. Jatia at its meeting held on 17<sup>th</sup> May, 2014.

The Directors commend the resolution for approval of the members.

Except Mr. Arun Kumar Jatia and his spouse and children who are promoters and hold in aggregate 74,23,624 shares, no other Director or Key Managerial Personnel or their relatives is interested in this resolution.

**RESOLUTION NO. 10**

Mr. Ved Prakash Leekha, the Whole-time Director since 1<sup>st</sup> April, 2000 was re-appointed for a period of 5 years with effect from 1<sup>st</sup> April, 2009 and was re-designated as Chief Executive Officer of the Company with effect from 1<sup>st</sup> April, 2010 and as the Managing Director with effect from 1<sup>st</sup> October, 2013. The said period of 5 years is completed as on 31.03.2014. The Management now proposes to re-appoint Mr. Leekha as Managing Director of the Company for a period of 5 years with effect from 01.04.2014 on payment of remuneration and other benefits for a period of 3 years as given in the accompanying resolution. Mr. Ved Prakash Leekha is a B.E. (Mechanical) and has been associated with the Company since 2000. He has a wide and varied experience of over four decades in Paper Mills. The Remuneration Committee at its meetings held on 17<sup>th</sup> May, 2014 has considered and approved the appointment and remuneration and other benefits including pension payable to Mr. Leekha at its meeting held on 17<sup>th</sup> May, 2014.

The Directors commend the resolution for approval of the members.

Except Mr. V.P. Leekha no other Director or Key Managerial Personnel of the Company or their relatives is concerned or interested in this resolution.

**RESOLUTION NO. 11**

Mr. Surendra Kumar Bansal was appointed as Whole-time Director of the Company with effect from 1<sup>st</sup> February, 2005 and was last re-appointed for a period of 5 years with effect from 01.04.2009 which period is completed on 31.03.2014. The Management now proposes to re-appoint Mr. Bansal as the Whole-time Director of the Company for a further period of 5 years with effect from 01.04.2014 on payment of remuneration and other benefits for period of 3 years as given in the accompanying resolution. Mr. S.K. Bansal is a Bachelor of Commerce, Associate member of the Institute of Chartered Accounts of India and of the Institute of Company Secretaries of India and has been associated with the Company since 1984. He has a wide and varied experience in finance, accounts, corporate law and taxation matters. The Remuneration Committee at its meetings held on 17<sup>th</sup> May, 2014 has considered and approved the appointment and remuneration and other benefits.

The Directors commend the resolution for your approval.

Except Mr. S.K. Bansal and spouse who holds 20 equity shares of the Company, no other Director or Key Managerial Personnel of the Company or their relatives is concerned or interested in this resolution.

**RESOLUTION NO. 12**

Section 180(1)(c) of the Companies Act, 2013 provides that the Company cannot borrow money where the monies borrowed together with monies already borrowed exceed the aggregate of the paid-up share capital of the Company and its free reserves without the sanction of a General Meeting. By a resolution passed at the Annual General Meeting of the shareholders of this Company held on 27<sup>th</sup> August, 2011, the Directors were authorized to borrow moneys upto a limit of Rupees 1000 crores. To regularize the said authority to the Directors in terms of provisions of Companies Act, 2013 the Board of Directors commend for your approval the resolution mentioned in this item.

None of the Directors of the Company or Key Managerial Personnel or their relatives are concerned or interested in this resolution.

## PUDUMJEE PULP & PAPER MILLS LIMITED

### RESOLUTION NO. 13

The Company had been accepting the public deposits in compliance of the provisions of erstwhile Companies Act, 1956. The new Companies Act, 2013 had put certain additional conditions for renewal of existing deposits and acceptance of new deposits on fulfillment of which the Company would be able to accept deposits from public/members. These conditions include among others, approval of shareholders in general meeting. As per Balance Sheet as at 31<sup>st</sup> March, 2014, the Company can accept deposits aggregating to ₹ 5195 lacs.

None of the Directors of the Company or Key Managerial Personnel or their relatives are concerned or interested in this resolution.

The Directors commend the Resolution for the shareholders' approval.

### RESOLUTION NO. 14

Mr. Nandan Surajratan Damani was appointed as additional Director of the Company under Article 126 of the Articles of Association with effect from 26<sup>th</sup> July, 2014. Under the provisions of Section 161 of the Companies Act, 2013 and the provisions of the said Article he holds office only upto the date of the ensuing Annual General Meeting. Mr. Damani is B.Sc and the Chairman and Managing Director of Simplex Realty Limited and has wide and varied experience in Business and Finance. A Notice proposing Mr. Damani for appointment to the office of Director at the ensuing Annual General Meeting together with a deposit of ₹ 1,00,000/- has been received by the Company as required by Section 160 of the Companies Act, 2013.

Except Mr. Damani no other Director or Key Managerial Personnel or their relatives is concerned or interested in the resolution.

In the opinion of the Board, Mr. Damani fulfills the conditions specified under the Companies Act, 2013 for an appointment as an independent director. He will not be liable to retire by rotation under the provisions of section 149 of the Act.

The Ordinary Resolution in this behalf is, commended for the approval of the members.

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

**I. GENERAL INFORMATION :**

1. Nature of Industry	Paper Manufacturing and Real Estate		
2. Date or expected date of commencement of commercial production	January, 1968		
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
4. Financial performance based on given indicators	Year ending 31st March, 2014 ( ₹ in lacs)		
Effective Capital	20413.00		
Turnover	23755.93		
Profit Before Tax	1518.73		
Profit after Tax	1437.74		
Dividend	15%		
Reserves	15613.93		
5. Foreign investments or collaborators, if any.	NIL		

**II. INFORMATION ABOUT THE APPOINTEE:**

	MR. A.K. JATIA	MR. V. P. LEEKHA	MR. S.K. BANSAL
Background Details	<p>Mr.A.K. Jatia is the Director of the Company since 1998 and designated as the Chairman of the Company during 2012-13. The Management now proposes him to appoint as a Whole-time Director designated as Executive Chairman of the Company with effect from 1<sup>st</sup> June, 2014. Mr.Jatia is a B.S. (Financial &amp; Administration) and has a wide and varied experience of over 31 years in Business, Finance &amp; Foreign Trade</p>	<p>Mr.V.P. Leekha is Whole-time Director of the Company since 2000. He was re-designated as Chief Executive Officer of the Company from 1<sup>st</sup> April, 2010. Mr.Leekha is a B.E. (Mech.) and has a wide and varied experience of over four decades in Paper Industry. He has been re-designated as Managing Director With effect from 1<sup>st</sup> October, 2013.</p>	<p>Mr.S.K. Bansal had joined the Company in 1984 and was appointed as a Whole-time Director in 2005. Mr.Bansal is a Bachelor of Commerce and a member of the ICAI and ICSI. He has over 31 years' experience in finance, legal and other matters.</p>
Past Remuneration (before revision under proposed resolutions Nos.9, 10 and 11);	<p>Nominal sitting fee per meeting of Board or Committee attended by him. --</p>	<p>₹ 4,50,000/- ₹ 1,20,000/-</p>	<p>₹ 3,77,000/- ₹ 86,000/-</p>
	<p>All the above persons are also entitled to the benefits of contribution to Provident Fund, Gratuity, and perquisites such as gas, electricity, medical expenses, furnishings, LTA, club fees, personal accident insurance, telephone, cars etc. Mr. Bansal is also entitled to the benefits of Superannuation Fund.</p>		
Recognition or Awards	NIL	NIL	NIL
Job Profile and his suitability	<p>As a Director of the Company since 1998, Mr.Jatia has had a vast and wide experience of business administration and finance and foreign trade for over 31 years and is a Promoter Director.</p>	<p>As the Managing Director, Mr.V.P.Leekha is in overall charge of the Company's affairs concerning technical and production matters and performs such other duties and services and exercises such further powers as are from time to time entrusted to him by the Board. Mr.Leekha has long and varied experience of over four decades in the Paper Industry in various positions. He has successfully carried out many capital expenditure programmes in the Company and in the Industry.</p>	<p>Mr.S.K. Bansal is in charge of Company's Finance, Legal, commercial and administrative matters and performs such other duties and services and exercises such further powers as are from time to time, entrusted to him by the Managing Director and the Board. Mr.Bansal has long and varied experience of over 31 years in aforesaid functions in various positions.</p>

## PUDUMJEE PULP & PAPER MILLS LIMITED

Remuneration Proposed			
Remuneration per Month	₹ 6,50,000	₹ 4,50,000	₹ 4,45,000
House Rent Allowance per Month	₹ 2,00,000	₹ 1,20,000	₹ 1,15,000
	All the above persons will also be entitled to the benefits of Provident Fund, Superannuation/Pension, Gratuity, and perquisites such as gas, electricity, medical expenses, furnishings, LTA, club fees, personal accident insurance, telephone, cars etc.		
Comparative Remuneration profile with respect to industry, size of the Company, profile of the Position and person.	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	NIL	NIL	NIL
<b>III. OTHER INFORMATION :</b>			
Reasons of loss or inadequate Profits	The Company had adequate profits for payment of managerial remuneration in the last year. However, the prevailing economic conditions of slow down and global competition in specialty segment of Paper is putting considerable pressure on profitability.		
Steps taken or proposed to be taken for improvement.	The management's emphasis on cost reduction, appropriate product mix and quality improvement are expected in the long run to neutralize any inadequacy of profits.		
Expected increase in productivity and profits in measurable terms.	With the aforesaid efforts and consequent full capacity utilization, the profits are targeted to be achieved to be adequate for managerial remuneration.		
<b>IV. Disclosures : Remuneration Package</b>	As indicated above under II " INFORMATION ABOUT THE APPOINTEE".		

The Company's Memorandum and Articles of Association are open for inspection at the Company's Registered Office on any working day during the business hours.

By Order of the Board of Directors,

R.M. KULKARNI  
COMPANY SECRETARY

Registered Office:  
Thergaon, Pune 411 033.  
Dated : 26<sup>th</sup> July, 2014



## FINANCIAL HIGHLIGHTS (CONSOLIDATED)

PARTICULARS	₹ IN LACS										
	As At 31st March										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Shareholders Fund	18121	15482	14266	13095	14685	14069	13929	13040	12518	12169	11828
Borrowed Funds	10423	10900	15000	8486	6823	5206	8218	6803	7038	4244	5206
<b>TOTAL</b>	<b>28544</b>	<b>26382</b>	<b>29266</b>	<b>21581</b>	<b>21508</b>	<b>19275</b>	<b>22147</b>	<b>19843</b>	<b>19556</b>	<b>16413</b>	<b>17034</b>
Net Fixed Assets	16342	16804	16476	9617	11082	11998	12727	12656	11783	10517	10620
Investments	2066	1654	1195	2115	2049	1006	967	896	829	819	811
Working Capital	10136	7924	11595	9849	8377	6271	8453	6291	6944	5077	5603
<b>TOTAL</b>	<b>28544</b>	<b>26382</b>	<b>29266</b>	<b>21581</b>	<b>21508</b>	<b>19275</b>	<b>22147</b>	<b>19843</b>	<b>19556</b>	<b>16413</b>	<b>17034</b>
Book value of Equity per share( ₹ )	44*	38*	35*	32*	36*	172	170	159	153	148	144
Earning per share ( ₹ )	3.46*	4.03*	2.71*	1.80*	2.69*	4.42	6.43	5.61	5.88	7.48	2.27
Dividend per share ( ₹ )	0.30*	0.30*	0.30*	0.30*	0.30*	0.25*	1.2	1.2	1.2	1.2	1.00

\* ₹ 2/- per share

**DIRECTORS' REPORT TO THE MEMBERS**

The Directors present the 49<sup>th</sup> Annual Report on the working of the Company for the year ended 31<sup>st</sup> March, 2014 together with the statement of Accounts for that year.

**FINANCIAL RESULTS**

	<b>2013-2014</b>	Previous Year
	<b>₹ In Lacs</b>	₹ In Lacs
The gross profit before interest and		
Depreciation is	<b>3196.87</b>	3213.63
Reducing therefrom Finance cost of	<b>868.17</b>	697.01
and Depreciation of	<b>809.97</b>	848.42
The net profit comes to	<b>1518.73</b>	1668.20
and the balance of Profit brought forward from last year of	<b>3734.97</b>	2347.67
the total comes to	<b><u>5253.70</u></b>	<u>4015.87</u>
Adjusting against this amount the Following, namely :		
Provision for Current Taxation of	<b>160.00</b>	3.00
Provision/(Saving) for Deferred Taxation of	<b>(79.00)</b>	(16.00)
Dividend on Equity Shares of	<b>123.00</b>	123.00
Tax on Dividend of	<b>20.90</b>	20.90
And Transfer to General Reserve of	<b>150.00</b>	150.00
Totalling to	<b><u>374.90</u></b>	<u>280.90</u>
There remains a balance of	<b><u>4878.80</u></b>	<u>3734.97</u>

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

**CONSOLIDATED FINANCIAL STATEMENTS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm

- 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 31<sup>st</sup> March, 2014 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, 1956/2013 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 31<sup>st</sup> March, 2014 at the rate of ₹ 0.30 per share. If approved, the Equity Dividend will, subject to the provisions of Section 126 of the Companies Act, 2013, be paid to those shareholders whose names stand on the Register of Members on 13<sup>th</sup> day of September, 2014.

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 1<sup>st</sup> September, 2014 as per the details furnished by the Depositories for this purpose.

### **OPERATIONS**

The paper manufacturing activity of the Company showed improvement both in terms of revenue and profits when compared with the last year. Though steep depreciation of Rupee seen during the year did put considerable pressure on input cost, the impact, to a considerable extent was mitigated by judicious mix of inputs without adversely affecting the quality of Specialty Paper and marginal upward revision in prices of paper. Judicious pricing also softened the blow from unrestricted imports which helped in improvement of capacity utilization resulting in improved profitability of the operations.

The expansion project at Mahad has been put on hold temporarily in view of the prevailing recessionary conditions to minimize the impact of fixed costs pending study of new investment plans. Consequently an expenditure of ₹ 311 lacs from 1<sup>st</sup> April, 2013 has been treated as revenue expenses in the current year's accounts instead of being capitalized.

The Directors believe that with the new Governmental policies leading to change in recessionary market sentiments, would help improve overall economy and Company's continuous efforts on cost reduction and the new product development accompanied by review of existing products and marketing strategy would enable further improvement in capacity utilization and profitability.

The Real Estate Business of the firm in which the Company is a Partner, has been satisfactorily progressing despite the business in the industry facing some recessionary pressure elsewhere. The accounts include Company's share of profit of ₹ 1143 lacs in respect of a building completed during the year and stock of few flats sold by the firm as against a profit of Rs1660 lacs in the last year in respect of two buildings then completed.

The Company has commenced development of land for constructing residential / commercial complex having saleable area of about 1,50,000 sq.ft for which purpose the land has been treated as stock-in-trade at a fair market value of ₹ 1441 lacs, by crediting the difference over cost, to Capital Reserve of the Company.

The labour relations continued to remain peaceful.

**Out of 83 Fixed Deposits amounting to ₹ 27,31,000 which had matured for payment as at the close of 31<sup>st</sup> March, 2014, out of this, 7 deposits of the value of ₹ 2,03,000 have been claimed upto 6<sup>th</sup> May, 2014.**

### **DIRECTORS**

On 11<sup>th</sup> May, 2014 the Company suffered an irreparable loss in the sad demise of Mr. Rusi Nussarwanji Sethna, an eminent Solicitor who was associate with the Company as an Independent Director for over 20 years and to whom the Company owes a deep debt of gratitude for the keen interest he took in the affairs of the Company. The Directors will always remember him for his legal acumen and guidance which he so willingly gave to the Company.

Mr. Gautam Khaitan has been appointed as an Independent Additional Director on the Board of the Company, with effect from 23<sup>rd</sup> October, 2013. According to the provisions of Section 161 of the Companies Act, 2013 he will cease to hold the office on the date of the ensuing Annual General Meeting. A Resolution has been proposed for his appointment as an independent who will not be liable to retire by rotation. The Directors commend the resolution for your approval.

Messrs. V.O. Somani, B.C. Dalal and V.K. Beswal are other Independent Directors under the Companies Act, 2013 and therefore, not liable to retire by rotation.

Messrs. A.K. Jatia, V.P. Leekha and S.K. Bansal are the non-independent Directors and will be liable to retire by rotation and accordingly Mr. A.K. Jatia retires by rotation and being eligible offer himself for re-appointment.

A Special Resolution has been proposed for appointment and remuneration payable to Mr. A.K. Jatia, whole-time Director designated as Executive Chairman of the Company for a period of 5 years with effect from 1<sup>st</sup> June, 2014.

Special Resolution has been proposed for re-appointment of Mr. V.P. Leekha as Managing Director of the Company for a period of 5 years with effect from 01.04.2014 and the remuneration and other perquisites and benefits payable to him for an initial period of 3 years.

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

Special Resolution has been proposed for re-appointment of Mr.S.K. Bansal as Whole-time Director of the Company for a period of 5 years with effect from 01.04.2014 and the remuneration and other perquisites and benefits payable to him for an initial period of 3 years.

These resolutions are commended for your approval.

### **AUDITORS**

Members are requested to appoint Statutory Auditors to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the 51<sup>st</sup> Annual General Meeting and to fix their remuneration.

### **STATEMENTS UNDER SECTION 217(1)(e) & 217(2A).**

Statement giving details as required by the aforesaid provisions of the Companies Act, 1956 are annexed hereto and marked Annexure "A" & "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,

**A.K. Jatia**  
Chairman

Mumbai,  
Dated : 17<sup>th</sup> May, 2014

## 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 31<sup>st</sup> March, 2014.

## 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 refiners by replacing motors.
- Utilisation of high GCV coal in co-generation plant.
- Installation of broke system.

## b) Proposals :

- Replacement of steam and condensate system
- Re-Utilisation of common condensation tank flash
- Upgradation of dryer section.

## 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 ₹ 150 Lacs per annum.

## d) Power and Fuel Consumption :

	2013-14	Previous Year
<b>i) Electricity :</b>		
<b>(a) Purchased</b>		
- Units (KWH in lacs)	478.73	396.01
- Total Amount (₹ In lacs)	3379.81	3018.16
- Average Rate/KWH (₹ in lacs)	7.06	7.62
<b>(b) Own Generation</b>		
(i) Through Steam Turbine		
Units (KWH in lacs)	22.81	15.42
Cost of equivalent power (₹ In lacs)	161.06	117.49
(ii) Through Wind Mill		
Units (KWH in lacs)	70.62	61.85
Cost of equivalent power (₹ In lacs)	530.95	484.88
<b>ii) Steam Coal utilized in Boiler</b>		
(Medium heat value of about 5000 GCV)		
Quantity (MT)	24767	21772
Total Amount (₹ In lacs)	1298.31	1058.51
Average Rate / MT (₹)	5242	4862
	2012-13	Previous Year
<b>iii) Consumption per tonne of paper produced :</b>		
- Electricity (KWH)	2142	2204
- Steam Coal	0.927	1.014

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.

## PUDUMJEE PULP & PAPER MILLS LIMITED

### II RESEARCH AND DEVELOPMENT :

- |   |  |     |   |
|---|--|-----|---|
| 1 | Specific Areas in which R & D Carried out by the Company | (a) | Development of new grades of paper like vegetable parchment, slip easy for bakery application, medical grade papers etc.                          |
|   |  | (b) | Cost reduction by substituting partly recycled pulp for virgin fiber, use of alternative dyes and Specialty chemicals.                            |
|   |  | (c) | Implementation of Enzyme treatment for effluent to improve water recycling quality and discharge effluent quality.                                |
|   |  | (d) | Optimisation of chemical addition on various paper grades and waste paper recycling plant.  |
| 2 | Benefits derived as a result of Above R & D              | (a) | Conservation of natural resources & better environment management due to replacing virgin fiber with recycled paper pulp in certain paper grades. |
|   |  | (b) | New Product Development and cost effective production with enhanced quality.  |
|   |  | (c) | Improvement in quality of treated effluent for recycling and discharge effluent.  |
| 3 | Future Plan of action                                    | (a) | Development of value added product for export.  |
|   |  | (b) | Development of new products required for bakery and food industry, colour craft, balancing paper.   |
|   |  | (c) | Cost reduction by replacing virgin pulp by using low cost furnish, alternate chemicals etc.   |
|   |  | (d) | Water conservation in line with new standards.  |
| 4 | Expenditure on R & D                                     |     | ₹ in Lacs   |
|   | (a) Capital  |     | 25.57   |
|   | (b) Recurring  |     | <u>76.00</u>  |
|   | (c) Total  |     | <u>101.57</u>   |
|   | (d) Total R & D expenditure as a percentage of Turnover  |     | 0.43  |

### III TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

- |   |  |     |   |
|---|--|-----|---|
| 1 | Efforts in brief made towards technology absorption, adaptation and innovation | (a) | Installation of broke handling system.  |
|   |  | (b) | Installation of double doctoring system at suction press, suction couch roll.   |
|   |  | (c) | Installation of web tension controller.   |
|   |  | (d) | New dandy roll installation   |
|   |  | (e) | Energy Management system provided.  |
| 2 | Benefits derived as a result of The above efforts                              | (a) | Improved broke handling & its deflaking.  |
|   |  | (b) | Real time power available on individual Grades.                                 |
|   |  | (c) | Improved water removal and better formation. Better reel formation at rewinder. |
| 3 | No new technology was imported in last five years.                             |     |   |

### IV FOREIGN EXCHANGE EARNINGS AND OUTGO :

- 1 During the year the Company has exported 187.26 MT of paper at ₹ 204.49 lacs as compared to 277.20 MT of paper valued at ₹ 260.13 lacs during 2012-13. All out efforts are being made to improve export performance further to meet growing demand specialty grades to European and South Asian countries.
- 2 Foreign Exchange earned and used were ₹ 204.49 lacs and ₹ 10,049.44 lacs, respectively.

On behalf of the Board of Directors,

**A.K. Jatia**  
Chairman

Mumbai,  
Dated : 17<sup>th</sup> May, 2014

## 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, 2014.

Name & Age (Years)	Designation/ Nature of duties	Remuneration		Qualification & Experience (Years)	Date of commen- cement of employ- ment	Last employed	
		Gross ₹	Net ₹			Name of the organi- sation	Position held
*Mr. Leekha V.P. (74)	Managing Director	76,73,580	56,50,620	B.E. (Mech.) (51)	07.03.2000	Star Paper Mills Ltd.	President
*Mr. Bansal S.K. (54)	Director (Finance & Secretary)	66,96,708	50,47,247	B.Com. ACA, ACS, (31)	3.10.1984	A.F. Fergusson & Co.	Asstt. Manager
**Mr. Hubert Trummer (54)	Chief Operating Officer (COO)	118,17,200	83,41,558	B.E. (Mech.) (38)	25.02.2013	Self Employed	Paper Consultant

**Notes -**

- (1) Gross remuneration as shown above includes salary, bonus, Company's contribution to Provident fund and Value of medical and other facilities but excludes provision for gratuity. Net remuneration is arrived at after deduction of Income Tax.
- (2) \*The nature and conditions of employment are non contractual. The employee is whole-time director of the Company during the year.
- (3) \*\*The nature and conditions of employment are contractual. The employee is whole time employee of the Company.

On behalf of the Board of Directors,

A.K. Jatia  
Chairman

Mumbai

Dated : 17<sup>th</sup> May, 2014

**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 29<sup>th</sup> 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 Managing Director to the effect is appended.

**Board of Directors :**

The Board of Directors is composed of a Promoter Director, two Whole-time Directors, one of whom is the Managing Director and the rest Non Executive Independent Directors. The Managing Director and the Whole-time Director, the Managing Director conduct the day to day management of the Company subject to the supervision and control of the Board of Directors. The composition of the Board of Directors is given hereunder :

Name	Category	No.of other Directorships & Committee Membership / Chairmanships held			Attendance Particulars (No.of Board Meetings held in 2013- 2014- 4)
		Directorships	Committee Memberships	Committee Chairmanships	
Mr. V.O. Somani	NED/IND	3	-	-	4
Mr. R.N. Sethna*	NED/IND	4	1	-	1
Mr. V.P. Leekha	WTD/MD	1	-	-	4
Mr. A.K. Jatia	NED/PR	6	2	1	4
Mr. S.K. Bansal	WTD	5	1	-	4
Mr. B.C. Dalal	NED/IND	5	-	-	4
Mr. V.K. Beswal	NED/IND	2	-	-	3
Mr. Gautam Khaitan	NED/IND	10	-	-	1

\*Expired on 11<sup>th</sup> May, 2014.

**NED** : Non-Executive Director, **IND** : Independent, **PR** : Promoter, **MD** : Managing Director.

Messrs. A.K. Jatia, S.K. Bansal and V.P. Leekha, the Directors of the Company attended last Annual General Meeting held on 24<sup>th</sup> August, 2013.

During the year 2013-2014 Four Board Meetings were held on the following dates :

23<sup>rd</sup> May, 2013, 10<sup>th</sup> August, 2013, 23<sup>rd</sup> October, 2013, and 30<sup>th</sup> January, 2014.



**Details of Sitting fees & Remuneration paid to Directors during the year ended 31<sup>st</sup> March, 2014 :**

**(Figures in ₹)**

Name	Sitting fees	Salaries	Perquisites	Commission	Total
Mr. V.O. Somani	55,000	-	-	-	55,000
Mr. R.N. Sethna	6,000	-	-	-	6,000
Mr. A.K. Jatia	54,000	-	-	-	54,000
Mr. V.P. Leekha	-	54,00,000	22,73,580	-	76,73,580
Mr. S.K. Bansal	-	45,24,000	21,72,708	-	66,96,708
Mr. B.C. Dalal	51,000	-	-	-	51,000
Mr. V.K. Beswal	30,000	-	-	-	30,000
Mr. Gautam Khaitan	10,000	-	-	-	10,000

- 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 appointment of Mr. A.K. Jatia is for a period of 5 years with effect from 1<sup>st</sup> June, 2014.
- The appointments of Messrs V.P. Leekha and S.K. Bansal are for a period of five years each with effect from 1<sup>st</sup> April, 2014.
- 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.
- Messrs. V.O. Somani, R.N. Sethna, A.K. Jatia, B.C. Dalal, S.K. Bansal and V.K. Beswal held 2150, 5120, 20,48,000, Nil, Nil and Nil equity shares of ₹ 2/- each of the Company respectively.

**Appointment of Directors :**

Messrs. V.O. Somani, B.C. Dalal, V.K. Beswal and Gautam Khaitan are Independent Directors for a period of 5 years with effect from 01.04.2014 who will not be liable to retire by rotation and Messrs. A.K. Jatia, V.P. Leekha and S.K. Bansal who are non-independent directors in terms of the Companies Act, 2013 will be liable to retire by rotation.

A Resolution has been proposed for appointment of Mr. Gautam Khaitan as Independent Director who was appointed as an additional Director, on the Board of the Company on 23<sup>rd</sup> October, 2013 will hold office only upto the date of ensuing Annual General Meeting in terms section 161 of the Companies Act, 2013 and is eligible for re-appointment. Being an Independent Director he will not be liable to retire by rotation.

A Special Resolution has been proposed for appointment of and remuneration payable to Mr. A.K. Jatia, whole-time Director designated as Executive Chairman of the Company with effect from 1<sup>st</sup> June, 2014.

A Special Resolution has also been proposed for re-appointment and remuneration payable to Mr. V.P. Leekha as Managing Director of the Company for a period of 5 years with effect from 01.04.2014.

A Special Resolution has also been proposed for re-appointment and remuneration payable to Mr. S.K. Bansal as Whole-time Director of the Company for a period of 5 years with effect from 01.04.2014.

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- a) Mr. A.K. Jatia was appointed as Non-Executive Director in 1998 and thereafter was reappointed from time to time on retirement by rotation. Mr. Jatia is a B.S. (Financial and Business Administration) with over 28 years experience in Business and Finance. He holds 20,48,000 equity shares of ₹ 2/- each of the Company. He is Director of the following Companies:

Pudumjee Investment & Finance Co. Ltd., Thacker & Co. Ltd., Chem-Mach Pvt. Ltd., Ubiquitous Trading Pvt. Ltd., Winterpark Investments & Finance Pvt. Ltd. and Pudumjee Plant Laboratories Ltd.,

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

Thacker & Co.Ltd. – Chairman of Audit Committee, Share Transfer approval Committee, Shareholder's Grievance Committee, Borrowing & Investment Committee.

- b) Mr. Gautam Khaitan was appointed as an additional Director of the Company with effect from 23<sup>rd</sup> October, 2013.

Mr. Khaitan is an Advocate by profession and has over 25 years of experience in Corporate Law. He does not hold any shares of the Company. He is Director of following Companies :

Satora International Ltd., Taxmaco Infrastructure & Holdings Ltd., Bharat Seats Ltd., FACOR Alloys Ltd., Aravali Securities & Finance Ltd., Arcotech Ltd., Med Save Healthcare (TPS) Ltd., Aerofemi Healthcare Ltd., Arotech Uniexpat Ltd. And Q.H. Talbros 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 operates in the Specialty Papers segment which have specific end use and requirement such as packaging for food products, laminated products for Décor Industry and various other applications. Compared to commodity paper grades such as Writing and Printing and other general products, specialty papers have higher cost of production and fetch commensurate higher price. In order to be ahead of the competition, it is imperative for the Company to continuously review its basket of products, develop new products and optimize others. More recently new products such as Bake Oven Paper for baking of cakes etc, Slip Easy Paper for baking paper cups, Parchment and Grease Resistant papers for oily foods have been developed and introduced to the market. Some of them and other products have been successfully exported to Europe and other markets. The market share of the Company in the specialty paper segment has been virtually stagnant in view of unfair competition from unrestricted imports especially from China at effectively lower duty and tariff and wide spread usage of plastics. The natural growth in the specialty paper segment and the increasing awareness about negative aspects of usage of plastics, therefore, has not been resulting in improvement in Company's share. The Company views the threat of unfair competition from imports, as aforesaid to be a short term and expects the new Government to ultimately recognize such an impediment which would need to be sternly removed. Similarly the fair legal mechanism, if introduced and implemented by the Government would allow the Company substantial benefit arising out of replacement of plastics by paper. The Company, regardless of these expectations, continues to intensify its efforts in all directions on cost reduction within the overall constraints of depreciated Rupee and higher energy costs.

The Company so far has been carrying on the Real Estate business through a Partnership firm where this year a building of 94 mid-sized luxury flats has been completed, taking the total of such buildings to 4. The Company has now commenced a project named 'Greenville' on a land of about 9000 Sq.Mtr where residential / commercial complex would be constructed. The Company's accounts include a tax free profit of ₹ 11.43 Crores being its share from the Partnership firm in respect of the aforesaid building completed and stocks of few flats sold by the firm.

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

The Company employs about 500 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. A.K. Jatia and S.K. Bansal to deal with the matters relating to investments and Borrowings.

(b) **Audit Committee :**

The Audit Committee consists of four non Executive Directors, out of which three are independent Directors, namely Messrs. V.O.Somani, A.K. Jatia, Mr. Bhupen C. Dalal (Chairman of the Committee) and V.K. Beswal (appointed as an additional member with effect from 28.01.2014) (Independent Director). The broad terms of reference of this Committee are:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 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; and other matters as dealt within the amended clause 49 of SEBI.
- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Committee had held four meetings during the financial year 2013-2014 viz the first for consideration of Annual Accounts for the year ending 31<sup>st</sup> March, 2013, the second for consideration of quarterly results for the quarter ending 30<sup>th</sup> June, 2013, the third for consideration of quarterly/half-yearly results for the quarter ending 30<sup>th</sup> September, 2013, and the fourth for considering quarterly results for the quarter ending 31<sup>st</sup> December, 2013 respectively. Mr. V.O. Somani, Mr. A.K. Jatia and Mr. B.C. Dalal attended all the four meetings and Mr. V.K. Beswal attended 1 meeting.

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

## PUDUMJEE PULP & PAPER MILLS LIMITED

### (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 2013-2014, the Company received 33 complaints from investors and No complaints were received through SEBI and No Complaint was received through Stock Exchange. The complaints received have been replied to and resolved. No complaints are pending for resolution.

As on 31<sup>st</sup> March, 2014 there was 1 transfer of 1500 shares held in physical forms are pending for approval. The transfers are dealt with, invariably, within 15 days from their date of lodgement.

### (d) **Remuneration Committee :**

The Remuneration Committee consisted of three non Executive Independent Directors namely; Messrs. R.N. Sethna (Chairman), V.O.Somani and Mr. B.C. Dalal (Independent Directors), during the year. Due to the sad demise of Mr. R.N. Sethna, Mr. V.K. Beswal was appointed as a member of the Committee. Mr. B.C. Dalal is the Chairman of the Committee.

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 in accordance with the law laid down under the Companies Act, 1956

One meeting of the Remuneration Committee were held during the year 2013-14.

### **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 27<sup>th</sup> August, 2011 and 25<sup>th</sup> August, 2012 and 24<sup>th</sup> August, 2013 at 9.00 a.m. (ST).

(i) No special resolutions were passed at the Annual General Meeting held on 27<sup>th</sup> August, 2011. One Special Resolution was passed at the Annual General Meeting held on 25<sup>th</sup> August, 2012 for payment of remuneration to Mr. S.K. Bansal with effect from 01.04.2012 for the remaining period of his appointment. Two Special Resolutions were passed at the Annual General Meeting held on 24<sup>th</sup> August, 2013 for payment of remuneration payable to Mr. V.P. Leekha and Mr. S.K. Bansal with effect from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 and from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2014 respectively.

(ii) No Extra-ordinary General Meeting was held during the year.

Five Special Resolutions are proposed to be moved at the ensuing Annual General Meeting.

**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) Some of the requirements of the revised Clause 49 of the listing agreement have been complied with as detailed in this annexure “C”. The other requirements will be complied with effect from 1<sup>st</sup> October, 2014 in compliance of revised clause 49 effective from 1.10.2014.
- (e) In terms of listing agreement, the Company has its “Risk Management Policy and Mitigation measures” and is adopted by the Board. The Board/Audit Committee periodically reviews the risks and the measures to mitigate the same.

**Means of Communication**

- (a) The Company has published its quarterly and half yearly results giving the required particulars in the “Financial Express”/“Economic Times” and “Loksatta”/Maharashtra Times (Regional Language).
- (b) These results are also posted on Company’s website www.pudumjee.com.
- (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, 13<sup>th</sup> September, 2014 at 12.00 noon (ST)
  - Venue : Registered Office of the Company at Thergaon, Pune - 411 033.
- (b) Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March
  - Financial Calendar (Tentative)
  - Date of Book Closure : 2<sup>nd</sup> September, 2014 to 13<sup>th</sup> September, 2014.
  - Last date for receipt of Proxy Form : 11<sup>th</sup> September, 2014 (before 12.00 noon)
  - Dividend Payment Date : 19<sup>th</sup> September, 2014.
  - Board Meeting for Consideration of unaudited results for first three quarters : Within 45 days of succeeding quarter.

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

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

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 ₹ 2/- per share)

Month	National Stock Exchange		Bombay Stock Exchange		BSE 500 Index (Closing)
	High (₹)	Low (₹)	High (₹)	Low (₹)	
April, 2013	12.75	9.10	13.89	9.30	7385.25
May, 2013	13.95	9.10	14.00	9.31	7441.89
June, 2013	14.10	9.50	14.00	10.25	7164.06
July, 2013	10.95	10.00	14.00	10.00	6985.56
August, 2013	—	—	11.99	9.50	6673.96
Sept., 2013	—	—	12.29	9.12	7019.96
Oct., 2013	—	—	11.70	10.05	7656.62
Nov., 2013	—	—	10.99	9.61	7598.21
Dec., 2013	—	—	12.81	10.00	7828.34
Jan., 2014	13.85	10.35	14.54	10.27	7499.02
Feb., 2014	11.30	9.50	11.01	9.66	7709.75
March, 2014	14.10	10.00	14.00	9.83	8295.26

- (d) Registrars & Share Transfer Agents (Share transfer and communication regarding share Certificates, Dividend and change of address) : M/s Karvy Computershare Pvt. Ltd.  
17-24, Vittal Rao Nagar,  
Madhapur,  
**HYDERABAD 500 081.**  
Tel : 91-40-44655000  
Fax : 91-40-23420814  
E-mail : einward.ris@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 15 days from the date of receipt subject to the documents being in order in all respects.

- (f) Shareholding pattern and distribution of shares as at 31<sup>st</sup> March, 2014 : (Face Value ₹ 2/- per Share)

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING		
Category	No.of shares	%	No. of shares	No.of shareholders	Shares held in each class
Promoters	25001108	60.98	1 – 5000	7633	4512809
Banks/Institutions	141195	0.34	5001-10000	358	1371963
Bodies Corporate	4030150	9.83	10001-50000	283	3089174
Public	11827547	28.85	50001-100000	33	1250806
			100000 & above	50	30775248
<b>Total</b>	<b>41000000</b>	<b>100.00</b>		<b>8357</b>	<b>41000000</b>

- (g) Dematerialization of Shares : Approximately 97.05% of the shares are held in dematerialized form as on 31<sup>st</sup> March, 2014.

The trading in Equity Shares of the Company by all investors is permitted only in dematerialized form.

On and from 1<sup>st</sup> 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 ₹10 had been sub-divided into five equity shares of ₹ 2/- each with effect from 01.04.2009.

- (h) In compliance of the amendment to Clause 5A(II) to the Listing Agreements, the procedure spelt out therein has been completed and the “Unclaimed Suspense Account” with Axis Bank Ltd., has been opened. The total Unclaimed shares transferred to this account were 4,00,585 equity shares under 518 folios and out of this 4 shareholders for 52170 equity shares have claimed upto 31<sup>st</sup> March, 2014.

## PUDUMJEE PULP & PAPER MILLS LIMITED

- (i) Liquidity : The total number of shares transferred in the non demat segments during 2013-2014 was 3980.
- (j) Plant Location : Thergaon, Pune 411 033.
- (k) (i) Investors Correspondence : Karvy Computershare Pvt. Ltd.  
(for transfer/dematerialization : 17-24, Vittal Rao Nagar,  
and any other inquiry relating : Madhapur,  
to the shares of the Company) : HYDERABAD 500 081.  
Tel. : 91-40-44655000  
Fax : 91-40-23420814  
E-mail : einward.ris@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 : inv\_compl\_ppm@pune.pudumjee.com  
Investor Complaints :
- (l) 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.
- (m) Qualifications in Auditors' Report : The Auditors have not expressed any qualification or adverse remark in their Report.

On behalf of the Board of Directors,  
**A.K. Jatia**  
Chairman

Mumbai  
Dated : 17<sup>th</sup> May, 2014

Annexure - "A"

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

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

In terms of the requirement of the Revised Clause 49 of the Listing Agreement, Code of Conduct as approved by the Board of Directors of the Company in its meeting held on 29<sup>th</sup> October, 2005 has been displayed at Company's website [www.pudumjee.com](http://www.pudumjee.com). All the members of the Board and the senior management personnel have affirmed compliance with the Code for the year ended 31<sup>st</sup> March, 2014.

Mumbai,  
Dated : 17<sup>th</sup> May, 2014

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



**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by Pudumjee Pulp & Paper Mills Limited, for the year ended on 31<sup>st</sup> March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

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

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

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2014

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**Pudumjee Pulp & Paper Mills Ltd.,**

**Report on the Financial Statements :**

We have audited the accompanying financial statements of **Pudumjee Pulp and Paper Mills Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements :**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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 purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
  - e. On the basis of the written representations received from directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

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

Place: Mumbai,  
Dated: 17<sup>th</sup> May, 2014

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

**Referred to in Paragraph 1 under the heading of “report on other legal and regulatory requirements” of our report of even date**

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 ₹ 3455.53 lacs during the year to two Companies, covered in the register maintained under Section 301 of the Companies Act, 1956.
- b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such 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) There are no overdue amounts in respect of loans given by the Company;
- 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 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable;
- c) The disputed Statutory dues aggregating ₹ 155.88 lacs that have not been deposited on account of disputes and matters pending before appropriate authorities are as under:-

S. No	Nature of the dues	Forum where the dispute is pending	Amount (₹ in lacs)
1	Excise Duty	High Court, Mumbai.(Dept's Appeal)	20.96
2	Excise Duty	CESTAT (Dept's appeal)	60.05
3	Excise Duty	CESTAT (Dept's appeal)	0.51
4.	Excise Duty	CESTAT Dy. Commissioner(Central Excise)	4.46
5.	Customs	CESTAT	68.32
6.	Service Tax	CESTAT (Service Tax) (Dy.Commissoner)	1.58

- 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, the company has not granted any 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

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2014

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note	AS AT 31.03.2014	AS AT 31.03.2013
	No.	₹ in lacs	₹ in lacs
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	820.00	820.00
(b) Reserves and Surplus	2	15,470.03	12,728.33
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	6,408.33	7,569.97
(b) Deferred tax liabilities (Net)		1,537.00	1,616.00
(c) Other Long-term Liabilities	4	1,629.33	1,454.74
(d) Long term provisions	5	602.12	614.03
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	527.67	357.44
(b) Trade payable	7	4,803.36	2,110.99
(c) Other current liabilities	8	2,229.16	2,268.41
(d) Short-term provisions	9	249.13	205.06
<b>Total</b>		<b>34,276.13</b>	<b>29,744.97</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	10,491.25	10,996.17
(ii) Intangible assets		14.61	21.69
(iii) Capital work-in-progress		5,783.62	5,726.19
(b) Non-current investments	11	345.31	345.31
(c) Long term loans and advances	12	6,861.49	6,166.68
<b>(2) Current assets</b>			
(a) Current investments	13	525.84	501.61
(b) Inventories	14	6,320.94	2,728.21
(c) Trade receivables	15	2,119.31	2,305.65
(d) Cash and Bank Balances	16	162.41	93.69
(e) Short term loans & Advances	17	1,651.35	859.77
<b>Total</b>		<b>34,276.13</b>	<b>29,744.97</b>

OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

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

**Y. P. SHUKLA**  
Proprietor

Mumbai, Dated : 17<sup>th</sup> May, 2014

**B.C. DALAL**  
Director

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

On behalf of the Board,

**A. K. JATIA**  
Chairman

**V.P. LEEKHA**  
Managing Director

Mumbai, Dated : 17<sup>th</sup> May, 2014

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014**

	Note No.	2013-2014 ₹ in lacs	2012-2013 ₹ in lacs
I. a) Revenue from operations	18	<b>23,755.93</b>	20,324.41
Less : Excise Duty		<b>1,281.97</b>	1,078.67
		<b>22,473.96</b>	19,245.74
b) Profit from firm in Real Estate Activity		<b>1,142.80</b>	1,660.06
Net Revenue from Operations (a+ b)		<b>23,616.76</b>	20,905.80
II. Other Income	19	<b>717.21</b>	517.23
III. <b>Total Revenue (I + II)</b>		<b>24,333.97</b>	21,423.03
IV. <u>Expenses:</u>			
(1) Cost Of Materials Consumed	20	<b>12,374.28</b>	8,629.71
(2) Trade Purchases		—	213.70
(3) Changes in Inventories of Finished Goods, Work-in-Process and Stock in Trade	21	<b>(654.91)</b>	1,209.26
(4) Employees Cost	22	<b>2,408.43</b>	2,113.62
(5) Finance Cost	23	<b>868.17</b>	697.01
(6) Foreign Exchange Loss		<b>101.81</b>	128.43
(7) Depreciation and Amortization	10	<b>809.97</b>	848.42
(8) Other Expenses	24	<b>6,907.49</b>	5,914.68
<b>Total Expenses</b>		<b>22,815.24</b>	19,754.83
V. <b>Profit before Exceptional and Extraordinary items and tax (III-IV)</b>		<b>1,518.73</b>	1,668.20
VI. Exceptional items/Extraordinary Items		—	—
VII. <b>PROFIT BEFORE TAX (V- VI)</b>		<b>1,518.73</b>	1,668.20
VIII. Tax expense :			
(1) Current tax		<b>160.00</b>	3.00
(2) Deferred tax / (Savings)		<b>(79.00)</b>	(16.00)
		<b>81.00</b>	(13.00)
IX. <b>Profit for the Year (VII-VIII)</b>		<b>1437.73</b>	1,681.20
X. <b>Earning per equity share: (Face value ₹ 2 per share)</b>			
(1) Basic		<b>3.51</b>	4.10
(2) Diluted		<b>3.51</b>	4.10
(See Note No.25.16 of Note "25")			

## OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

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

On behalf of the Board,

**A. K. JATIA**  
Chairman**V.P. LEEKHA**  
Managing DirectorMumbai, Dated : 17<sup>th</sup> May, 2014Mumbai, Dated : 17<sup>th</sup> May, 2014

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2014**

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
<b>NOTE '1' - SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
4,75,00,000 Equity Shares of ₹ 2/-each	<b>950.00</b>	950.00
50,000 14% (free of company's tax but subject to deduction of tax at source at the prescribed rates) Redeemable Cumulative Preference Shares of ₹ 100/- each	<b>50.00</b>	50.00
	<u><b>1,000.00</b></u>	<u>1,000.00</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
4,10,00,000 Equity Shares of ₹ 2/- each	<u><b>820.00</b></u>	<u>820.00</u>

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

Particulars	AS AT 31.03.2014 No. of Shares	AS AT 31.03.2013 No. of Shares
Equity Shares at the beginning and end of the year	<u><b>41,000,000</b></u>	41,000,000

1.2 The details of Shareholders holding more than 5% shares

Name of the Shareholder	AS AT 31-03-014		AS AT 31-03-2013	
	No. of Shares	% held	No. of Shares	% held
Thacker & Co. Ltd.	<b>6,150,000</b>	<b>15.00</b>	4,301,856	10.49
Pudumjee Industries Limited	<b>3,412,850</b>	<b>8.32</b>	3,412,850	8.32
Suma Commercial Pvt. Ltd.	<b>2,873,036</b>	<b>7.01</b>	2,873,036	7.01
Chem-Mach Pvt. Ltd.	<b>2,533,265</b>	<b>6.18</b>	2,533,265	6.18
Yashvardhan Jatia	<b>2,336,354</b>	<b>5.70</b>	-	-
Ubiquitous Trading Pvt.Ltd.	<b>2,150,000</b>	<b>5.24</b>	-	-



**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
<b>NOTE '2' - RESERVES &amp; SURPLUS</b>		
GENERAL RESERVE		
As per last Balance Sheet	7,450.00	7,300.00
Add : Transfer from Profit & Loss Account	<u>150.00</u>	<u>150.00</u>
	<b>7,600.00</b>	7,450.00
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
CAPITAL RESERVE		
On Treatment of Land as Stock- in Trade [See note 25.10(a)]	1,441.53	—
RESERVE FOR DOUBTFUL DEBTS (See Note '5')	6.34	—
SURPLUS IN PROFIT AND LOSS ACCOUNT		
Balance in Profit & Loss Account	3,734.97	2,347.67
<b>Add :</b>		
Profit for the Year	<u>1,437.73</u>	<u>1,681.20</u>
AMOUNT AVAILABLE FOR APPROPRIATIONS	<b>5,172.70</b>	4,028.87
APPROPRIATIONS :		
Proposed Dividend on Equity		
Shares (Free of Tax)	123.00	123.00
Tax on Proposed Dividend	20.90	20.90
Transfer to General Reserve	<u>150.00</u>	<u>150.00</u>
	<b>293.90</b>	293.90
	<u><b>4,878.80</b></u>	<u>3,734.97</u>
	<u><b>15,470.03</b></u>	<u><b>12,728.33</b></u>

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
<b>NOTE '3' - LONG TERM BORROWINGS</b>		
<b>(A) Secured Borrowings</b>		
FROM BANKS		
TERM LOAN	937.49	1,365.28
(Secured by first charge on the Assets at Mahad, specifically purchased therefrom)		
(See Note (a) below)		
TERM LOAN	—	366.66
(Secured by first charge on the Assets at Mahad, specifically purchased therefrom)		
(See Note (b) below)		
TERM LOAN	351.00	531.00
(Secured by first charge on the Assets at Sadawaghapur, specifically purchased therefrom)		
(See Note (c) below)		
TERM LOAN	473.50	688.50
(Secured by first charge on the Assets at Jath specifically purchased therefrom)		
(See Note (d) below)		
TERM LOAN	375.00	475.00
(Secured by pari passu first charge on immoveable assets at Pune.)*		
(See Note (e) below)		
FROM OTHER		
TERM LOAN	29.27	34.04
(Secured by vehicle purchased therefrom)		
(See Note (f) below)		
TERM LOAN	29.32	—
(Secured by vehicle purchased therefrom)		
(See Note (g) below)		
Total (A)	<b>2,195.58</b>	<b>3,460.48</b>

Notes:

- (a) Excluding ₹ 427.78 lacs (Last year ₹ 427.78 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.  
Repayable in 18 equal quartely installments beginning with 04.02.2013.
- (b) Excluding Rs. Nil (Last year ₹ 833.34 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.  
Repayable in 18 equal quartely installments beginning with 14.08.2013.
- (c) Excluding ₹ 180.00 lacs (Last year ₹ 180.00 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.  
Repayable in 20 equal quartely installments beginning with 21.06.2012.
- (d) Excluding ₹ 172.00 lacs (Last year ₹ 129.00 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.  
Repayable in 20 equal quartely installments beginning with 25.09.2013.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2014 (Contd.)**

- (e) Excluding ₹ 500.00 lacs (Last year ₹ 25.00 lacs) shown under “Current maturities of Long Term Debt” under Note No.8.  
Repayable in 20 equal quartely installments beginning with 16.01.2014.
- (f) Excluding ₹ 9.40 lacs (Last year ₹ 13.09 lacs) shown under “Current maturities of Long Term Debt” under Note No.8.  
Repayable in 60 Monthly installments beginning with 15.12.2012.
- (g) Excluding ₹ 6.20 lacs (Last year ₹ Nil ) shown under “Current maturities of Long Term Debt” under Note No.8.  
Repayable in 59 Monthly installments beginning with 10.1.2014.
- (h) There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.

\* Security :

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

	<b>AS AT 31.03.2014</b>	<b>AS AT 31.03.2013</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>(B) Unsecured Borrowings</b>		
Fixed Deposits from Public/Shareholders *	<b>2,680.63</b>	2,473.80
(See Note (a) below)		
Deposit from Associates	<b>110.00</b>	110.00
Deferred Sales Tax Liability	<b>1,422.12</b>	1,525.69
(See Note (b) below)		
Total (B)	<b>4,212.75</b>	4,109.49
<b>Total Long term borrowings (A) +(B)</b>	<b>6,408.33</b>	7,569.97

Notes :

- (a) Excluding (i) ₹ 23.90 lacs (Last year ₹ 58.40 lacs) being deposits for 1 year shown under “Short Term Borrowings” under Note No 6, and (ii) ₹ 585.25 lacs (Last year ₹ 416.43 lacs) shown under “Current maturities of Long Term Fixed Deposits” under Note No.8.
- (b) Excluding ₹ 103.57 lacs (Last year ₹ 42.25 lacs) shown under “Current maturities of “Long Term Unsecured Debts” under Note No. 8.
- (c) There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.  
\* Repayable after 2 years and 3 years from the date of acceptance of each Deposits.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
<b>NOTE '4' - OTHER LONG TERM LIABILITIES</b>		
Other Long Term Liability	1,306.54	1,129.33
Sundry Creditors	<u>322.79</u>	<u>325.41</u>
	<u><b>1,629.33</b></u>	<u><b>1,454.74</b></u>
<b>NOTE '5' - LONG TERM PROVISIONS</b>		
Provision for Diminution in value of Long term Investments and Impairment of Fixed Assets As per Last Balance Sheet	1,756.26	1,756.26
Less : Deducted per contra		
From Investments	359.00	359.00
From Fixed Assets	<u>1,397.26</u>	<u>1,397.26</u>
	—	—
Provision for Doubtful Debts & Advances	554.97	539.74
Add : Transferred from Profit & Loss Account	—	<u>15.23</u>
	<u>554.97</u>	554.97
Less : Debts & Advances considered Doubtful per contra	<u>548.63</u>	<u>554.97</u>
	6.34	—
Less : Surplus provision shown under Reserves & Surplus	<u>6.34</u>	—
	—	—
Provision for Taxation (Less:Advance Tax etc.)	—	27.82
Provision for Gratuity	<u>602.12</u>	<u>586.21</u>
	<u><b>602.12</b></u>	<u><b>614.03</b></u>

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
<b>NOTE '6' - SHORT TERM BORROWINGS</b>		
<b>(A) Secured Borrowings from Bank</b>		
Cash Credit repayable on demand	417.91	217.89
(Secured by hypothecation of stocks, stores and book debts and second charge on all immoveables and moveable properties of the Company at its Pune Plant)		
Total (A)	<u>417.91</u>	<u>217.89</u>
<b>(B) Unsecured Borrowings from others</b>		
Fixed Deposits	23.90	58.40
Others Deposits	<u>85.86</u>	<u>81.15</u>
Total (B)	<u>109.76</u>	<u>139.55</u>
<b>Total short term borrowings(A) +(B)</b>	<u><u>527.67</u></u>	<u><u>357.44</u></u>
Note : There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.		
<b>NOTE '7' - TRADE PAYABLE</b>		
Acceptances	3,127.05	915.65
Sundry Creditors	<u>1,676.31</u>	<u>1,195.34</u>
	<u>4,803.36</u>	<u>2,110.99</u>
	<u><u>4,803.36</u></u>	<u><u>2,110.99</u></u>
<b>NOTE '8' - OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts:		
Fixed Deposits	585.25	416.43
Secured Debts	1,295.39	1,608.21
Unsecured Debts	<u>103.57</u>	<u>42.25</u>
Unclaimed dividend	17.79	16.73
Unclaimed Matured Fixed Deposits	27.31	39.37
Unclaimed Interest On Fixed Deposits	3.02	3.84
Interest on Loans accrued but not due on borrowing	136.64	86.14
Creditors for Capital Goods	-	0.42
Advances from customers	45.66	50.83
Others payables	<u>14.53</u>	<u>4.19</u>
	<u><u>2,229.16</u></u>	<u><u>2,268.41</u></u>
<b>NOTE '9' - SHORT TERM PROVISIONS</b>		
Provision for Leave Encashment	126.13	82.06
Proposed Dividend	<u>123.00</u>	<u>123.00</u>
	<u><u>249.13</u></u>	<u><u>205.06</u></u>

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014 (Contd.)**

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

TYPE OF ASSETS	Cost upto 31.3.2013	Additions/ Transfers during the year	Deductions/ Transfers during the year	Balance Cost upto 31.03.2014	Depreciation / Impairment upto 31.3.2013	Depreciation / Amortisation for the year	Depreciation on sold/ Transfer of Assets and on deductions written back	Depreciation/ Impairment Balance as on 31.03.2014	Net Book Value as on 31.03.2014	Net Book Value as on 31.3.2013
<b>TANGIBLE ASSETS</b>										
Land - Freehold	40.89	-	0.14	40.75	-	-	-	-	40.75	40.89
- Leasehold	1,134.74	-	-	1,134.74	23.98	15.62	-	39.60	1,095.14	1,110.76
Buildings Under Lease	395.26	-	-	395.26	103.62	6.44	-	110.06	285.20	291.64
Buildings - Others	2,332.61	29.32	-	2,361.93	950.53	58.15	-	1,008.68	1,353.25	1,382.08
Machinery	23,589.49	239.49	96.58	23,732.40	15,592.96	680.49	37.15	16,236.30	7,496.10	7,996.53
Laboratory Equipments	24.08	25.57	-	49.65	17.52	3.26	-	20.78	28.87	6.56
Furniture & Fixtures	424.40	26.39	0.06	450.73	352.29	12.15	0.06	364.38	86.35	72.11
Vehicles	227.32	39.75	29.11	237.96	131.72	26.78	26.13	132.37	105.59	95.60
Total (A)	28,168.79	360.52	125.89	28,403.42	17,172.62	802.89	63.34	17,912.17	10,491.25	10,996.17
<b>INTANGIBLE ASSETS</b>										
Computer Software	102.38	-	-	102.38	80.69	7.08	-	87.77	14.61	21.69
Total (B)	102.38	-	-	102.38	80.69	7.08	-	87.77	14.61	21.69
Total (A+B)	28,271.17	360.52	125.89	28,505.80	17,253.31	809.97	63.34	17,999.94	10,505.86	11,017.86
Previous year	26,916.31	1,416.63	61.77	28,271.17	16,458.78	848.42	53.89	17,253.31	11,017.86	10,457.53

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
<b>NOTE '11' - NON CURRENT INVESTMENTS</b>		
LONG TERM INVESTMENTS (AT COST)		
TRADE INVESTMENTS : (EQUITY)		
<b>Investment in Subsidiary Companies :</b>		
1,990,000 Equity Shares of Pudumjee Investment & Finance Company Ltd. of ₹ 10/-each fully paid. (unquoted)	<b>199.00</b>	199.00
<b>Investments In Associates :</b>		
675,000 Equity shares of Pudumjee Plant Laboratories Ltd. of ₹ 10/- each fully paid (unquoted)	<b>60.00</b>	60.00
9,56,725 Equity shares of Pudumjee Industries Ltd. of ₹ 2/- each fully paid (quoted)	<b>110.06</b>	110.06
<b>Investment In Joint Venture :</b>		
Investment in Pudumjee-G : Corp Developers, a Firm	<b>35.00</b>	35.00
<b>Other Investment :</b>		
2,500 Shares of Saraswat Co-op Bank Ltd. of ₹ 10/- each fully paid (unquoted)	<b>0.25</b>	0.25
Trade Investment (Preference)		
<b>Investment in Subsidiary Companies :</b>		
3,000,000 12% Non-Cumulative Redeemable preference shares of Pudumjee Investment & Finance Company Ltd. of ₹ 10/- each fully paid. (unquoted) (Redeemed & Reinvested during the year)	<b>300.00</b>	300.00
	<b>704.31</b>	704.31
Less: Provision for Diminution in value of Long term Investments deducted per contra	<b>359.00</b>	359.00
	<b>345.31</b>	345.31
Aggregate amount of quoted investments		
Cost	<b>110.06</b>	110.06
Market Value	<b>75.58</b>	86.11
Aggregate amount of unquoted investments		
Cost	<b>594.25</b>	594.25
<b>NOTE '12' - LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good unless otherwise stated)		
Prepaid Expenses	<b>17.04</b>	2.44
Advance Income Tax	<b>60.70</b>	-
Security Deposits	<b>43.77</b>	45.59
Less : Provision for Doubtful Advances deducted per contra	<b>0.81</b>	0.81
	<b>42.96</b>	44.78
Loans & Advances to Subsidiary/Associates	<b>6,470.91</b>	5,851.46
Others Advances	<b>302.33</b>	302.75
Less : Provision for Doubtful Advances deducted per contra	<b>32.45</b>	34.75
	<b>269.88</b>	268.00
	<b>6,861.49</b>	6,166.68

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
<b>NOTE '13' - CURRENT INVESTMENTS</b>		
CURRENT INVESTMENTS IN MUTUAL FUNDS (unquoted) (EACH VALUED ON LOWER OF COST OR FAIR VALUE)		
Nil (Last Year 14,773) Units of Reliance Liquid Fund. of ₹ 1000/- each fully paid	—	225.84
Nil (Last Year 17,565) Units of IDFC Cash Fund. of ₹ 1000/- each fully paid	—	175.70
Nil (Last Year 99,771) Units of DWS Insta Cash Plus Fund. of ₹ 100/- each fully paid	—	100.07
50,075 (Last Year Nil) Units of Birla Sun Life Cash Plus Fund. of ₹ 100/- each fully paid	50.17	—
9,819 (Last Year Nil) Units of UTI Liquid Fund Cash Plus of ₹ 1000/- each fully paid	100.11	—
32,163 (Last Year Nil) Units of L & T Fund.-Pool Collection of ₹ 1000/- each fully paid	325.51	—
5,003 (Last Year Nil) Units of India Bulls -DDR of ₹ 1000/- each fully paid	50.05	—
	<u>525.84</u>	<u>501.61</u>
Aggregate amount of unquoted investments Cost	525.84	501.61
<b>NOTE '14' - INVENTORIES</b>		
Raw material (At cost)	1,597.42	244.68
Work-in-process (At cost)	563.76	331.44
Finished Paper (At lower of cost or market value.)	1,600.18	1,177.59
Stores, Spare Parts Etc.(At Cost)	945.96	935.88
Stores, Spare Parts Etc. in Transit (At Cost)	6.15	37.28
Loose Tools (At Cost)	1.17	1.34
Stock in Trade- Land	1,441.67	—
Stock in Trade- Other developments	164.63	—
[See note 25.10(a)]	<u>6,320.94</u>	<u>2,728.21</u>
<b>NOTE '15' - TRADE RECEIVABLES (Unsecured)</b>		
Debts outstanding for a period exceeding six months from due date		
Considered Good	83.64	121.02
Considered Doubtful	507.47	511.57
	591.11	632.59
Other Debts		
Considered Good	2,035.67	2,184.63
Considered Doubtful	2.68	2.62
	2,629.46	2,819.84
Less : Provision for Doubtful Debts deducted per contra	510.15	514.19
	<u>2,119.31</u>	<u>2,305.65</u>
	<u>2,119.31</u>	<u>2,305.65</u>



**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014		AS AT 31.03.2013
	₹ in Lacs		₹ in Lacs
<b>NOTE '16' - CASH &amp; BANK BALANCES</b>			
Cash on hand as per books	5.95		8.83
Deposit with Bank for Margin Money (with maturity beyond 12 months)	9.00		9.00
On other Deposit account with Bank	4.00		5.00
On other accounts with Banks	27.50		29.89
Cheques on hand	98.17		24.24
Unpaid Dividends account with Banks	17.79		16.73
	<u>162.41</u>		<u>93.69</u>
<b>NOTE '17' - SHORT TERM LOANS &amp; ADVANCES</b>			
(Unsecured, Considered Good, other than related parties)			
Prepaid Expenses	61.71		48.24
Security Deposits	-		1.73
Inter Corporate Deposits	300.43		-
Capital Advances	22.79		2.87
Advance Income Tax for Current year (Less Provision for Current year Tax)	1.62		63.45
Advances to employees of the Company	12.58		14.31
Balance with Government Authorities	528.47	259.81	
Advance to Suppliers	491.56	317.13	
Sundry Advances	237.41	157.45	
	<u>1,257.44</u>	<u>734.39</u>	
Less : Provision for Doubtful Advances deducted per contra	5.22	5.22	729.17
	<u>1,252.22</u>		<u>859.77</u>
	<u>1,651.35</u>		<u>1,651.35</u>

**NOTES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
31ST MARCH, 2014**

	Year Ended 31.03.2014		Year Ended 31.03.2013
	₹ in Lacs		₹ in Lacs
<b>NOTE '18' - REVENUE FROM OPERATIONS</b>			
PAPER	21,935.90	18,400.93	
Less : Excise Duty	1,281.59	1,078.19	17,322.74
TRADE SALE	-		228.22
MISCELLANEOUS SALES	67.28	58.22	
Less : Excise Duty	0.38	0.48	57.74
PROCESSING AND OTHER CHARGES	1,593.63		1,524.55
OTHER OPERATING REVENUE	159.12		112.49
	<u>22,473.96</u>		<u>19,245.74</u>
<b>NOTE '19' - OTHER INCOME</b>			
DIVIDENDS			
Others	34.04		9.48
MISCELLANEOUS INCOME	28.18		27.36
INTEREST RECEIVED FROM OTHERS	654.99		473.42
PROFIT ON SALE/TRANSFER OF FIXED ASSETS (NET)	-		6.97
	<u>717.21</u>		<u>517.23</u>
<b>NOTE '20' - COST OF MATERIAL CONSUMED</b>			
CONSUMPTION OF RAW MATERIALS	9,892.01		6,950.46
CONSUMPTION OF STORES, COLOURS,CHEMICALS etc.	2,482.27		1,679.25
	<u>12,374.28</u>		<u>8,629.71</u>

**NOTES ANNEXED TO AND FORMING PART OF THE  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)**

	Year Ended 31.03.2014		Year Ended 31.03.2013
	₹ in Lacs		₹ in Lacs
<b>NOTE '21' - CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROCESS AND STOCK-IN-TRADE</b>			
STOCK AT COMMENCEMENT			
Finished Paper	1,177.59		2,031.18
Work-in-Process			
- Pulp	1.78		12.85
- Paper	329.66	1,509.03	674.26
			2,718.29
STOCK AT CLOSE			
Finished Paper	1,600.18		1,177.59
Work-in-Process			
- Pulp	28.47		1.78
- Paper	535.29	2,163.94	329.66
		(654.91)	1,509.03
			1,209.26
<b>NOTE '22' - EMPLOYEES' COST</b>			
SALARIES, WAGES, BONUS etc.			
Salaries, Wages, gratuity & Bonus	2,105.89		1,820.00
Contribution to Provident & Other Funds (Including Administrative Charges)	197.82		187.87
Employees State Insurance	3.04		4.42
Workmen & Staff Welfare Expenses	101.68		101.33
	2,408.43		2,113.62
<b>NOTE '23' - INTEREST &amp; FINANCIAL COST</b>			
INTEREST ON BORROWINGS	809.62		637.81
OTHER FINANCIAL CHARGES	141.29		115.03
		950.91	752.84
LESS: INTEREST RECEIVED ON TRADE DEBTS		82.74	55.83
		868.17	697.01
<b>NOTE '24' - OTHER EXPENSES</b>			
FUEL, POWER & WATER	4,878.95		4,216.98
RENT	5.84		5.84
RATES & TAXES	60.39		46.21
REPAIRS & MAINTENANCE			
Machinery	613.11		584.04
Buildings	54.34		45.31
Others	17.71	685.16	9.81
INSURANCE		27.79	18.58
PACKING, CARTAGE, CUTTING,	441.67		381.79
DEVELOPMENT & RESEARCH EXPENSES	76.00		69.78
COMMISSION ON SALES	261.49		218.27
DIRECTORS' FEES	2.06		1.63
EXCISE DUTY ON STOCK	31.07		(53.79)
LOSS ON SALE/TRANSFER OF ASSETS (NET)	1.08		-
BAD DEBTS & ADVANCES WRITTEN OFF	14.82		-
PROVISION FOR DOUBTFUL DEBTS	-		15.23
OFFICE & MISCELLANEOUS EXPENSES	421.17		355.00
	6,907.49		5,914.68

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT  
AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
31ST MARCH, 2014**

NOTE '25'

	<u>2013-2014</u>		<u>2012-2013</u>	
	₹ in Lacs		₹ in Lacs	
<b>25.01 The value of raw materials consumed</b>				
Pulp	9,111.64		6,561.47	
Waste Paper	780.37		388.99	
<b>25.02 Trade Purchases</b>				
Pulp	-		204.94	
Others	-		8.76	
<b>25.03 Value of direct imports calculated on CIF basis during the financial year</b>				
Raw Material	9536.85		4414.65	
Components & Spare Parts	469.46		125.48	
Capital Goods	13.42		89.62	
<b>25.04 Expenditure in foreign currency during the financial year on account of</b>				
Royalty, know-how, interest, professional consultation, travelling, subscription and periodicals etc.	29.71		2.91	
<b>25.05 Value of raw materials, spare parts and component consumed during the financial year and the percentage thereof</b>				
	<u>2013-14</u>		<u>2012-2013</u>	
	Value	%	Value	%
	₹ in Lacs		₹ in Lacs	
Direct Imports	8,997.24	90.95	6,278.32	90.33
Others	894.77	9.05	672.14	9.67
Total :	<u>9,892.01</u>	<u>100.00</u>	<u>6,950.46</u>	<u>100.00</u>
Spare Parts & Components :				
Direct Imports	459.17	15.68	188.60	9.02
Others	2,469.45	84.32	1,901.69	90.98
Total:	<u>2,928.62</u>	<u>100.00</u>	<u>2,090.29</u>	<u>100.00</u>
	<u>2013-14</u>		<u>2012-2013</u>	
	₹ in Lacs		₹ in Lacs	
<b>25.06 Remittance In Foreign Currency On Account Of Dividend</b>				
The amount of dividend for the year 2012-2013 remitted in rupees into NRE Account of 126 (Last year 206) NRI shareholders holding 53,80,124 shares of ₹ 2/-each (Last year 49,15,170 of ₹ 2/-each) Equity shares	16.14		14.75	
<b>25.07 Export of goods calculated on FOB basis</b>				
Export of goods calculated on FOB basis (Earning in foreign Exchange)	204.49		260.13	
Deemed Exports.	16.94		343.11	
	<u>221.43</u>		<u>603.24</u>	

## PUDUMJEE PULP & PAPER MILLS LIMITED

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

**25.08** Salary, Wages, gratuity and bonus (Schedule 'K') does not include a sum of ₹ 83.99 lacs (Last year ₹ 88.62 lacs) transferred to other accounts.

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

b) In view of the aforesaid expansion project having been temporarily deferred, during the year, the borrowing and other recurring costs incurred for the year aggregating to ₹ 310.79 lacs have been treated as revenue expenditure and charged to the Profit & Loss account for the year ended 31-03-2014 under the respective heads. Such expenditure aggregating ₹ 433.25 lacs incurred in the previous year had been capitalized to the project cost.

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

b) Land admeasuring about 3000 Sq. Meters has been acquired by Municipal Corporation for road widening purpose in the earlier years. The Company is entitled to TDR with an out side chance of cash compensation, which is yet to be determined and as such this will be included when finally decided since the relevant documentation is yet to be finalised and executed.

**25.11 Payments made to Auditors:**

	<b>2013-2014</b>	<b>2012-2013</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
Audit fees	<b>3.00</b>	3.00
Taxation matters	<b>0.60</b>	0.60
Others	<b>2.45</b>	1.95
	<b>6.05</b>	<b>5.55</b>

**25.12** 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.

**25.13** Details of significant lease.

The company has entered into lease agreement in terms of which it has given buildings on rent on the usual terms and conditions and such payments received for the year have been recognized in the Profit & Loss Account under other income.

**25.14** a) Contingent Liabilities not provided for in respect of :

	<b>AS AT</b>	<b>AS AT</b>
	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
i) Bank Guarantees and Letters of Credit in favour of suppliers of raw materials, spares etc.*	<b>3,012.52</b>	2,111.08
ii) Guarantee for other Companies *	<b>2,488.36</b>	1,435.00
iii) Claims against the Company not acknowledged as debts for excise duty, property tax and commercial claims etc. **	<b>586.61</b>	619.98
iv) Penalty under Income Tax Act no longer payable in view of appellate order in company's favour *	<b>351.91</b>	-

\* Will not affect the future Profitability.

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

## NOTE '25' - (Contd.)

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
b) Commitments not provided for in respect of :		
i) Estimate of contracts remaining to be executed on capital account	46.33	44.60
<b>25.15</b> Following significant accounting policies have been adopted in preparation and presentation of the financial statements :		
a) Fixed Assets are valued at cost.		
b) Borrowing costs comprising interest etc. relating to projects unless deferred, are capitalised up to the date of its completion and other borrowing costs are charged to Profit & Loss Account in the year of their accrual.		
c) Depreciation on Machinery & Building has been provided on Straight Line Method and that on the other Assets on Written Down Value method in accordance with Schedule XIV of the Companies Act, 1956 as in force as on the date of Balance Sheet. Lease hold land is depreciated based on period of residual lease.		
d) Finished paper stock is valued at lower of cost or market value. Land treated as stock in trade duly revalued at fair market value on the date of treatment, is carried at that value together with actual development expenses incurred thereon. All other inventories are valued at lower of cost on First In First Out Method or realisable value.		
e) Investments are classified into current and long term investments. Current investments are stated at lower of cost or fair value. Long term investments are stated at cost, less provision for permanent diminution in value, if any.		
f) (i) Contributions to defined contribution schemes, namely, Provident Fund and Superannuation Fund is made at a pre-determined rates and are charged to the Profit & Loss Account.		
(ii) Contributions to the defined benefit scheme, namely, Gratuity Fund & provision for the remaining Gratuity and for Leave encashment are made on the basis of actuarial valuations made in accordance with the revised Accounting Standard (AS) 15 at the end of each Financial Year and are charged to the Profit & Loss Account of the year.		
(iii) Actuarial gains & losses are recognized immediately in the Profit & Loss Account.		
g) Foreign Exchange Transactions are recorded at the then prevailing rate. Closing balances of Assets & Liabilities relating to foreign currency transactions are converted into rupees at the rates prevailing on the date of the Balance Sheet. The difference for transactions are dealt with in the Profit & Loss Account.		
h) Revenue recognition is postponed to a later year only when it is not possible to estimate it with reasonable accuracy.		
i) Factors giving rise to any indication of any impairment of the carrying amount of the company's assets are appraised at each balance sheet date to determine and provide / revert an impairment loss following accounting standard AS 28 for impairment of assets.		

## PUDUMJEE PULP & PAPER MILLS LIMITED

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

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

	<u>AS AT</u> <u>31.03.2014</u>	<u>AS AT</u> <u>31.03.2013</u>
Basic/Diluted EPS :		
(a) Net Profit after tax as per Profit & Loss Account :		
After current and deferred Tax	₹ 1,437.73 lacs	₹ 1,681.20 lacs
(b) No. of Equity shares of ₹ 2/- each :	410.00 lacs	410.00 lacs
(c) Basic EPS		
After current and deferred Tax ( a/ b)	₹ 3.51	₹ 4.10

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

	<u>AS AT</u> <u>31.03.2014</u>	<u>AS AT</u> <u>31.03.2013</u>
	₹ in Lacs	₹ in Lacs
In respect of Depreciation	1,897	2,092
In respect of allowances and disallowances under various provisions of Income Tax Act.	<u>(360)</u>	<u>(476)</u>
Net Deferred Tax Liability	<u>1,537</u>	<u>1,616</u>

(b) The Deferred Tax Asset in respect of carry forward of losses and tax credit has been worked out on the basis of assessment orders, returns of income filed for subsequent assessment years and estimate of the taxable income for the year ending 31st March, 2014.

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

#### 25.19 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) Pudumjee Industries Limited.
- c) Pudumjee Plant Laboratories Limited.
- d) Pudumjee Hygiene Products Limited.
- e) Pudumjee Holdings Limited.

##### C) Key Management Personnel

Shri. Arunkumar M.Jatia  
Chairman

Shri. V.P.Leecha  
Managing Director

Shri. S.K.Bansal  
Wholetime Director

## NOTE '25' - (Contd.)

D) Transactions with related Parties	2013-14 (2012-2013) ₹ in Lacs		Maximum during the year	Key Management Personnel
	Subsidiary Company	Associate Companies		
a) Interest bearing Inter Corporate Deposits lent during the year	<b>1059.05</b> (665.28)	<b>5852.00</b> (3135.00)		
b) Interest charged during the year	<b>69.66</b> (40.78)	<b>580.09</b> (416.08)		
c) Inter Corporate Deposits /Advances etc. outstanding receivable as at 31 <sup>st</sup> March, 2014 including interest				
Pudumjee- G : Corp Developers		<b>127.00</b> (127.00)	<b>127.00</b> (127.00)	
Pudumjee Investments and Finance Company Limited	<b>1640.12</b> (1184.28)		<b>1640.12</b> (1184.28)	
Pudumjee Industries Limited		<b>4,703.79</b> (4,540.18)	<b>5185.00</b> (4913.44)	
d) Sale / Processing charges of goods during the year (Including Fixed Assets ₹ 72.05 lacs previous year ₹ NIL)	—	<b>1,660.45</b> (1,652.13)		
e) Purchases made during the year (Including Fixed Assets ₹ 66.19 lacs previous year ₹ NIL)	—	<b>411.59</b> (9.58)		
f) Reimbursement of common services and utilities during the year.	—	<b>114.68</b> (42.89)		
g) Remuneration	—	—	—	<b>146.94</b> (184.92)
h) Interest paid on fixed deposits	—	—	—	— (0.57)
i) Guarantees outstanding as at 31 <sup>st</sup> March, 2014	—	<b>2,488.36</b> (1,435.00)		
j) Debts outstanding as at 31 <sup>st</sup> March, 2014	—	<b>169.42</b> (153.03)	<b>169.42</b> (172.48)	
k) Amount payable as at 31 <sup>st</sup> March 2014		<b>1,306.54</b> (1,129.33)		
l) Dividend to Associates during the year	—	<b>10.24</b> (10.24)		
m) Share of Profit from firm	—	<b>1,142.79</b> (1,660.06)		

Note : The figures in bracket relate to earlier year.

## PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '25' - (Contd.)

25.20 SEGMENT REPORTING (Accounting standard 17)	2013-2014 (2012-2013)			
Information about business segments.	Paper - Unit	Real Estate	Power	TOTAL Generation
	₹ in Lacs			
<b>SEGMENT REVENUE</b>				
From External Customers	<b>21,831.04</b> (18,672.96)	<b>1,142.80</b> (1,660.06)	<b>642.92</b> (572.78)	<b>23,616.76</b> (20,905.80)
From Inter Segments	<b>642.92</b> (572.78)	— —	<b>(642.92)</b> 572.78	— —
Total Revenue	<b>22,473.96</b> (19,245.74)	<b>1,142.80</b> (1,660.06)	— —	<b>23,616.76</b> (20,905.80)
<b>SEGMENT RESULTS</b>				
Unallocated corporate expenses	<b>321.35</b> (80.39)	<b>1,140.08</b> (1,660.06)	<b>262.49</b> (249.40)	<b>1,723.92</b> (1,989.85)
Operating Profit				<b>149.00</b> (186.55)
Interest Expenses				<b>1,574.92</b> (1,803.30)
Interest Income				<b>827.96</b> (673.83)
Dividend Income				<b>737.73</b> (529.25)
Income in respect of Investments				<b>34.04</b> (9.48)
Income Taxes including Deferred Tax				<b>81.00</b> 13.00
Profit from ordinary activities				<b>1,437.73</b> (1,681.20)
Extra Ordinary Income				— (—)
Net Profit as per Profit & Loss Account				<b>1,437.73</b> (1,681.20)
<b>OTHER INFORMATION</b>				
Total carrying amount of Segment Assets	<b>22,739.83</b> (20,591.41)	<b>291.62</b> (127.00)	<b>2,751.04</b> (2,893.34)	<b>25,782.49</b> (23,611.75)
Add: Unallocated Corporate Assets				<b>8,493.64</b> (6,133.22)
Total Assets as per Balance Sheet				<b>34,276.13</b> (29,744.97)
Total carrying amount of Segment Liabilities	<b>6,020.94</b> (3,262.45)	<b>1,452.08</b> (1,239.34)	<b>25.54</b> (13.52)	<b>7,498.56</b> (4,515.31)
Add: Unallocated Corporate Liabilities				<b>26,777.57</b> (25,229.66)
Total Liabilities as per Balance Sheet				<b>34,276.13</b> (29,744.97)
Capital Expenditure incurred during the year	<b>417.95</b> (1,097.80)	— —	— (110.91)	<b>417.95</b> (1,208.71)
Depreciation for the Year	<b>589.20</b> (640.15)	<b>2.72</b> —	<b>218.05</b> (208.27)	<b>809.97</b> (848.42)



NOTE '25' - (Contd.)

Information about business segments.	Paper - Unit	Real Estate	Power	TOTAL Generation
Other Non Cash Expenditure	— (—)	— (—)	— (—)	— (—)
<b>Sales Revenue by Geographical Segments</b>				
<b>WITHIN INDIA</b>	<b>21,626.55</b> (18,412.83)	<b>1,142.80</b> (1,660.06)	<b>642.92</b> (572.78)	<b>23,412.27</b> (20,645.67)
<b>OUTSIDE INDIA</b>	<b>204.49</b> (260.13)	— —	— —	<b>204.49</b> (260.13)
	<b>21,831.04</b> (18,672.96)	<b>1,142.80</b> (1,660.06)	<b>642.92</b> (572.78)	<b>23,616.76</b> (20,905.80)

- i) The Paper segment relates to manufacture and marketing of Paper, processing activity.  
 ii) The Real Estate Activity relates to  
 a) profit from firm, engaged in Construction Activity and  
 b) Development of Land for residential / commercial building.  
 iii) Power Generation Activity relates to Generation of Power from D.G.Set and Wind Power Turbines.  
 iv) The figures in brackets relate to earlier year.

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

(a)	Pudumjee Pulp and Paper Mills Limited	G-Corp Properties Private Limited.
Capital - ₹ in Lacs	35	35
Profit /Loss - Sharing ratio	60%	40%

(b) The Firm is engaged in construction and sale of residential flats. It follows completed construction method for the accounting purpose and in view of its fourth building comprising of 94 flats having been completed during this financial year, the Profit & Loss Account of the Company includes its share of profit from the firm as ₹ 1142.80 lacs (Last year ₹ 1660.06 lacs for 2 buildings)

(c) The company's share of interest in the joint venture Firm:( ₹. -lacs)

	(₹ in Lacs)	
	As on 31.03.14	As on 31.03.13
Liabilities	5391.33	4221.90
Assets	4279.19	3286.96
Turnover	3631.29	5827.45
Expenditure	2488.50	4167.39

## PUDUMJEE PULP & PAPER MILLS LIMITED

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

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

- a) An amount of ₹ 143.91 lacs (Last year ₹ 139.23 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 31.03.2014 :

	Gratuity (Partly funded) (₹ in Lacs)		Leave Encashment (Unfunded) (₹ in Lacs)	
	2013-2014	2012-2013	2013-2014	2012-2013
i) The present value of defined benefit obligations at the commencement of the Year	<b>901.87</b>	870.63	<b>82.06</b>	86.96
ii) Current Service cost	<b>44.61</b>	42.98	<b>35.26</b>	(24.09)
iii) Interest cost	<b>72.15</b>	74.00	<b>6.56</b>	7.39
iv) Actuarial (Gain)/Loss	<b>(8.38)</b>	80.05	<b>26.18</b>	31.21
v) Benefits (Paid)	<b>(115.20)</b>	(165.79)	<b>(23.93)</b>	(19.41)
vi) Past Service Cost	—	—	—	—
vii) The present value of defined benefit obligations at the close of the Year	<b>895.05</b>	901.87	<b>126.13</b>	82.06
viii) The fair value of plan assets at the close of the year	<b>292.93</b>	315.66	—	—
ix) The Past service cost not yet recognized	—	—	—	—
x) Expected return on plan assets	<b>(23.87)</b>	(26.61)	—	—

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

	2013-2014	2012-2013	2013-2014	2012-2013
d) Actuarial assumptions				
i) Rate of interest ( per annum)	<b>9.00%</b>	8.00%	<b>9.00%</b>	8.00%
ii) Salary growth ( per annum)	<b>7.00%</b>	6.50%	<b>7.00%</b>	6.50%
iii) Withdrawal rate ( Per annum)	<b>1.00%</b>	1.00%	<b>1.00%</b>	1.00%
iv) Expected return on Plan Assets	<b>8.75%</b>	9.25%	—	—
v) Mortality rates [LIC (1994.96) ultimate ]	—	—	—	—

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

As per our report of date attached.

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

**Y. P. SHUKLA**  
Proprietor

SIGNATURE OF NOTES '1' TO '25'

**B. C. DALAL**  
Director

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

On behalf of the Board,

**A. K. JATIA**  
Chairman

**V. P. LEEKHA**  
Managing Director

Mumbai, Dated : 17<sup>th</sup> May, 2014

Mumbai, Dated : 17<sup>th</sup> May, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

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

	2013-2014 (₹ in Lakhs)	2012-2013 (₹ in Lakhs)
<b>A. Cash Flow from Operating Activities</b>		
<b>Net profit before Taxation &amp; Extraordinary Items</b>	<b>1,518.73</b>	1,668.20
Adjustments for :		
Depreciation	809.97	848.42
Interest & Financial charges	868.17	697.01
Loss on sale of Fixed Assets	1.08	-
Provision for Bad & Doubtful debts	-	15.23
Other income	(689.03)	(489.87)
	<u>990.19</u>	<u>1,070.79</u>
<b>Operating profit before Working Capital Changes</b>	<b>2,508.92</b>	2,738.99
(Increase)/Decrease in Inventories	(2,151.05)	3,245.09
(Increase)/Decrease in Debtors	190.39	(470.47)
(Increase)/Decrease in Advances	(564.62)	173.46
Increase/(Decrease) in Liabilities	2,932.75	(2,081.55)
	<u>407.47</u>	<u>866.53</u>
<b>Cash Generated from Operations</b>	<b>2,916.39</b>	3,605.52
Income Tax (Paid)/Refund Received (Net)	(105.07)	(54.51)
<b>Cash Flow before Extraordinary Items</b>	<b>2,811.32</b>	3,551.01
Extra ordinary items	—	—
Net cash from Operating Activities	<u>2,811.32</u>	<u>3,551.01</u>
<b>B Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(417.95)	(790.30)
Sale Proceeds of Fixed Assets etc.	61.32	14.85
Investment in Preference shares / Mutual Funds etc.	(324.23)	(501.61)
Proceeds from Redemption of preference shares	300.00	-
Change in Loans & Advances	(919.88)	(1,444.98)
Interest Received	634.48	449.52
Dividend Received	34.04	9.48
Net cash from / (used) in Investing Activities	<u>(632.22)</u>	<u>(2,263.04)</u>
<b>C Cash flow from Financing Activities</b>		
Proceeds from Borrowings	1,581.26	3,625.60
Repayment of Borrowings	(2,668.23)	(3,521.40)
Payment of Interest	(900.41)	(1,297.43)
Dividend paid	(123.00)	(123.00)
Net cash from / (used) in Financing Activities	<u>(2,110.38)</u>	<u>(1,316.23)</u>
Net change in Cash & Cash Equivalents (A+B+C)	<b>68.72</b>	(28.26)
Cash & Cash Equivalents (Opening Balance)	<u>93.69</u>	<u>121.95</u>
Cash & Cash Equivalents (Closing Balance)	<u><u>162.41</u></u>	<u><u>93.69</u></u>

Note: Figures in brackets represent cash outflows.

## SIGNATURE OF NOTES '1' TO '25'

As per our report of date attached.

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

On behalf of the Board,

**A. K. JATIA**  
Chairman**V.P. LEEKHA**  
Managing DirectorMumbai, Dated : 17<sup>th</sup> May, 2014Mumbai, Dated : 17<sup>th</sup> May, 2014

## PUDUMJEE PULP & PAPER MILLS LIMITED

### STATEMENT PURSUANT TO SECTION 212(l)(e) OF THE COMPANIES ACT, 1956

1. The Company held 100% of the paid up Equity capital of ₹ 199 Lakhs and Preference Capital of ₹ 300 Lakhs in Pudumjee Investment & Finance Company Limited, (PIFCO), a subsidiary of this Company as on 31<sup>st</sup> March, 2014 which is the financial year end of both the Companies.
2. No part of the net loss of ₹ 39.18 Lakhs for the current financial year ended 31<sup>st</sup> March, 2014 and no part of net loss of ₹ 447.00 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 31<sup>st</sup> March, 2014.

On Behalf of the Board

V.P. LEEKHA  
Managing Director

A.K. JATIA  
Chairman

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

MUMBAI

Dated : 17<sup>th</sup> May, 2014

Note :

#### **Subsidiary Accounts :**

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

However, the annual accounts of the subsidiary, Pudumjee Investment & Finance Co. Ltd., and the related detailed information shall be supplied to the shareholders of the Company on a requisition made in this regard. The Annual Accounts of the subsidiary are open for inspection by shareholders at the Registered Office of the Company and of the subsidiary company during office hours.

## INDEPENDENT AUDITOR'S REPORT

**The Board of Directors,  
Pudumjee Pulp & Paper Mills Ltd.,**

**Report on the Consolidated Financial Statements :**

We have audited the accompanying consolidated financial statements of Pudumjee Pulp and Paper Mills Ltd. ("the Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Consolidated Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Other Matters :**

1. Financial statements of a subsidiary which reflect total assets (net) of ₹ 1,656.67 lacs as at March 31, 2014, total revenue (net) of ₹ 248.03 lacs and net cash flows amounting to ₹ (0.28) lacs for the year then ended, have been audited by us.
2. We have relied on the audited financial statements of an associate wherein the Group's share of profit aggregate ₹ 1142.80 lacs. These audited financial statements as approved by the partners of the firm have been furnished to us by the Management and our report in so far it relates to the amounts included in respect of the associate is based solely on such approved audited financial statements.
3. We have relied on the audited financial statements of an associate wherein the Groups share of Profit aggregate ₹ 19.08 lacs have been audited by us.  
Our opinion is not qualified in respect of these other matters.

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

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

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2014.

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note	AS AT 31.03.2014	AS AT 31.03.2013
	No.	₹ in lacs	₹ in lacs
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	820.00	820.00
(b) Reserves and Surplus	2	15,763.60	13,046.36
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	7,079.44	8,409.97
(b) Deferred tax liabilities (Net)		1,537.00	1,616.00
(c) Other Long-term Liabilities	4	322.79	325.41
(d) Long term provisions	5	602.12	614.03
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	668.58	379.12
(b) Trade payables	7	5,340.28	2,711.30
(c) Other current liabilities	8	5,936.34	4,659.60
(d) Short-term provisions	9	588.08	212.68
<b>Total</b>		<b>38,658.23</b>	<b>32,794.47</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	10,543.95	11,055.83
(ii) Intangible assets		14.61	21.69
(iii) Capital work-in-progress		5,783.62	5,726.18
(b) Non-current investments	11	1,231.97	1,117.25
(c) Long term loans and advances	12	5,096.37	5,099.96
<b>(2) Current assets</b>			
(a) Current investments	13	833.64	537.24
(b) Inventories	14	10,017.59	5,504.06
(c) Trade receivables	15	2,306.26	2,619.43
(d) Cash and Bank Balances	16	1,114.89	205.94
(e) Short term loans & Advances	17	1,715.33	906.89
<b>Total</b>		<b>38,658.23</b>	<b>32,794.47</b>

OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

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

**Y. P. SHUKLA**  
Proprietor

**B.C. DALAL**  
Director

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

On behalf of the Board,

**A. K. JATIA**  
Chairman

**V.P. LEEKHA**  
Managing Director

Mumbai, Dated : 17<sup>th</sup> May, 2014

Mumbai, Dated : 17<sup>th</sup> May, 2014

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED  
31ST MARCH, 2014**

	Note No.	<u>2013-2014</u> ₹ in lacs	<u>2012-2013</u> ₹ in lacs
I. Revenue from operations	18	27,543.05	26,222.80
Less : Excise Duty		<u>1,281.97</u>	<u>1,078.67</u>
Net Revenue from Operations		<u>26,261.08</u>	25,144.13
II. Other Income	19	<u>759.11</u>	<u>508.97</u>
III. <b>Total Revenue (I + II)</b>		<u><b>27,020.19</b></u>	<u><b>25,653.10</b></u>
IV. Expenses :			
(1) Cost Of Materials Consumed	20	13,851.72	11,401.22
(2) Trade Purchases		1,075.50	235.43
(3) Changes in Inventories of Finished Goods, Work-in-Process and Stock in Trade	21	(1,586.02)	1,226.65
(4) Employees Cost	22	2,464.56	2,182.19
(5) Finance Cost	23	972.57	810.82
(6) Foreign Exchange Loss		101.81	128.43
(7) Depreciation and Amortization	10	823.43	874.12
(8) Other Expenses	24	7,243.03	6,414.92
<b>Total Expenses</b>		<u><b>24,946.60</b></u>	<u><b>23,273.78</b></u>
V. <b>Profit before Exceptional and Extraordinary items and tax (III-IV)</b>		<u><b>2,073.59</b></u>	2,379.32
VI. Exceptional items/Extraordinary Items		—	—
VII. <b>PROFIT BEFORE TAX (V- VI)</b>		<u><b>2,073.59</b></u>	2,379.32
VIII. Tax expense :			
(1) Current tax		734.96	743.15
(2) Deferred tax / (Savings)		(79.00)	(16.00)
IX. <b>Profit/(Loss) for the Year (VII-VIII)</b>		<u><b>1,417.63</b></u>	<u><b>1,652.17</b></u>
X. <b>Earning per equity share:(Face value ₹ 2 per share)</b>			
(1) Basic		3.46	4.03
(2) Diluted		3.46	4.03
(See Note No.25.09)			

## OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

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

On behalf of the Board,

**A. K. JATIA**  
Chairman**V.P. LEEKHA**  
Managing DirectorMumbai, Dated : 17<sup>th</sup> May, 2014Mumbai, Dated : 17<sup>th</sup> May, 2014

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
<b>NOTE '1' - SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
4,75,00,000 Equity Shares of ₹ 2/- each	<b>950.00</b>	950.00
50,000 14% (free of company's tax but subject to deduction of tax at source at the prescribed rates) Redeemable Cumulative Preference Shares of ₹ 100/- each	<b>50.00</b>	50.00
	<u><b>1,000.00</b></u>	<u>1,000.00</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
4,10,00,000 Equity Shares of ₹ 2/- each	<u><b>820.00</b></u>	<u>820.00</u>
1.1 The reconciliation of the number of Equity shares outstanding :-		
Equity Shares at the beginning and end of the year	<u><b>41,000,000</b></u>	<u>41,000,000</u>

1.2 The details of Shareholders holding more than 5% shares

Name of the Shareholder	AS AT 31-03-2014		AS AT 31-03-2013	
	No. of Shares	% held	No. of Shares	% held
Thacker & Co. Ltd.	<b>6,150,000</b>	<b>15.00</b>	4,301,856	10.49
Pudumjee Industries Limited	<b>3,412,850</b>	<b>8.32</b>	3,412,850	8.32
Suma Commercial Pvt. Ltd.	<b>2,873,036</b>	<b>7.01</b>	2,873,036	7.01
Chem-Mach Pvt. Ltd.	<b>2,533,265</b>	<b>6.18</b>	2,533,265	6.18
Yashvardhan Jatia	<b>2,336,354</b>	<b>5.70</b>	—	—
Ubiquitous Trading Pvt.Ltd	<b>2,150,000</b>	<b>5.24</b>	—	—



**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
<b>NOTE '2' - RESERVES &amp; SURPLUS</b>		
<b>GENERAL RESERVE</b>		
As per last Balance Sheet	7,208.39	7,058.39
Add : Transfer from Profit & Loss Account	<u>150.00</u>	<u>150.00</u>
	<b>7,358.39</b>	<b>7,208.39</b>
<b>SHARE PREMIUM ACCOUNT</b>		
As per last Balance Sheet	<b>1,537.50</b>	1,537.50
<b>CAPITAL RESERVE I</b>		
On Reissue of forfeited shares	<b>5.86</b>	5.86
<b>CAPITAL RESERVE II</b> (On Consolidation of Subsidiary Companies)		
As per last Balance Sheet	<b>297.83</b>	297.83
<b>CAPITAL RESERVE III</b> (On Consolidation of Associate Companies)		
On Valuation of Investments	<b>430.44</b>	411.32
Add / (Less) Transfer from P & L Account	<u>19.08</u>	<u>23.48</u>
	<b>449.52</b>	<b>434.80</b>
<b>CAPITAL RESERVE IV</b> (On Consolidation of Joint Venture)		
Add / (Less) Transfer from P & L Account	<b>32.40</b>	32.40
<b>CAPITAL RESERVE V</b>		
On Treatment of land as stock-in-Trade [ See note 25.03 ( a ) ]	<b>1,441.53</b>	—
<b>RESERVE FOR DOUBTFUL DEBTS</b> (See Note '5')		
	<b>6.34</b>	—
<b>SURPLUS IN PROFIT AND LOSS ACCOUNT</b>		
Balance in Profit & Loss Account	<b>3,529.58</b>	2,194.79
<b>Add :</b>		
Profit for the Year	<u>1,417.63</u>	<u>1,652.17</u>
	<b>4,947.21</b>	<b>3,846.96</b>
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		
<b>APPROPRIATIONS :</b>		
Proposed Dividend on Equity Shares (Free of Tax)	<b>123.00</b>	123.00
Tax on Proposed Dividend	<b>20.90</b>	20.90
Transfer to Capital Reserves	<b>19.08</b>	23.48
Transfer to General Reserve	<u>150.00</u>	<u>150.00</u>
	<b>312.98</b>	<b>317.38</b>
	<u>4,634.23</u>	<u>3,529.58</u>
	<u><b>15,763.60</b></u>	<u><b>13,046.36</b></u>

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
<b>NOTE '3' - LONG TERM BORROWINGS</b>		
<b>(A) Secured Borrowings</b>		
FROM BANKS		
TERM LOAN	937.49	1,365.28
(Secured by first charge on the Assets at Mahad of the Holding Company specifically purchased therefrom) (See Note (a) below)		
TERM LOAN	—	366.66
(Secured by first charge on the Assets at Mahad of the Holding Company specifically purchased therefrom) ( See Note (b) below)		
TERM LOAN	351.00	531.00
(Secured by first charge on the Assets at Sadawaghapur of the Holding Company specifically purchased therefrom) (See Note (c) below)		
TERM LOAN	473.50	688.50
(Secured by first charge on the Assets at Jath of the Holding Company specifically purchased therefrom) (See Note (d) below)		
TERM LOAN	375.00	475.00
(Secured by pari passu first charge on immoveable assets at Pune.) * (See Note (e) below)		
TERM LOAN	671.11	840.00
(Secured by Land & Building under construction in Phase II and III of Joint Venture and corporate guarantee of the Company) (See Note (f) below)		
FROM OTHERS FINANCIAL INSTITUTION		
TERM LOAN	29.27	34.04
(Secured by other Assets) (See Note (g) below)		
TERM LOAN	29.32	—
(Secured by other Assets) (See Note (h) below)		
Total (A)	<b>2,866.69</b>	<b>4,300.48</b>

Notes:

- (a) Excluding ₹ 427.78 lacs (Last year ₹ 427.78 lacs) shown under "Current maturities of Long Term Debt" under Note No. 8.  
Repayable in 18 equal quartely installments beginning with 04.02.2013.
- (b) Excluding ₹ Nil (Last year ₹ 833.34/-) shown under "Current maturities of Long Term Debt" under Note No.8.  
Repayable in 18 equal quartely installments beginning with 14.08.2013.
- (c) Excluding ₹ 180.00 lacs (Last year ₹ 180.00 lacs) shown under "Current maturities of Long Term Debt" under Note No. 8.  
Repayable in 20 equal quartely installments beginning with 21.06.2012.
- (d) Excluding ₹ 172.00 lacs (Last year ₹ 129.00 lacs) shown under "Current maturities of Long Term Debt" under Note No. 8.  
Repayable in 20 equal quartely installments beginning with 25.09.2013.

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014 (Contd.)**

- (e) Excluding ₹ 500.00 lacs (Last year ₹ 25.00 lacs) shown under “Current maturities of Long Term Debt” under Note No. 8.  
Repayable in 20 equal quartely installments beginning with 16.01.2014.
- (f) Excluding ₹ 660.00 lacs (Last year ₹ Nil) shown under “Current maturities of Long Term Debt” under Note No.8.  
Repayable in 8 equal quartely installments beginning with 10.06.2014.
- (g) Excluding ₹ 9.40 lacs (Last year ₹ 13.09 lacs) shown under “Current maturities of Long Term Debt” under Note No. 8.  
Repayable in 60 Monthly installments beginning with 15.12.2012.
- (h) Excluding ₹ 6.20 lacs (Last year ₹ Nil) shown under “Current maturities of Long Term Debt” under Note No.8.  
Repayable in 59 Monthly installments beginning with 10.1.2014.
- (i) There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.

\* Security :

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

	<b>AS AT 31.03.2014</b>	<b>AS AT 31.03.2013</b>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
<b>(B)Unsecured Borrowings</b>		
Fixed Deposits from Public/Shareholders *	<b>2,680.63</b>	2,473.80
(See Note (a) below)		
Deposit from Others	<b>110.00</b>	110.00
Deferred Sales Tax Liability	<b>1,422.12</b>	1,525.69
(See Note (b) below)		
Total (B)	<u><b>4,212.75</b></u>	<u>4,109.49</u>
<b>Total Long term borrowings(A) +(B)</b>	<u><b>7,079.44</b></u>	<u>8,409.97</u>

Notes:

- (a) Excluding (i) ₹ 23.90 lacs (Last year ₹ 58.40 lacs) being deposits for 1 year shown under “Short Term Borrowings” under Note No 6, and (ii) ₹ 585.25 lacs (Last year ₹ 416.43 lacs) shown under “Current maturities of Long Term Fixed Deposits”under Note No.8.
- (b) Excluding ₹ 103.57 lacs (Last year ₹ 42.25 lacs) shown under “Current maturities of “Long Term Unsecured Debts” under Note No. 8.
- (c) There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.  
\* Repayable after 2 years and 3 years from the date of acceptance of each Deposits.

NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014 (Contd.)

	AS AT 31.03.2014 ₹ in Lacs	AS AT 31.03.2013 ₹ in Lacs
<b>NOTE '4' - OTHER LONG TERM LIABILITIES</b>		
Sundry Creditors	<u>322.79</u>	<u>325.41</u>
<b>NOTE '5' - LONG TERM PROVISIONS</b>		
Provision for Diminution in value of Long term Investments and Impairment of Fixed Assets		
As per Last Balance Sheet	1,457.26	1,457.26
Less : Deducted per contra		
From Investments	60.00	60.00
From Fixed Assets	<u>1,397.26</u>	<u>1,397.26</u>
As per last Balance Sheet	554.97	539.74
Add : Transferred from Profit & Loss	<u>—</u>	<u>15.23</u>
	554.97	554.97
Less : Debts & Advances considered Doubtful per contra	<u>548.63</u>	<u>554.97</u>
	6.34	—
Less : Surplus provision shown under Reserves & Surplus	<u>6.34</u>	—
Provision for Taxation (Less : Advance Tax etc.)	—	27.82
Provision for Gratuity	<u>602.12</u>	<u>586.21</u>
	<u>602.12</u>	<u>614.03</u>

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014		AS AT 31.03.2013	
	₹ in Lacs		₹ in Lacs	
<b>NOTE '6' - SHORT TERM BORROWINGS</b>				
<b>(A) Secured Borrowings from Bank</b>				
Cash Credit repayable on demand (Secured by hypothecation of stocks, stores and book debts and second charge on all immoveables and moveable properties of the Company at its Pune plant & Joint Venture firm)	558.82		239.57	
Total (A)	<u>558.82</u>		<u>239.57</u>	
<b>(B) Unsecured Borrowings from others</b>				
Fixed Deposits	23.90		58.40	
Others Deposits	85.86	109.76	81.15	139.55
Total (B)		<u>109.76</u>		<u>139.55</u>
<b>Total short term borrowings(A) +(B)</b>		<u><u>668.58</u></u>		<u><u>379.12</u></u>
Note : There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.				
<b>NOTE '7' - TRADE PAYABLE</b>				
Acceptances	3,127.05		915.65	
Sundry Creditors	2,213.23	5,340.28	1,795.65	2,711.30
		<u>5,340.28</u>		<u>2,711.30</u>
<b>NOTE '8' - OTHER CURRENT LIABILITIES</b>				
Current Maturities of Long Term Debts :				
Fixed Deposits	585.25		416.43	
Secured Debts	1955.39		1608.21	
Unsecured Debts	103.57	2644.21	42.25	2066.89
Unclaimed dividend		17.79		16.73
Unclaimed Matured Fixed Deposits		27.31		39.37
Unclaimed Interest On Fixed Deposits		3.02		3.84
Interest on Loans accrued but not due on borrowing		136.64		86.14
Creditors for Capital Goods		-		0.42
Advances from Customers		3,092.84		2,442.02
Other payables		14.53		4.19
		<u>5,936.34</u>		<u>4,659.60</u>
<b>NOTE '9' - SHORT TERM PROVISIONS</b>				
Provision for Taxation (Less : Advance Tax etc.)	338.95		7.62	
Provision for Leave Encashment	126.13		82.06	
Proposed Dividend	123.00		123.00	
		<u>588.08</u>		<u>212.68</u>

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014 (Contd.)**

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

TYPE OF ASSETS	Cost upto 31.3.2013	Additions/ Transfers during the Year	Deductions/ Transfers during the Year	Balance Cost upto 31.03.2014	Depreciation / Impairment upto 31.3.2013	Depreciation / Amortisation for the Year	Depreciation on sold Assets and on deductions written back	Depreciation/ Impairment Balance as on 31.03.2014	Net Book Value as on 31.03.2014	Net Book Value as on 31.3.2013
<b>TANGIBLE ASSETS</b>										
Land - Freehold	40.89	-	0.14	40.75	-	-	-	-	40.75	40.89
- Leasehold	1,134.74	-	-	1,134.74	23.98	15.62	-	39.60	1,095.14	1,110.76
Buildings Under Lease	395.26	-	-	395.26	103.62	6.44	-	110.06	285.20	291.64
Buildings - Others	2,411.71	35.27	-	2,446.98	984.33	69.45	-	1,053.78	1,393.20	1,427.38
Machinery	23,605.82	240.10	97.36	23,748.56	15,600.13	682.23	37.55	16,244.81	7,503.75	8,005.69
Laboratory Equipments	25.55	25.57	-	51.12	18.23	3.37	-	21.60	29.52	7.32
Furniture & Fixtures	432.04	26.93	0.06	458.91	355.49	12.68	0.06	368.11	90.80	76.55
Vehicles	227.32	39.75	29.11	237.96	131.72	26.78	26.13	132.37	105.59	95.60
<b>Total (A)</b>	<b>28,273.33</b>	<b>367.62</b>	<b>126.67</b>	<b>28,514.28</b>	<b>17,217.50</b>	<b>816.57</b>	<b>63.74</b>	<b>17,970.33</b>	<b>10,543.95</b>	<b>11,055.83</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	102.38	-	-	102.38	80.69	7.08	-	87.77	14.61	21.69
<b>Total (B)</b>	<b>102.38</b>	<b>-</b>	<b>-</b>	<b>102.38</b>	<b>80.69</b>	<b>7.08</b>	<b>-</b>	<b>87.77</b>	<b>14.61</b>	<b>21.69</b>
<b>Total (A+B)</b>	<b>28,375.71</b>	<b>367.62</b>	<b>126.67</b>	<b>28,616.66</b>	<b>17,298.19</b>	<b>823.65</b>	<b>63.74</b>	<b>18,058.10</b>	<b>10,558.56</b>	<b>11,077.52</b>
Previous year	27,019.99	1,417.49	61.77	28,375.71	16,478.03	874.05	53.89	17,298.19	11,077.52	10,541.96

\*Note :1) The depreciation charged on Fixed Assets in the Profit & Loss Account does not include an amount of ₹ 0.22 lacs (Last year ₹ 0.07 lacs) allocated to construction work in progress of Joint Venture.

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014		AS AT 31.03.2013
	₹ in Lacs		₹ in Lacs
<b>NOTE '11' - NON CURRENT INVESTMENTS</b>			
LONG TERM INVESTMENTS (AT COST)			
TRADE INVESTMENTS : (EQUITY)			
<b>Investments In Associates;</b>			
675,000 Equity shares of Pudumjee Plant Laboratories Ltd. of ₹ 10/- each fully paid (unquoted)	60.00		60.00
4,902,515 Equity shares of Pudumjee Industries Ltd. of ₹ 2/- each fully paid (quoted)	1,131.57		1,116.85
<b>Other Investment :</b>			
4,000 Shares of Saraswat Co-op Bank Ltd. of ₹ 10/- each fully paid (unquoted)	0.40		0.40
Units of Redart India Trust (Alternative Investment Fund)	100.00		—
	<u>1,291.97</u>		<u>1,177.25</u>
Less : Provision for Diminution in value of Long term Investments deducted per contra	60.00		60.00
	<u>1,231.97</u>		<u>1,117.25</u>
Aggregate amount of quoted investments			
Cost	1,131.57		1,116.85
Market Value	424.78		441.23
Aggregate amount of unquoted investments			
Cost	160.40		60.40
<b>NOTE '12' - LONG TERM LOANS &amp; ADVANCES</b>			
(Unsecured, Considered good, unless otherwise stated)			
Prepaid Expenses	17.04		2.44
Advance Income Tax	60.70		—
Security Deposits	45.77	48.12	—
Less : Provision for Doubtful Advances deducted per contra	0.81	0.81	47.31
Loans & Advances to Associates	4,703.79		4,782.21
Others Advances	302.33	302.75	—
Less : Provision for Doubtful Advances deducted per contra	32.45	34.75	268.00
	<u>5,096.37</u>		<u>5,099.96</u>
<b>NOTE '13' - CURRENT INVESTMENTS</b>			
CURRENT INVESTMENTS IN MUTUAL FUNDS (unquoted) (EACH VALUED ON LOWER OF COST OR FAIR VALUE)			
Nil (Last Year 17,565) Units of IDFC Cash Fund of ₹ 1000/- each fully paid	—		175.70
Nil (Last Year 99,771) Units of DWS Insta Cash Plus Fund of ₹ 100/- each fully paid	—		100.07
5,566 (Last Year 1,800) Units of SBI Magnum Insta Cash Fund of ₹ 10/- each fully paid	93.22		17.54
14,036 (Last Year 16,745) Units of Reliance Liquid Fund. of ₹ 1000/- each fully paid	214.58		243.93
50,075 (Last Year Nil) Units of Birla Sun Life Cash Plus Fund of ₹ 100/- each fully paid	50.17		—
9,819 (Last Year Nil) Units of UTI Liquid Fund Cash Plus Fund of ₹ 1000/- each fully paid	100.11		—
32,163 (Last Year Nil) Units of L & T Fund -Pool Collection. of ₹ 1000/- each fully paid	325.51		—
5,003 (Last Year Nil) Units of India bulls -DDR of ₹ 1000/- each fully paid	50.05		—
	<u>833.64</u>		<u>537.24</u>
Aggregate amount of unquoted investments			
Cost	833.64		537.24

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF  
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014 (Contd.)**

	AS AT 31.03.2014		AS AT 31.03.2013
	₹ in Lacs		₹ in Lacs
<b>NOTE '14' - INVENTORIES</b>			
Raw material (At cost)	1,638.82		293.96
Work-in-process (At cost)	3,132.00		2,902.11
Finished Paper (At lower of cost or market value)	2,687.19		1,333.49
Stores, Spare Parts Etc. (At Cost)	945.96		935.88
Stores, Spare Parts Etc. (At Cost) in transit	6.15		37.28
Loose Tools (At Cost)	1.17		1.34
Stock in Trade- Land	1,441.67	—	
- Other developments	164.63	—	—
[See note 25.03 ( a ) ]			
	<u>10,017.59</u>		<u>5,504.06</u>
<b>NOTE '15' - TRADE RECEIVABLES (Unsecured)</b>			
Debts outstanding for a period exceeding six months from due date			
Considered Good	91.71	160.52	
Considered Doubtful	507.47	511.57	
	<u>599.18</u>	<u>672.09</u>	
Other Debts			
Considered Good	2,214.55	2,458.91	
Considered Doubtful	2.68	2.62	
	<u>2,816.41</u>	<u>3,133.62</u>	
Less : Provision for Doubtful Debts deducted per contra	510.15	514.19	
	<u>2,306.26</u>		<u>2,619.43</u>
	<u>2,306.26</u>		<u>2,619.43</u>
<b>NOTE '16' - CASH &amp; BANK BALANCES</b>			
Cash on hand as per books	6.12		9.00
Deposit with Bank for Margin Money (with maturity beyond 12 months)	12.00		12.00
On other Deposit account with Bank	4.00		5.00
On other accounts with Banks	976.76		138.97
Cheques on hand	98.22		24.24
Unpaid Dividends account with Banks	17.79		16.73
	<u>1,114.89</u>		<u>205.94</u>
<b>NOTE '17' - SHORT TERM LOANS &amp; ADVANCES</b>			
(Unsecured, Considered Good other than related parties)			
Prepaid Expenses	62.11		48.49
Security Deposits	—		1.73
Inter Corporate Deposits	300.43		—
Interest Accrued			
On Banks & Other Deposits	24.62		1.59
Capital Advances	22.79		2.87
Advance Income Tax for Current year (Less Provision for Current year Tax)	4.33		67.84
Advances to employees of the Company	12.58		14.31
Balance with Government Authorities	528.47	259.81	
Advances to Suppliers	526.63	356.84	
Sundry Advances	238.59	158.63	
	<u>1,293.69</u>	<u>775.28</u>	
Less : Provision for Doubtful Advances deducted per contra	5.22	5.22	770.06
	<u>1,288.47</u>		<u>906.89</u>
	<u>1,715.33</u>		<u>906.89</u>



**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014**

	Year Ended 31.03.2014		Year Ended 31.03.2013
	₹ in Lacs		₹ in Lacs
<b>NOTE '18' - REVENUE FROM OPERATIONS</b>			
PAPER	21,935.90		18,400.93
Less : Excise Duty	1,281.59		1,078.19
TRADE SALE		20,654.31	17,322.74
Shares	224.47		76.20
Others	-		228.22
		224.47	304.42
MISCELLANEOUS SALES	67.28		58.22
Less : Excise Duty	0.38		0.48
		66.90	57.74
PROCESSING AND OTHER CHARGES		1,593.63	1,524.55
REAL ESTATE ACTIVITY		3,562.65	5,822.19
OTHER OPERATING REVENUE		159.12	112.49
		<u>26,261.08</u>	<u>25,144.13</u>
<b>NOTE '19' - OTHER INCOME</b>			
DIVIDENDS			
Others	62.40		15.93
SHARE OF PROFIT IN ASSOCIATE COMPANY	19.08		23.48
MISCELLANEOUS INCOME	28.47		27.36
INTEREST RECEIVED FROM OTHERS	649.16		435.23
PROFIT ON SALE/TRANSFER OF FIXED ASSETS (NET)	—		6.97
		<u>759.11</u>	<u>508.97</u>
<b>NOTE '20' - COST OF MATERIAL CONSUMED</b>			
CONSUMPTION OF RAW MATERIALS		11,369.45	9,721.97
CONSUMPTION OF STORES, COLOURS,CHEMICALS etc.		2,482.27	1,679.25
		<u>13,851.72</u>	<u>11,401.22</u>
<b>NOTE '21' - CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROCESS AND STOCK-IN-TRADE</b>			
STOCK AT COMMENCEMENT			
Finished Paper / Shares / Construction	1,333.49		2,204.47
Work-in-Process			
- Pulp	1.78		12.85
- Paper	329.66	1,664.93	674.26
			2,891.58
STOCK AT CLOSE			
Finished Paper / Shares / Construction	2,687.19		1,333.49
Work-in-Process			
- Pulp	28.47		1.78
- Paper	535.29	3,250.95	329.66
		<u>(1,586.02)</u>	<u>1,664.93</u>
			<u>1,226.65</u>
<b>NOTE '22' - EMPLOYEES' COST</b>			
SALARIES,WAGES,BONUS etc.			
Salaries, Wages, gratuity & Bonus	2,159.03		1,883.89
Contribution to Provident & Other Funds (Including Administrative Charges)	199.37		190.13
Employees State Insurance	3.04		4.42
Workmen & Staff Welfare Expenses	103.12		103.75
	<u>2,464.56</u>		<u>2,182.19</u>

Note : Employees benefit expenses include Remuneration to Directors ₹ 145.45 lacs (Last year 166.04 lacs).

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)**

	Year Ended 31.03.2014	Year Ended 31.03.2013
	₹ in Lacs	₹ in Lacs
<b>NOTE '23' - FINANCE COST</b>		
INTEREST ON BORROWINGS	914.01	751.60
OTHER FINANCIAL CHARGES	<u>141.30</u>	<u>115.05</u>
	<b>1,055.31</b>	<b>866.65</b>
LESS: INTEREST RECEIVED ON TRADE DEBTS	<u>82.74</u>	<u>55.83</u>
	<b><u>972.57</u></b>	<b><u>810.82</u></b>
<b>NOTE '24' - OTHER EXPENSES</b>		
FUEL, POWER & WATER	4,893.42	4,216.98
RENT	5.84	5.84
RATES & TAXES	61.78	57.06
REPAIRS & MAINTENANCE		
Machinery	613.11	584.04
Buildings	54.34	45.31
Others	<u>17.71</u>	<u>9.81</u>
	<b>685.16</b>	<b>639.16</b>
INSURANCE	29.44	21.18
PACKING,CARTAGE,CUTTING, BALING,FREIGHT ETC.	441.67	381.79
DEVELOPMENT & RESEARCH EXPENSES	76.00	69.78
COMMISSION ON SALES	261.49	218.27
DIRECTORS' FEES	2.06	1.63
EXCISE DUTY ON STOCK	31.07	(53.79)
LOSS ON SALE/TRANSFER OF ASSETS (NET)	1.08	—
BAD DEBTS & ADVANCES WRITTEN OFF	14.82	—
PROVISION FOR DOUBTFUL DEBTS	—	15.23
ADVERTISEMENT EXPENSES	79.29	186.73
OFFICE & MISCELLANEOUS EXPENSES	<u>659.91</u>	<u>655.06</u>
	<b><u>7,243.03</u></b>	<b><u>6,414.92</u></b>

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014**

**NOTE '25'**

- 25.01** Salary, Wages, gratuity and bonus (Note No 22 ) does not include a sum of ₹ 83.99 lacs (Last year ₹ 88.62 lacs) transferred to other accounts.
- 25.02** a) The parent company has acquired leasehold land, building and board manufacturing machine at Mahad Dist. Raigad in the earlier years, where a paper machine was being installed under an expansion programme. The leasehold land, colony and buildings are shown under Tangible Fixed Assets Schedule (Note No. 10) and is appropriately amortized and depreciated for the year and Factory Building, Machinery and all other assets together with related expenditure have been shown under Capital work-in-progress.
- b) In view of the aforesaid expansion project having been temporarily deferred, during the year, the borrowing and other recurring costs incurred for the year aggregating to ₹ 310.79 lacs have been treated as revenue expenditure and charged to the Profit & Loss account for the year ended 31-03-2014 under the respective heads. Such expenditure aggregating ₹ 433.25 lacs incurred in the previous year had been capitalized to the project cost.
- 25.03** a) Land admeasuring 96111.84 sqft at Thergaon, Pune costing ₹ 0.14 lac, used in relation to operation of factory, is revalued and converted by the parent company in to stock in trade on 23.10.2013 at an amount of ₹ 1441.67 lacs being the Fair Market Value of the land, ascertained by the Government approved valuers and the resulting difference of ₹ 1441.53 lacs is credited to Capital Reserve appearing under Reserves and Surplus. The Company is developing this land for constructing residential/commercial complex and expenditure of ₹ 164.63 lacs incurred in this regard is carried forward as a part of stock in trade.
- b) Land admeasuring about 3000 Sq. Meters has been acquired by Municipal Corporation for road widening purpose in the earlier years. The Company is entitled to TDR with an out side chance of cash compensation, which is yet to be determined and as such this will be included when finally decided since the relevant documentation is yet to be finalised and executed.

**25.04 Payments made to Auditors:**

	<b>2013-2014</b>	<b>2012-2013</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
Audit fees	<b>3.99</b>	3.80
Taxation matters	<b>1.18</b>	0.90
Others	<b>2.51</b>	2.01
	<b>7.68</b>	6.71

- 25.05** 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

**25.06** Details of significant lease

The Parent company has entered into lease agreement in terms of which it has given buildings on rent on the usual terms and conditions and such payments received for the year have been recognized in the Profit & Loss Account under other income.

## PUDUMJEE PULP & PAPER MILLS LIMITED

### NOTE '25' (Contd.)

25.07	a) Contingent Liabilities not provided for in respect of :	AS AT <u>31.03.2014</u> ₹ in Lacs	AS AT <u>31.03.2013</u> ₹ in Lacs
	i) Bank Guarantees and Letters of Credit in favour of suppliers of raw materials, spares etc.*	3,336.42	2,481.73
	ii) Guarantee for Loan granted to Companies *	65.50	69.57
	iii) Claims against the Company not acknowledged as debts for excise duty, property tax and commercial claims etc. **	723.74	750.14
	iv) Penalty under Income Tax Act no longer payable in view of appellate order in company's favour *	351.91	-
	* Will not affect the future Profitability.		
	** May affect the future profitability to the extent indicated, if such liabilities crystallise.		
	b) Commitments not provided for in respect of :		
	i) Estimated of contracts of Parent company remaining to be executed on capital account	46.33	46.77

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

- a) Fixed Assets are valued at cost.
- b) Borrowing costs comprising interest etc. relating to projects are capitalised up to the date of its completion and other borrowing costs are charged to Profit & Loss Account in the year of their accrual.
- c) Depreciation on Machinery & Building has been provided on Straight Line Method and that on the other Assets on Written Down Value method in accordance with Schedule XIV of the Companies Act, 1956 as in force as on the date of Balance Sheet. Lease hold land is depreciated based on period of residual lease. In case of joint venture firm the depreciation on fixed assets is provided on written down value method and temporary structures are amortized in proportion of properties fully completed.
- d) Finished paper stock is valued at lower of cost or market value. Land treated as stock in trade duly revalued at fair market value on the date of treatment, is carried at that value together with actual development expenses incurred thereon. All other inventories are valued at lower of cost on First In First Out Method or realisable value.
- e) Investments are classified into current and long term investments. Current investments are stated at lower of cost or fair value. Long term investments are stated at cost, less provision for permanent diminution in value, if any.
- f)
  - (i) Contributions to defined contribution schemes, namely, Provident Fund and Superannuation Fund is made at a pre-determined rates and are charged to the Profit & Loss Account.
  - (ii) Contributions to the defined benefit scheme, namely, Gratuity Fund & provision for the remaining Gratuity 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.

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

- h) Revenue recognition is postponed to a later year only when it is not possible to estimate it with reasonable accuracy. The joint venture firm has followed completed building method for recognizing its revenue, when the constructed flats are ready for possession.
- i) Factors giving rise to any indication of any impairment of the carrying amount of the company's assets are appraised at each balance sheet date to determine and provide /revert an impairment loss following accounting standard AS 28 for impairment of assets.

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

	<u>AS AT</u> <u>31.03.2014</u>	<u>AS AT</u> <u>31.03.2013</u>
Basic / Diluted EPS :		
(a) Net Profit after tax as per Profit & Loss Account :		
After current and deferred Tax	₹ 1,417.63 lacs	₹ 1,652.17 lacs
(b) No. of Equity shares of ₹ 2/- each :	410.00 lacs	410.00 lacs
(c) Basic EPS		
After current and deferred Tax ( a/ b)	₹ 3.46	₹ 4.03

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

	<u>AS AT</u> <u>31.03.2014</u>	<u>AS AT</u> <u>31.03.2013</u>
	₹ in Lacs	₹ in Lacs
In respect of Depreciation	1,897	2,092
In respect of allowances and disallowances under various provisions of Income Tax Act.	(360)	(476)
Net Deferred Tax Liability	<u>1,537</u>	<u>1,616</u>

- (b) The Deferred Tax Asset in respect of carry forward of losses and tax credit has been worked out on the basis of assessment orders, returns of income filed for subsequent assessment years and estimate of the taxable income for the year ending 31st March, 2014.
- (c) No Deferred Tax Asset has been recognised in case of Joint venture firm and subsidiary company.

**25.11 Related party disclosures (Accounting Standard 18) :**

**A) Associate Firms / Companies**

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

**B) Key Management personnel**

Shri. Arunkumar M. Jatia  
Chairman

Shri. V.P. Leekha  
Managing Director

Shri. S.K. Bansal  
Wholetime Director

## PUDUMJEE PULP & PAPER MILLS LIMITED

### NOTE '25' (Contd.)

C) Transactions with related Parties	2013-14 (2012-2013) ₹ in Lacs	Maximum during the year	Key Management Personnel
	Associate Companies		
a) Interest bearing Inter Corporate Deposits lent during the year	<b>5852.00</b> (3135.00)		
b) Interest charged during the year	<b>580.09</b> (416.08)		
c) Inter Corporate Deposits/Advances etc.outstanding receivable as at 31 <sup>st</sup> March, 2014 including interest Pudumjee Industries Limited	<b>4,703.79</b> (4,540.18)	<b>5185.00</b> (4913.44)	
d) Sale / Processing charges of goods during the year (Including Fixed Assets ₹ 72.05 lacs previous year ₹ NIL)	<b>1,660.45</b> (1,652.13)		
e) Purchases made during the year (Including Fixed Assets ₹ 66.19 lacs previous year ₹ NIL)	<b>411.59</b> (9.58)		
f) Reimbursement of common services and utilities during the year.	<b>114.68</b> (42.89)		
g) Remuneration	-	-	<b>146.94</b> (184.92)
h) Interest paid on fixed deposits	-	-	-
			(0.57)
i) Guarantees outstanding as at 31 <sup>st</sup> March, 2014	<b>35.00</b> (35.00)		
j) Debts outstanding as at 31 <sup>st</sup> March, 2014	<b>169.42</b> (153.03)	<b>169.42</b> (172.48)	
k) Dividend to Associates during the year	<b>10.24</b> (10.24)		

Note : The figures in bracket relates to earlier year.

## NOTE '25' - (Contd.)

2013-2014  
(2012-2013)  
₹ in Lacs

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

	Paper-Unit	Real Estate	Investment	Power Generation	TOTAL
SEGMENT REVENUE					
From External Customers	<b>21,831.04</b> (18,672.96)	<b>3,562.65</b> (5,822.19)	<b>224.47</b> (76.20)	<b>642.92</b> (572.78)	<b>26,261.08</b> (25,144.13)
From Inter Segments	<b>642.92</b> (572.78)	—	—	<b>(642.92)</b> 572.78	—
Total Revenue	<b>22,473.96</b> (19,245.74)	<b>3,562.65</b> (5,822.19)	<b>224.47</b> (76.20)	—	<b>26,261.08</b> (25,144.13)
SEGMENT RESULTS	<b>340.43</b> (103.87)	<b>1,750.79</b> (2,512.12)	<b>6.94</b> 18.87	<b>262.49</b> (249.40)	<b>2,360.65</b> (2,846.52)
Unallocated corporate expenses					<b>149.00</b> (186.55)
Operating Profit					<b>2,211.65</b> (2,659.97)
Interest Expenses					<b>932.36</b> (787.64)
Interest Income					<b>731.90</b> (491.06)
Dividend Income					<b>62.40</b> (15.93)
Income in respect of Investments					—
Income Taxes including Deferred Tax					<b>655.96</b> (727.15)
Profit from ordinary activities					<b>1,417.63</b> (1,652.17)
Extra Ordinary Income					— (—)
Net Profit as per Profit & Loss Account					<b>1,417.63</b> (1,652.17)
OTHER INFORMATION					
Total carrying amount of Segment Assets	<b>21,741.09</b> (19,134.67)	<b>5,417.79</b> (4,380.52)	<b>980.80</b> (660.67)	<b>2,751.04</b> (2,893.34)	<b>30,890.72</b> (27,069.20)
Add : Unallocated Corporate Assets					<b>7,767.51</b> (5,725.27)
Total Assets as per Balance Sheet					<b>38,658.23</b> (32,794.47)
Total carrying amount of Segment Liabilities	<b>6,469.89</b> (3,369.60)	<b>568.73</b> (598.37)	<b>3.73</b> (12.42)	<b>25.54</b> (13.52)	<b>7,067.89</b> (3,993.91)
Add : Unallocated Corporate Liabilities					<b>31,590.34</b> (28,800.56)
Total Liabilities as per Balance Sheet					<b>38,658.23</b> (32,794.47)
Capital Expenditure incurred during the year	<b>417.96</b> (1,097.79)	<b>7.10</b> (0.86)	—	— (110.91)	<b>425.06</b> (1,209.56)
Depreciation for the Year	<b>591.92</b> (640.15)	<b>13.46</b> (25.70)	—	<b>218.05</b> (208.27)	<b>823.43</b> (874.12)
Other Non Cash Expenditure	— (—)	— (—)	—	— (—)	— (—)

## PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '25' - (Contd.)

### Sales Revenue by Geographical Segments

WITHIN INDIA	<b>21,626.55</b>	<b>3,562.65</b>	<b>224.47</b>	<b>642.92</b>	<b>26,056.59</b>
	(18,412.83)	(5,822.19)	(76.20)	(572.78)	(24,884.00)
OUTSIDE INDIA	<b>204.49</b>	—	—	—	<b>204.49</b>
	(260.13)	—	—	—	(260.13)
	<b>21,831.04</b>	<b>3,562.65</b>	<b>224.47</b>	<b>642.92</b>	<b>26,261.08</b>
	(18,672.96)	(5,822.19)	(76.20)	(572.78)	(25,144.13)

- i) The Paper segment relates to manufacture and marketing of Paper, processing activity.
- ii) The Real Estate Activity relates to a) profit from firm, engaged in Construction Activity and b) Development of Land for residential / commercial building.
- iii) Power Generation Activity relates to Generation of Power from D.G.Set and Wind Power Turbines.
- iv) The Investment segment relates primarily to the activity of investment i.e.purchase & sale of shares etc.
- v) Figures in bracket relate to previous year.

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

- a) An amount of ₹ 145.46 lacs (Last year ₹ 141.49 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 31.03.2014 :

	Gratuity (Partly funded) (₹ in Lacs)		Leave Encashment (Unfunded) (₹ in Lacs)	
	2013-2014	2012-2013	2013-2014	2012-2013
i) The present value of defined benefit obligations at the commencement of the Year	<b>901.87</b>	870.63	<b>82.06</b>	86.96
ii) Current Service cost	<b>44.61</b>	42.98	<b>35.26</b>	(24.09)
iii) Interest cost	<b>72.15</b>	74.00	<b>6.56</b>	7.39
iv) Actuarial (Gain)/Loss	<b>(8.38)</b>	80.05	<b>26.18</b>	31.21
v) Benefits (Paid)	<b>(115.20)</b>	(165.79)	<b>(23.93)</b>	(19.41)
vi) Past Service Cost	—	—	—	—
vii) The present value of defined benefit obligations at the close of the Year	<b>895.05</b>	901.87	<b>126.13</b>	82.06
viii) The fair value of plan assets at the close of the year	<b>292.93</b>	315.66	—	—
ix) The Past service cost not yet recognized	—	—	—	—
x) Expected return on plan assets	<b>(23.87)</b>	(26.61)	—	—

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

d) Actuarial assumptions	<b>2013-2014</b>	2012-2013	<b>2013-2014</b>	2012-2013
i) Rate of interest ( per annum)	<b>9.00%</b>	8.00%	<b>9.00%</b>	8.00%
ii) Salary growth ( per annum)	<b>7.00%</b>	6.50%	<b>7.00%</b>	6.50%
iii) Withdrawal rate ( Per annum)	<b>1.00%</b>	1.00%	<b>1.00%</b>	1.00%
iv) Expected return on Plan Assets	<b>8.75%</b>	9.25%	—	—
v) Mortality rates [LIC (1994.96) ultimate]	—	—	—	—



## NOTE '25' - (Contd.)

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

Name of the Company	Country of incorporation	Proportion of Ownership Interest	Minority Interest	Financial Accounting year ended
<b>I) Subsidiary Companies</b>				
a) Pudumjee Investment & finance co.Ltd.	India	100%	Nil	31.03.2014
<b>II) Joint Venture Firm</b>				
a) M/s Pudumjee-G : Corp Developers	India	60%	40%	31.03.2014
<b>III) Associate Companies/ Firm</b>				
a) M/s Prime Developers	India	Nil	N. A.	31.03.2014
b) Pudumjee Industries Ltd.	India	27.24%	N. A.	31.03.2014
c) Pudumjee Plant Laboratories Ltd.	India	27.11%	N. A.	31.03.2014
d) Pudumjee Hygeine Products Ltd.	India	Nil	N. A.	31.03.2014
e) Pudumjee Holding Ltd.	India	Nil	N. A.	31.03.2014

b) (i) During the period ended Pudumjee Investment & Finance Co.Ltd subsidiary of the parent company Pudumjee Pulp and Paper Mills Limited has incurred a loss of ₹ 39.18 Lacs for the year ending 31st March 2014, which has been appropriately dealt with in these consolidated financial statements.

(ii) Since the company has made full provision for it's investment in Pudumjee Plant Laboratories Ltd, the loss suffered by later has been ignored while consolidating the accounts in accordance with Accounting standard AS 23.

c) Financial information of subsidiary company / Joint Venture :-

	Pudumjee Investment & Finance Co.Ltd		M/S Pudumjee-G : Corp Developers	
	AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
i) Share Capital	499.00	499.00	70.00	70.00
ii) Reserves & Surplus	(486.18)	(447.01)	—	—
iii) Total Assets	1,656.67	1,238.22	9,309.56	7,360.50
iv) Total Liabilities	1,656.67	1,238.22	9,309.56	7,360.50
v) Investment	673.16	573.16	513.01	59.38
3,945,790 Equity shares of ₹ 2 each fully paid of Pudumjee Industries Limited (Market value ₹ 349.20 Lacs)				
vi) Turnover	224.47	76.20	5,937.74	9,703.66
vii) Profit / (Loss) before Tax	(39.18)	(52.51)	2,862.93	4,000.35
viii) Provision for Tax	—	—	958.27	1,233.58
ix) Profit / (Loss) after Tax	(39.18)	(52.51)	1,904.66	2,766.77
x) Proposed Dividend	—	—	—	—

d) No contingent liability has been incurred by the company in respect of Joint Venture except to the extent of a corporate guarantee of ₹ 2500 lacs given by it to the lending bank of Joint Venture. Its share in the contingent liability is nil, since the loan availed by the Joint Venture has already been accounted for in the consolidated accounts, following the principle of proportionate consolidation.

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

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

## SIGNATURE OF NOTES '1' TO '25'

Correctly extracted from the Audited Accounts of the companies.

On behalf of the Board,

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

**B.C. DALAL**  
Director

**A. K. JATIA**  
Chairman

**Y. P. SHUKLA**  
Proprietor

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

**V.P. LEEKHA**  
Managing Director

Mumbai, Dated : 17<sup>th</sup> May, 2014

Mumbai, Dated : 17<sup>th</sup> May, 2014

**PUDUMJEE PULP & PAPER MILLS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

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

	2013-2014 (₹ in Lakhs)	2012-2013 (₹ in Lakhs)
<b>A Cash Flow from Operating Activities</b>		
<b>Net profit before Taxation &amp; Extraordinary Items</b>	<b>2,073.59</b>	<b>2,379.32</b>
Adjustments for :		
Depreciation	823.43	874.12
Interest & Financial charges	972.57	810.82
Loss on sale / Transfer of Fixed Assets	1.08	—
Provision for doubtful debts & advances	—	15.23
Other income	(711.56)	(458.13)
	<u>1,085.52</u>	<u>1,242.04</u>
<b>Operating profit before Working Capital Changes</b>	<b>3,159.11</b>	<b>3,621.36</b>
(Increase)/Decrease in Inventories	(3,071.86)	3,875.78
(Increase)/Decrease in Debtors	317.22	(553.95)
(Increase)/Decrease in Advances Others	(340.60)	(85.40)
Increase/(Decrease) in Liabilities	3,348.14	(3,415.33)
	<u>252.90</u>	<u>(178.90)</u>
<b>Cash Generated from Operations</b>	<b>3,412.01</b>	<b>3,442.46</b>
Income Tax (paid)/Refund Received (Net)	(347.03)	(769.24)
<b>Cash Flow before Extraordinary Items</b>	<b>3,064.98</b>	<b>2,673.22</b>
(Increase)/Decrease in Misc.Expenditure		
Extra ordinary items	—	—
Net cash from Operating Activities	<u>3,064.98</u>	<u>2,673.22</u>
<b>B Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(424.84)	(791.22)
Sale Proceeds of Fixed Assets	61.71	14.85
Investment in Mutual Funds Etc.	(415.48)	(559.97)
Change in Loans & Advances (ICD)	(464.04)	(853.59)
Interest Received	628.65	411.33
Dividend Received	62.40	15.93
Net cash from / (used) in Investing Activities	<u>(551.60)</u>	<u>(1,762.67)</u>
<b>C Cash flow from Financing Activities</b>		
Proceeds from Borrowings	2,191.60	4,045.60
Repayment of Borrowings	(2,668.23)	(3,499.72)
Payment of Interest	(1,004.81)	(1,412.24)
Dividend paid	(123.00)	(123.00)
Net cash from / (used) in Financing Activities	<u>(1,604.44)</u>	<u>(989.36)</u>
Net change in Cash & Cash Equivalents (A+B+C)	<b>908.94</b>	<b>(78.81)</b>
Cash & Cash Equivalents (Opening Balance)	<b>205.95</b>	<b>284.76</b>
Cash & Cash Equivalents (Closing Balance)	<u><b>1,114.89</b></u>	<u><b>205.95</b></u>

Note: Figures in brackets represent cash outflows.

SIGNATURE OF NOTES '1' TO '25'

Correctly extracted from Audited Accounts of the Company

On behalf of the Board,

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

**B.C. DALAL**  
Director

**A. K. JATIA**  
Chairman

**Y. P. SHUKLA**  
Proprietor

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

**V.P. LEEKHA**  
Managing Director

Mumbai, Dated : 17<sup>th</sup> May, 2014

Mumbai, Dated : 17<sup>th</sup> May, 2014

FORM NO. MGT-11

Proxy Form

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

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

Registered office : THERGAON, PUNE 411 033.

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

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

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

as my/ our proxy to attend and vote (on a poll) for me/ us and on our behalf at the 49<sup>th</sup> Annual General Meeting of the company, to be held on the Saturday, the 13<sup>th</sup> day of September, 2014 at 12.00 Noon(ST) at the Registered Office of the Company at Thergaon, Pune 411 033 and at any adjournment thereof in respect of such resolutions as are indicated below :

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

- |  |                          |   |                          |
|--|--------------------------|---|--------------------------|
| 1. Adoption of Accounts & Reports                            | <input type="checkbox"/> | 8. Appointment of Mr.G.Khaitan as an Independent Director.  | <input type="checkbox"/> |
| 2. Declaration of Dividend                                   | <input type="checkbox"/> | 9. Appointment and Remuneration of Executive Chairman.      | <input type="checkbox"/> |
| 3. Appointment of Director retiring by rotation.             | <input type="checkbox"/> | 10. Appointment and Remuneration of Managing Director.      | <input type="checkbox"/> |
| 4. Appointment of Auditors                                   | <input type="checkbox"/> | 11. Appointment and Remuneration of Whole-time Director.    | <input type="checkbox"/> |
| 5. Appointment of Mr.V.O. Somani as an Independent Director. | <input type="checkbox"/> | 12. Consent for Borrowing Powers u/s 180(1)(c).             | <input type="checkbox"/> |
| 6. Appointment of Mr.B.C. Dalal as an Independent Director.  | <input type="checkbox"/> | 13. Consent for acceptance of fixed deposits from Public.   | <input type="checkbox"/> |
| 7. Appointment of Mr.V.K. Beswal as an Independent Director. | <input type="checkbox"/> | 14. Appointment of Mr.N. Damani as an Independent Director. | <input type="checkbox"/> |

Signed this.....day of .....2014.

Signature of shareholder  
Signature of Proxy holder(s)



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



COURIER / REGD. POST

If undelivered, please return to :

**Pudumjee Pulp & Paper Mills Ltd.,**  
Thergaon, Pune – 411 033.

### FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges:

1.	Name of the Company	PUDUMJEE PULP & PAPER MILLS LTD.
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	N.A.
5.	To be signed by -  MD - Mr.V.P. Leekha  CFO - Mr.S.K.Bansal  Auditor of the Company - Khare & Co.  Audit Committee Chairman - Mr.B.C. Dalal	  <b>FOR KHARE &amp; CO.</b> Chartered Accountants, <i>Khare</i> <b>PROPRIETOR</b> 