

**PUDUMJEE
PULP & PAPER MILLS
LIMITED**



PUDUMJEE

**Annual Report
2015 - 2016**

PUDUMJEE PULP & PAPER MILLS LIMITED

DIRECTORS :

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

BANKERS :

STATE BANK OF INDIA
IDBI BANK LIMITED
BANK OF INDIA
KOTAK MAHINDRA BANK LIMITED

SOLICITORS :

KANGA & COMPANY

AUDITORS :

KHARE & COMPANY

REGISTERED OFFICE :

THERGAON, PUNE 411 033.

REGISTRAR & TRANSFER AGENTS :

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

DEMAT STOCK CODE :

INE606A01024

EQUITY SHARES ARE LISTED AT :

BSE LTD. AND NATIONAL STOCK EXCHANGE OF INDIA LTD.

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTICE

The Fifty First 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 17th day of September, 2016 at 11.30 a.m. (ST) to transact the following business:

- 1) To receive, consider and adopt the Audited standalone and consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016 comprising the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. S. K. Bansal (DIN: 00031115), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To declare a dividend on equity shares of the Company for the year 2015-2016.
- 4) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Messrs Khare & Co., Chartered Accountants (FRN 105100W), be and hereby appointed as Auditors of the Company from the conclusion of this meeting till the conclusion of 52nd Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee".

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and the provisions of Regulation 23 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to the undernoted subsisting contracts already entered into or to be entered into and further authorized to deal in related party transaction(s) as under:

| Name of the Related Party | Nature of Transaction | Aggregate Amount | Duration of Agreement |
|---------------------------------|---|---|--|
| Pudumjee paper Products Limited | Supply of Wind Power Electricity at Maharashtra State Electricity Distribution Company Limited tariff as reduced by 10% | Aggregate Consideration not exceeding ₹ 800 Lakhs per Financial Year for supply of Wind Power | 3 (three) Years commencing from the effective date of the Scheme of Arrangement and Reconstruction (Demerger) (i.e., 1 st February, 2016) |
| | Arrangement/Agreement Providing Inter Corporate Deposits | Amount remaining outstanding during any financial year shall not exceed ₹ 6,000 Lakhs Rate of Interest: Upto 11.25% p.a. but not less than 10.00% p.a. | Repayable On Demand Continuous Arrangement |
| | Leave and License Agreement to provide portion of office premises located at Mezzanine Floor, 60, Jatia Chambers, Dr. V. B. Gandhi Marg, Mumbai - 400 001 | License fee of ₹ 50,000/- per month plus service tax | 3 (three) Years commencing from the effective date of the Scheme of Arrangement and Reconstruction (Demerger) (i.e., 1 st February, 2016) |

| Name of the Related Party | Nature of Transaction | Aggregate Amount | Duration of Agreement |
|-----------------------------|--|---|---|
| | Arrangement/Agreement for Purchase of tissue papers, Napkins, Towels, etc. at Market based rates | About ₹ 10 lakhs for each financial year. | Continuous arrangement. |
| Pudumjee Industries Limited | To provide and accept ICDs | An amount remaining outstanding during any financial year not exceed ₹ 2,500 Lakhs. Rate of Interest: Upto 11.25% p.a. but not less than 10.00% p.a. | Repayable On Demand Continuous Arrangement |
| Thacker And Co. Ltd. | To provide and accept ICDs | An amount remaining outstanding during any financial year not exceed ₹ 2,500 Lakhs. Rate of Interest: Upto 11.25% p.a. but not less than 10.00% p.a. | Repayable On Demand Continuous Arrangement |

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

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

"RESOLVED THAT subject to the approval of the Central Government, under Section 13 of the Companies Act, 2013, and such other consents, approvals under any other law if required, the name of the Company be changed from 'PUDUMJEE PULP & PAPER MILLS LIMITED' to 'AJ LAND HOLDINGS LIMITED' or such other available name(s) which Board of Directors consider suitable,

RESOLVED FURTHER THAT relevant Clause in Memorandum and Articles of Association, of the Company be changed accordingly."

- 7) 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 20 of the Companies Act, 2013, for delivery of any documents through a particular mode of delivery, the fees to be charged to the shareholder(s) who request for such specific delivery be and are hereby fixed at the actual cost of each such delivery or such fees as may be decided by the Board of Directors from time to time."

Notes:

- 1) The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the above Items Nos. 5 to 7 is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
- 3) The Register of Members and Transfer Books of the Company will be closed from Tuesday, 06th September, 2016 to Saturday, 17th September, 2016 (both days inclusive).

PUDUMJEE PULP & PAPER MILLS LIMITED

- 4) The Dividend, when sanctioned, will be paid on and from 27th September, 2016 to those shareholders whose names stand on the Company's Register of members as holders of the shares on 17th September, 2016. 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 05th September, 2016 as per the details furnished by the Depositories for this purpose. The payment of Dividend will be subject to the provisions of Section 126 of the Companies Act, 2013.
- 5) Under the Companies Act, 1956 and 2013, dividends that are unclaimed for a period of seven years are required to be transferred to The Investor Education and Protection Fund (IEPF) administered by the Central Government. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 19th September, 2015 (date of last Annual General Meeting) on the website of the Company (www.pudumjeepulp.com), as also on the website of the Ministry of Corporate Affairs.

The unclaimed Dividend for the year 2008-09 will be deposited to IEPF on or before 27th September, 2016.

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

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

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

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

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

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

11) **Voting through electronic means :**

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and

Administration) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on all resolutions set forth in this Notice through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Computershare Pvt. Ltd., Hyderabad appointed for the purpose by the Company as authorised agency. Remote e-voting is optional.

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

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

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

PUDUMJEE PULP & PAPER MILLS LIMITED

C. Other Instructions :

- i. The Remote e-voting period commences on Wednesday, the 14th September, 2016 (9.00 a.m. IST) and ends on Friday, the 16th September, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 10th September, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by Karvy Computershare Pvt. Ltd. for voting thereafter. The member who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast vote again.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date 10th September, 2016.
- iii. Mrs. Savita Jyoti, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- v. The results declared alongwith the Scrutiniser's Report shall be placed on the Company's website www.pudumjeepulp.com and on the website of Karvy - www.evoting.karvy.com and communicated to the Stock Exchanges.
- vi. Those shareholders who do not have access to remote e-voting facility may write to Registrar and Share Transfer Agent, M/s. Karvy Computershare Pvt. Ltd. or to the Company for Ballot Paper which after filling up should reach to the Scrutinizer's, Mrs. Savita Jyoti c/o M/s. Karvy Computershare Pvt. Ltd. on or before 13th September, 2016.

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

R. M. KULKARNI
Company Secretary.

Registered Office:
Thergaon, Pune-411033.
Tel: +91-20-30613333,
Fax : +91-20-40773388
CIN: L21012MH1964PLC013058
Web Site : www.pudumjeepulp.com
29th July, 2016

ANNEXURE TO THE NOTICE**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

The following Explanatory Statement sets out all the material facts relating to items of business as mentioned in Serial Nos. 5 to 7 under Special Business in the accompanying Notice dated 29th July, 2016 convening the Annual General Meeting.

ITEM NO. 5

The provisions of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provide that, all material related party transactions shall require approval of the shareholders.

In compliance with the above provisions the agreements already entered into, the transactions to be continued with the parties as specified in the proposed ordinary resolution and proposed agreements/arrangements to be entered into are placed for your approval. It may be noted that, related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

Pudumjee Paper Products Limited (PPPL), Thacker and Co. Limited (TCL) and Pudumjee Industries Limited (PIL) are related parties by virtue of below mentioned criteria:

| Name of the Company | Interested Director |
|---------------------------------|--|
| Pudumjee Paper Products Limited | Mr. A. K. Jatia - Common Directorship and he alongwith his relatives holds more than 2% of paid share capital of the Company Mr. S. K. Bansal - Common Directorship Mr. V. P. Leekha - Common Directorship Dr. Ashok Kumar - Common Directorship |
| Thacker and Co. Limited | Mr. A. K. Jatia - Common Directorship and he alongwith his relatives holds more than 2% of paid share capital of the Company Mr. S. K. Bansal - Common Directorship |
| Pudumjee Industries Limited | Mr. A. K. Jatia - He alongwith his relatives holds more than 2% of paid share capital of the Company |

None of the other Directors, Key Managerial Personnel (except Mr. A. K. Jatia) of the Company and their relatives are concerned or interested, monetarily or otherwise in proposed ordinary resolution.

The Resolution at Item No. 5 of the Notice is recommended by the Board to be passed as an Ordinary Resolution.

ITEM NO. 6

Pursuant to the Scheme of Arrangement and Reconstruction (Demerger) the paper manufacturing business of the Company stood transferred to Pudumjee Paper Products Limited and henceforth the Company would continue the business of Real estate and wind power. Pursuant to the provisions Companies Act, 2013 (including applicable rules thereof) and Regulation 45 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is required to change the name of the Company in line with its remaining business.

It may be noted that the Company will be applying to the Registrar of Companies, Pune and such other necessary approval of government authorities for confirming the availability of proposed name, which will reflect the remaining business activity of the Company.

The Company is seeking the approval of shareholders for proposed change in name and the consequently alteration of name clause of the Memorandum and Articles of Association. The change in name of the Company as aforesaid does not change the legal status or constitution of the Company, nor does it affect any rights or obligations of the Company.

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

The Resolution at Item No. 6 of the Notice is recommended by the Directors to be passed as a Special Resolution.

PUDUMJEE PULP & PAPER MILLS LIMITED

ITEM NO. 7

Pursuant to the Section 20 of the Companies Act, 2013, the Company can decide the fees/charges to be charged to/ recovered from the Shareholders for sending the documents, notices, Annual Reports, correspondence related to Company through a particular mode as may be requested by the Shareholders. The proposed Ordinary Resolution is put up for the approval of Shareholders to enable the Company to Charge/recover the costs of sending the documents through a particular mode of delivery requested by any shareholder.

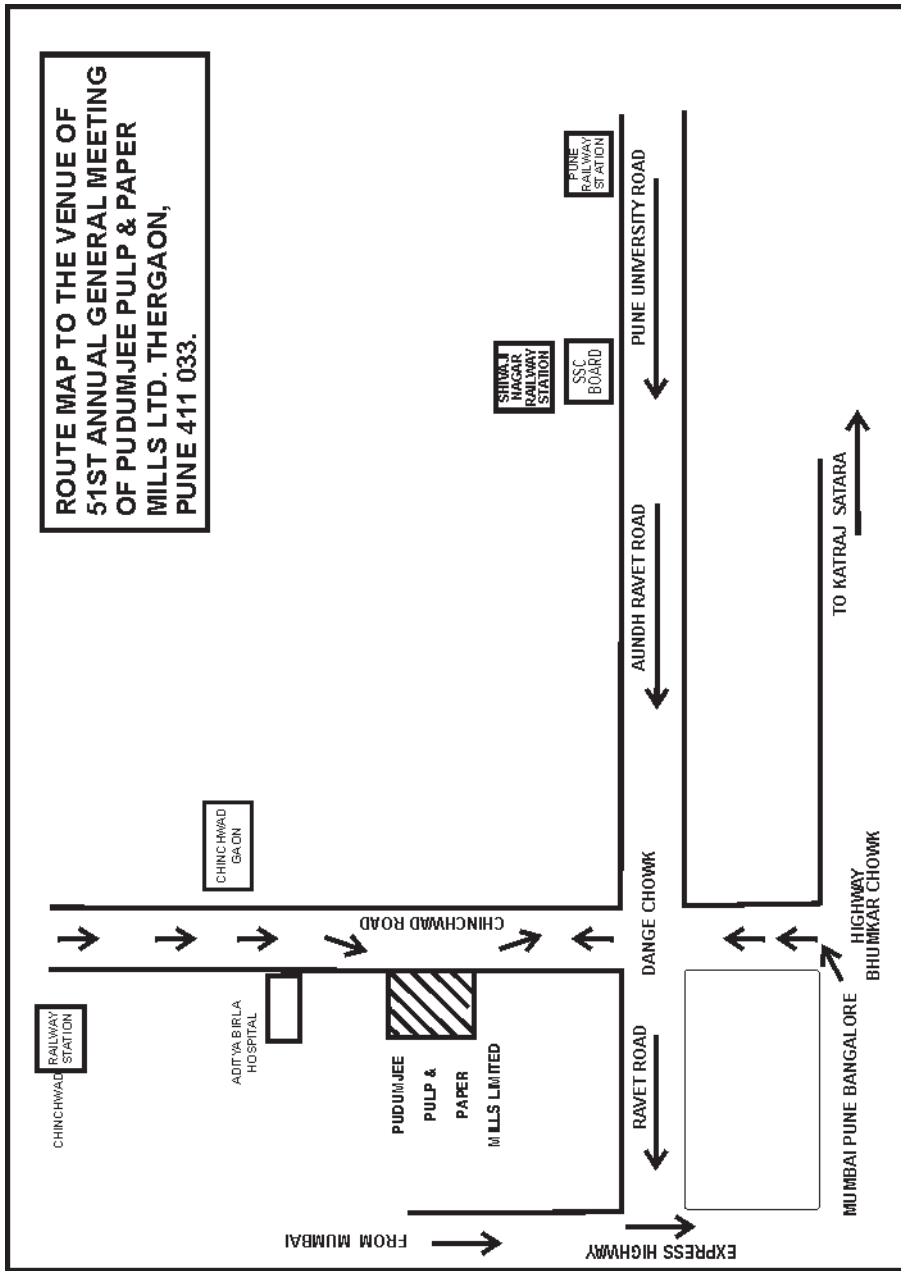
None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolution.

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

R. M. KULKARNI
Company Secretary.

Registered Office:
Thergaon, Pune-411033.
Tel: +91-20-30613333,
Fax : +91-20-40773388
CIN: L21012MH1964PLC013058
Web Site : www.pudumjeepulp.com
29th July, 2016

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



FINANCIAL HIGHLIGHTS (CONSOLIDATED)

| PARTICULARS | (₹ In Lacs) | | | | | | | | | | |
|------------------------------------|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| | As At 31 st March | | | | | | | | | | |
| Shareholders Fund | 9168 | 19965 | 18121 | 15482 | 14266 | 13095 | 14685 | 14069 | 13929 | 13040 | 12518 |
| Borrowed Funds | 1553 | 11511 | 10423 | 10900 | 15000 | 8486 | 6823 | 5206 | 8218 | 6803 | 7038 |
| TOTAL | 10721 | 31476 | 28544 | 26382 | 29266 | 21581 | 21508 | 19275 | 22147 | 19843 | 19556 |
| Net Fixed Assets | 3387 | 17344 | 16342 | 16804 | 16476 | 9617 | 11082 | 11998 | 12727 | 12656 | 11783 |
| Investments | 1107 | 1418 | 2066 | 1654 | 1195 | 2115 | 2049 | 1006 | 967 | 896 | 829 |
| Working Capital | 6227 | 12714 | 10136 | 7924 | 11595 | 9849 | 8377 | 6271 | 8453 | 6291 | 6944 |
| TOTAL | 10721 | 31476 | 28544 | 26382 | 29266 | 21581 | 21508 | 19275 | 22147 | 19843 | 19556 |
| Book value of Equity per share (₹) | 22* | 49* | 44* | 38* | 35* | 32* | 36* | 172 | 170 | 159 | 153 |
| Earning per share (₹) | 1.76* | 5.06* | 3.46* | 4.03* | 2.71* | 1.80* | 2.69* | 4.42 | 6.43 | 5.61 | 5.88 |
| Dividend per share (₹) | 0.20* | 0.30* | 0.30* | 0.30* | 0.30* | 0.30* | 0.30* | 0.25* | 1.20 | 1.20 | 1.20 |

* per share of ₹ 2/- each

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the 51st Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2016.

FINANCIAL RESULTS :

| | <u>2015-2016</u> | <u>2014-2015</u> |
|---|------------------|------------------|
| | (₹ In Lacs) | (₹ In Lacs) |
| The gross profit before interest and Depreciation | 1,028.27 | 1873.54 |
| Less : | | |
| i) Finance cost | 84.72 | 128.29 |
| ii) Depreciation | 158.98 | 156.37 |
| The net profit before Tax | 784.57 | 1588.88 |
| Add : | | |
| The balance of Profit brought forward from last year (after adjusting of demerger of paper business) | 3,938.33 | 2679.96* |
| Total | <u>4,722.90</u> | <u>4268.84</u> |
| Less : | | |
| Provision for Current Taxation | 45.00 | 66.44 |
| Provision/(Saving) for Deferred Taxation | (15.00) | (63.77) |
| Dividend on Equity Shares | 82.00 | 123.00 |
| Tax on Dividend | 15.77 | 25.04 |
| Transfer to General Reserve | 200.00 | 150.00 |
| Provision for Corporate Social Responsibility | Nil | 29.80 |
| Total | <u>327.77</u> | <u>330.51</u> |
| Balance proposed to be carried forward to next year's accounts | <u>4,395.13</u> | <u>3,938.33</u> |

Since the effect of the Scheme of Demerger has been given in the current year 2015-16, figures for the current year are excluding the result of demerged paper business. However for the purpose of comparison, with last year, figures for the Continuing business for the year 2014-15 are given in the above table.

CONSOLIDATED FINANCIAL STATEMENTS :

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

DIVIDEND :

The Board of Directors recommends the payment of Dividend for the year ended 31st March, 2016 at the rate of Re. 0.20 per share. If approved, the Equity Dividend shall be paid, subject to the provisions of section 126 of the Companies Act, 2013 to those shareholders whose names stand on the Register of Members on 17th September, 2016.

The Dividend in respect of shares held in electronic form, will be paid to all those beneficial owners of the shares as per the details furnished by depositories for the purpose at the close of business hours on 5th September, 2016.

PUDUMJEE PULP & PAPER MILLS LIMITED

OPERATIONS :

As you may be aware that the Paper manufacturing activity of the Company has been demerged on 1st February 2016 with effect from the appointed date, namely 1st April 2014, pursuant to the scheme of Demerger approved by the shareholders on 20th July, 2015 and sanctioned by the Bombay High Court. Consequently all the relevant assets and liabilities and the employees of the demerged business have been transferred to Pudumjee Paper Products Ltd., (PPPL) and in consideration thereof the shareholders of this Company have been allotted 7,58,50,000 equity shares of PPPL without payment. In terms of the scheme the Company has also entered into a Leave and Licence agreement allowing PPPL to use its site at Pune to enable them to plan their programme for shifting to and expansion at Mahad. The accounts accordingly include the effect of the scheme.

Post implementation of the scheme the main business of the Company consists of development of Real Estate as a Developer and Producer of Renewable Power including from existing Wind Power capacity.

Pudumjee G.Corp develops a Partnership firm in which the Company is a Partner has booked 89 apartments during the year in "GREENS" at Thergaon, Pune, a successful project which has been well received, taking the total booked apartments till March, 2016 to 559 since commencement of the project. Following the Mandatory Percentage Completion Method of Accounting now applicable, the accounts include an amount of Rs.7.07 Crores as its share of profit from the firm. The firm has received approval for construction of 30 flats comprised in additional 4 floors in respect of its 16 storey building which are currently being sold.

The Company has entered into a Memorandum of Understanding for developing about 13 acres of land at Thergaon, Pune in Partnership arrangement with G. Corp Properties Pvt. Ltd. offering a potential development of about 9,00,000 sq.ft. of residential apartments subject to requisite approvals.

Though the general Real Estate market in Pune currently is not upbeat, however, certain pockets of the city do experience a good demand and the site for proposed development is ideally located at Thergaon, Pune.

The GREENVILLE project which is being developed by the Company on its own is awaiting statutory approvals.

The Company's Wind Power Plants located at Satara and Sangli aggregate about 4.6 MW of power. The power generated is sold to such institutions who are usually charged higher tariff by MSEDCL. This enables the Company to earn better realization per unit of energy generated.

SUBSIDIARY :

As at 31st March, 2016, the Company has one subsidiary namely Pudumjee Investment & Finance Company Limited.

During the Year under review, Pudumjee Paper Products Limited (PPPL) in which the Company had earlier subscribed its 2,55,000 Equity Shares of ₹ 1/- each at premium of ₹ 19/- per equity share, ceased to be the subsidiary of the Company, as PPPL has allotted 9,44,50,000 equity shares on 17th February, 2016, to the existing shareholders of the Company and of other transferor Companies, pursuant to the Scheme of Arrangement and Reconstruction (Demerger) which resulted into reduction of Company's share holding below 51% in PPPL.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES :

Pursuant to Rule 8 of the Companies (Accounts) Rules, 2014, the information on the performance and financial position of each of the subsidiary, associate, joint venture Companies, etc. as included in consolidated financial statement is provided in Annexure No. 1 to this report.

FIXED DEPOSITS :

Pursuant to the 'Demerger Scheme' as sanctioned by the Hon'ble Bombay High Court, the "Fixed Deposits Liability" together with all associated obligations was transferred to Pudumjee Paper Products Limited and this Company has ceased to hold fixed deposits accepted from Public with effect from the effective date of the scheme i.e. 1st February, 2016. The payment of interest and repayments of deposits as and when due are being made by Pudumjee Paper Products Limited.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND :

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

AUDITORS :

M/s. Khare and Company, Chartered Accountants, have been appointed as Statutory Auditors of the Company at the 49th Annual General Meeting to hold office up to the conclusion of 51st Annual General Meeting. M/s. Khare and Company, have given their consent to act as the Auditors of the Company till conclusion of 52nd Annual General Meeting. The Company has received a Certificate from M/s. Khare and Company, to the effect that their appointment, would be within the prescribed limits under section 141 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for appointment. The Shareholders will be required to appoint the auditors and fix their remuneration at the ensuing Annual General Meeting.

There is no adverse remark or qualification in the Statutory Auditor's Report annexed elsewhere in this Annual Report.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) :

On 19th June, 2015 the Company suffered an irreparable loss in the sad demise of Mr. V. O. Somani, an eminent Industrialist, who had a long association with the Company as an Independent Director.

The Company has Board of Directors with total 9 directors out of which 5 are Non-Executive Independent Directors, 1 is Promoter Director, 1 is Non-Executive Director and the remaining 2 are Executive Directors.

By virtue of Section 149 of the Companies Act, 2013 and rules made there under, the Independent Directors are not liable to retirement by rotation. Mr. S. K. Bansal, Whole Time Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

During the year, Dr. Ashok Kumar was re-designated as Non-Executive Director of the Company with effect from 1st February, 2016 and he would be drawing his remuneration from Pudumjee Paper Products Limited.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the applicable provisions of the Companies Act, 2013 and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECRETARIAL AUDITOR :

The provisions of Section 204 read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company from a Company Secretary in Practice. The Board in its meeting held on 1st August, 2015 has appointed M/s Parikh & Associates, Practising Company Secretaries (Certificate of Practice No. 1228) as the Secretarial Auditor for the financial year ending 31st March, 2016. The Secretarial Auditors' Report for the financial year 2015-16 is annexed hereto and marked as Annexure No. 2.

There is no adverse remark or qualification in the Secretarial Audit Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) :

The Board of Directors has constituted the Corporate Social Responsibility Committee. The major role of this Committee is to formulate, recommend, implement and monitor the CSR policy and activities to be undertaken by the Company to meet/contribute expenditure towards its recommended corporate social responsibility objectives. Some of the activities which will be undertaken by the Company through an eligible trust are as under;

PUDUMJEE PULP & PAPER MILLS LIMITED

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

The CSR committee comprises of the following members :

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

The CSR Policy is also uploaded on the website of the Company viz; www.pudumjeepulp.com. During the year, the Company has allocated total ₹ 40 Lacs, and the full amount has been disbursed to M/s. M. P. Jatia Charitable Trust for the purposes as follows:

| | | |
|--------------------------------------|---|-----------|
| Education in Rural Area | - | ₹ 15 Lacs |
| Environment protection in rural area | - | ₹ 5 Lacs |
| Vocational Development | - | ₹ 20 Lacs |

The other relevant disclosures as stipulated under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure No. 3.

The CSR committee has adopted CSR policy in the month of November, 2014. For the year under consideration the Company has allocated an amount of ₹ 40.00 Lacs for the said purpose. The entire allocated amount was deposited / transferred with M/s. M. P. Jatia Charitable Trust, however the aforementioned trust was not able to spend the full amount on specified CSR activities due to paucity of sufficient time. The report obtained from the trust has been taken into consideration in the disclosures given.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

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

The brief summary of such transactions are provided in Annexure No. 4 to this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :

A policy on Related Party Transactions has been adopted by the Board of Directors at its meeting held on 1st November, 2014 for determining the materiality of transactions with related parties and dealings with them. The said policy is available at the Company's website at the web link www.pudumjeepulp.com. The Audit Committee reviews all related party transactions quarterly as also when necessary.

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

ANNUAL EVALUATION OF BOARD'S PERFORMANCE :

As required under Companies Act 2013, a meeting of the Independent Directors was held on 9th February, 2016 to evaluate the performance of the Non-Independent Directors, wherein the evaluation of performance of the non independent directors, including the Chairman and also of the Board as a whole was made, against pre-defined and identified criteria.

The criteria for evaluation of the performance of the Independent Directors, chairman and the Board, was finalized by the Nomination and Remuneration Committee in its meeting held on 14th February, 2015, the said committee has carried out evaluation of the performance of every director. The said criteria is available at the Company's website at www.pudumjeepulp.com. The Board of Directors at their meeting held on 9th February, 2016 has evaluated the performance of Independent Directors.

RISK MANAGEMENT POLICY :

In accordance with the requirements of the Act, the Company has adopted and implemented a Risk Management Policy for identifying risks to the Company, procedures to inform Board members about the risk assessment & minimization procedures, monitoring the risk management plan, etc.

WHISTLE BLOWER MECHANISM :

The Company has a Whistle Blower Policy / vigil mechanism. The said policy has been made keeping in view of the amendments in the Companies Act, 2013 and to comply with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy may be referred to, at the Company's website at - www.pudumjeepulp.com .

PARTICULARS OF EMPLOYEES :

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

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

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

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

As the Company is not engaged in the manufacturing activities, the information related to Conservation of energy, technology absorption is not applicable.

During the year under review, no Foreign Exchange was earned and used.

REPORT ON CORPORATE GOVERNANCE :

The report on Corporate Governance in accordance with the guidelines of the Securities & Exchange Board of India and pursuant to applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached and marked as Annexure No. 7.

EXTRACT OF ANNUAL RETURN :

The extract of the Annual Return of the Company in Form MGT-9 is annexed as Annexure No. 8 to this report.

REMUNERATION POLICY :

In accordance with the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company has formulated Remuneration policy which inter alia, includes the criteria for determining qualifications, positive attributes and

PUDUMJEE PULP & PAPER MILLS LIMITED

independence of Directors. The said policy may be referred to, at the Company's website at www.pudumjeepulp.com and is annexed hereto and marked as Annexure No. 9.

SIGNIFICANT AND MATERIAL ORDERS :

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

CHANGE IN NAME:

Pursuant to the Scheme of Arrangement and Reconstruction (Demerger), the Company's Paper manufacturing business has been de-merged and henceforth the company would continue the business of Real Estate and Wind Power. Accordingly the name of the Company proposed to be changed subject to the approval of Central Government, Stock exchanges and Shareholders.

DIRECTORS' RESPONSIBILITY STATEMENT :

The Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS :

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

On behalf of the Board of Directors,

A.K. Jatia,
Executive Chairman.

Place : Mumbai
Dated : 28th May, 2016

ANNEXURE NO. 1

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARY,
ASSOCIATE AND JOINT VENTURE COMPANIES:

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

(₹ In Lacs Except for EPS and Dividend)

| Name of the Company (Subsidiary, Associate, JV, etc.) | Pudumjee Investment & Finance Company Limited | Pudumjee Plant Laboratories Limited |
|---|--|--|
| Nature of the Company (Subsidiary, Associate, JV, etc.) | Subsidiary Company | Associate Company |
| Ownership Interest of the Company | 100% | 27.11% |
| Sales | 301.32 | 7.18 |
| Profit/(Loss) after tax | (41.24) | (242.40) |
| Current Assets | 250.79 | 628.77 |
| Loans & Borrowings | 844.30 | 1496.88 |
| Current Liabilities | 5.33 | 23.25 |
| Net Fixed Assets | — | 1695.96 |
| Non Current Assets (Investments) | 573.16 | 1.00 |
| Paid up Share Capital | 499.00 | 849.00 |
| Reserves and Surplus | (524.68) | (677.62) |
| Earnings - ₹ per Equity Share | (2.07) | (9.74) |
| Dividend - ₹ per Equity Share | NIL | NIL |

On behalf of the Board of Directors,

A.K. Jatia,
Executive Chairman.

Place : Mumbai
Dated : 28th May, 2016

ANNEXURE NO. 2

FORM No. MR - 3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

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

To,

The Members,

PUDUMJEE PULP AND PAPER MILLS LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the management we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the company for the financial year ended on 31st March, 2016 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit Period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company, namely :
 1. The Air (Prevention and Control of Pollution) Act, 1981 & the Rules
 2. The Hazardous Wastes (Management and Handling) Rules, 1989
 3. The Factories Act, 1948
 4. Environmental Protection Act, 1986
 5. Industries (Development & Regulation) Act, 1951

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that :

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

The Scheme of Arrangement and Reconstruction (Demerger) between Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited, Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956 has been approved by the Hon'ble High Court of Judicature at Bombay on 8th January, 2016.

For Parikh & Associates

Company Secretaries

Place : Mumbai,
Dated : 28th May, 2016

P. N. Parikh
Partner

FCS No. : 327

CP No. : 1228

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

PUDUMJEE PULP & PAPER MILLS LIMITED

'Annexure A'

To,
The Members
Pudumjee Pulp and Paper Mills Limited

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

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

For Parikh & Associates
Company Secretaries

Place : Mumbai,
Dated : 28th May, 2016

P. N. Parikh
Partner
FCS No. : 327
CP No. : 1228

ANNEXURE NO. 3

THE ANNUAL REPORT ON CSR ACTIVITIES

| 1) A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs | <p>The Company believes in the CSR activities through collaboration. The Company would always like to help the entities that are in the area of social service. The entities could be Trusts which have established track record in the activities like MP Jatia Charitable Trust, Mumbai and Shri Manmohandas Shanta Devi Turst, Jabalpur, M.P. which has an established track record of social service.</p> <p>The CSR activities to be carried out by the Company through an eligible trust are as under;</p> <ol style="list-style-type: none"> Education in Rural Area Environment protection in rural area Vocational and Professional Training <p>Website - www.pudumjeepulp.com</p> | | | | | | | | | | | | | | | | | | | | |
|---|--|--|----------------------|----------|-------------|---|------------------------|------------------------------------|----------|---|------------------------------------|--|--------|---|------------------------|-------------------|--------|---|--------------------------------|------------------------------------|--------|
| 2) The Composition of the CSR Committee | <table border="1"> <thead> <tr> <th data-bbox="552 651 608 711">Sr. No.</th> <th data-bbox="615 651 807 711">Name of the Director</th> <th data-bbox="814 651 1026 711">Category</th> <th data-bbox="1033 651 1181 711">Designation</th> </tr> </thead> <tbody> <tr> <td data-bbox="552 720 608 798">1</td> <td data-bbox="615 720 807 798">Mr. Vinod Kumar Beswal</td> <td data-bbox="814 720 1026 798">Independent Non Executive Director</td> <td data-bbox="1033 720 1181 798">Chairman</td> </tr> <tr> <td data-bbox="552 808 608 886">2</td> <td data-bbox="615 808 807 886">Mr. Arunkumar Mahabir Prasad Jatia</td> <td data-bbox="814 808 1026 886">Executive Chairman & Whole time Director</td> <td data-bbox="1033 808 1181 886">Member</td> </tr> <tr> <td data-bbox="552 895 608 944">3</td> <td data-bbox="615 895 807 944">Mr. Ved Prakash Leekha</td> <td data-bbox="814 895 1026 944">Managing Director</td> <td data-bbox="1033 895 1181 944">Member</td> </tr> <tr> <td data-bbox="552 953 608 1033">4</td> <td data-bbox="615 953 807 1033">Mr. Bhupendra Champaklal Dalal</td> <td data-bbox="814 953 1026 1033">Independent Non Executive Director</td> <td data-bbox="1033 953 1181 1033">Member</td> </tr> </tbody> </table> | Sr. No. | Name of the Director | Category | Designation | 1 | Mr. Vinod Kumar Beswal | Independent Non Executive Director | Chairman | 2 | Mr. Arunkumar Mahabir Prasad Jatia | Executive Chairman & Whole time Director | Member | 3 | Mr. Ved Prakash Leekha | Managing Director | Member | 4 | Mr. Bhupendra Champaklal Dalal | Independent Non Executive Director | Member |
| Sr. No. | Name of the Director | Category | Designation | | | | | | | | | | | | | | | | | | |
| 1 | Mr. Vinod Kumar Beswal | Independent Non Executive Director | Chairman | | | | | | | | | | | | | | | | | | |
| 2 | Mr. Arunkumar Mahabir Prasad Jatia | Executive Chairman & Whole time Director | Member | | | | | | | | | | | | | | | | | | |
| 3 | Mr. Ved Prakash Leekha | Managing Director | Member | | | | | | | | | | | | | | | | | | |
| 4 | Mr. Bhupendra Champaklal Dalal | Independent Non Executive Director | Member | | | | | | | | | | | | | | | | | | |
| 3) Average net profit of the Company for last three financial years | ₹ 1,852.03 Lacs | | | | | | | | | | | | | | | | | | | | |
| 4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) | ₹ 37.04 Lacs (as per Section 135 (5) of Companies Act 2013) ₹ 40.00 Lacs (Budgeted as per Committee approval dated 30 th May, 2015) | | | | | | | | | | | | | | | | | | | | |
| 5) Details of CSR spent during the financial year | <p>The Company has carried out CSR activities through MP Jatia Charitable Trust especially in area of Education in Rural Area and Vocational Development in villege Bissau, District Jhunjhunu, Rajasthan for imparting computer literacy amongst children and adults.</p> | | | | | | | | | | | | | | | | | | | | |
| ▪ Total amount to be spent for the financial year | ₹ 40.00 Lacs | | | | | | | | | | | | | | | | | | | | |
| ▪ Amount unspent , if any | ₹ NIL | | | | | | | | | | | | | | | | | | | | |
| ▪ Manner in which the amount spent during the financial year | CSR Activities as stated below | | | | | | | | | | | | | | | | | | | | |

PUDUMJEE PULP & PAPER MILLS LIMITED

| Sr. No. | CSR Project or activity identified | Sector in which the Project is covered | Projects or programs 1) Local area or other 2) Specify the State and projects or programs was under taken | Amount Outlay (budget) Project or program wise (in INR) | Amount spent on the programs Sub-heads : (1) Direct Expenditure on projects or programs (2) Over-heads : (in INR) | Cumulative Expenditure upto to the Reporting period (in INR) | Amount spent Direct or through implementing agency |
|--------------|------------------------------------|--|---|---|---|--|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Education in Rural Area | ———— | 1) Local Area- NIL 2) Bissau, Jhunjhunu District, Rajasthan | } 15,00,000 | 15,00,000 | 15,00,000 | Through M P Jatia Charitable Trust, having established track record |
| 2 | Environment in rural area | ———— | 1) Bissau, Jhunjhunu District, Rajasthan | 5,00,000 | 5,00,000 | 5,00,000 | Through M P Jatia Charitable Trust, having established track record |
| 3 | Vocational Development | ———— | 1) Local Area- NIL 2) Bissau, Jhunjhunu District, Rajasthan | } 20,00,000 | 20,00,000 | 20,00,000 | Through M P Jatia Charitable Trust, having established track record |
| TOTAL | | | | 40,00,000 | 40,00,000 | 40,00,000 | ———— |

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

The CSR committee has adopted CSR policy in the month of November, 2014.

Notes:

- For FY 2015-16 - The entire allocated amount was paid to M/s. M. P. Jatia Charitable trust on 28th March, 2016, however the aforementioned trust was not able to spend the full amount on specified CSR activities during the year and would spend subsequently.
- For FY 2014-15 - For this year, the unspent amount of ₹ 29.80 was disbursed to (i) M P Jatia Charitable Trust towards for vocational and professional training - ₹ 4.80 Lacs and (ii) Shri. Manmohan Das Shantadevi Trust towards purchase by it a land at Chhindwara for education purpose ₹ 25.00 Lacs which Trusts have established Track Record.
- The CSR Committee confirms that, the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

V. P. Leekha
Managing Director

B. C. Dalal
Member CSR Committee

Place : Mumbai
Dated : 28th May, 2016

ANNEXURE NO. 4
Particulars of loans given, guarantees/ investments made during the Financial Year 2015-16

| Nature of transaction (whether loan/guarantee/security/acquisition) | Name of the person or body corporate to whom it is made or given or whose securities have been acquired | Amount of loan/security/acquisition/guarantee (in ₹) | Rate of interest For loans | Number and kind of securities | For acquisitions | | |
|---|---|--|----------------------------|-------------------------------|----------------------|--|---|
| | | | | | Nature of Securities | Cost of acquisition, if any (In ₹ Per Share/Units) | Selling price, Per Unit if any (In ₹ Per Share/Units) |
| ICD's Given (Loan) | Pudumjee Industries Ltd. | 251,000,000 (13,36,55,000) | 12.50% | NA | NA | NA | NA |
| | Pudumjee Investment & Finance Company Limited | 9,680,023 (7,99,28,208) | 12.50% | NA | NA | NA | NA |
| | | 70,000,000 (0) | 18.00% | NA | NA | NA | NA |
| | Pudumjee Paper Products Limited | 177,357,910 (7,63,92,399) | 12.50% | NA | NA | NA | NA |
| Investments Made | Reliance Liquid Fund Treasury Plan | 50,000,000 (0) | | | Mutual Fund Units | | |
| | Birla Sun Life Cash Plus - Inst. Growth | 112,500,000 (0) | | | Mutual Fund Units | | |
| | | 30,000,000 (0) | | | Mutual Fund Units | | |
| | ICICI Pridential Liquid Fund | 20,000,000 (0) | | | | | |
| Guarantee Given | Saraswat Co. Operative Bank Ltd. (For Pudumjee G. Corp Developers - Partnership Firm) | 150,000,000 (100,000,000) | 14.50% | NA | NA | NA | NA |

Figures in bracket indicates balance as on 31st March, 2016

On behalf of the Board of Directors,

A.K. Jatia,
Executive Chairman.

Dated - 28th May, 2016
Mumbai

ANNEXURE NO. 5

Particulars of Contracts or Arrangements with Related Parties (FORM AOC 2)

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

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

| | |
|--|---|
| a) Name(s) of the related parties and nature of relationships | Pudumjee Paper Products Limited (PPPL) a related party under Section 2(76)(v). |
| b) Nature of contracts/arrangements / transaction | Leave and License Agreement to provide portion of office premises located at Mezzanine Floor, 60, Jatia Chambers, Dr. V. B. Gandhi Marg, Mumbai - 400 001. |
| c) Duration of the Contracts/ arrangements/transactions | Continuous, on an ongoing basis. |
| d) Salient terms of contracts or arrangements or transactions including the value if any | 1) <u>Monetary value</u> : Consideration:- Not exceed ₹ 50,000 per month plus service tax 2) <u>Nature, material terms and particulars of arrangement</u> : a. Duration of Contracts is 3 (three) years commencing from 1 st February, 2016. b. The licensee shall bear and pay all the maintenance charges and other outgoings including all rates, taxes, levies, assessments, non occupancy charges, electricity bills etc. |
| e) Justification for entering into such contracts or arrangements or transactions | The spare space available with the Company is utilized in mutual interest, by making it available to PPPL for continuance of their day to day commercial operations |
| f) Date(s) of approval by the Board | 09 th February, 2016 & 28 th May, 2016 |
| g) Amount paid as advances if any | NIL |
| h) date on which the special resolution was passed in general meeting as required under first proviso to Section 188 | The approval of shareholders will be obtained in the 52 nd Annual General Meeting of the Company to be held on 17 th September, 2016 |

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

| | |
|--|---|
| a) Name(s) of the related parties and nature of relationships | Pudumjee Paper Products Limited (PPPL) a related party under Section 2(76)(v). |
| b) Nature of contracts/arrangements / transaction | Purchase of tissue papers, Napkins, Towels, etc. at Market based rates |
| c) Duration of the Contracts/ arrangements/transactions | Continuous arrangement. |
| d) Salient terms of contracts or arrangements or transactions including the value if any | <u>Monetary value</u> : About ₹ 10 lacs in financial year 2016-17. |
| e) Date(s) of approval by the Board | 28 th May, 2016 |
| f) Amount paid as advances if any | NIL |

On behalf of the Board of Directors,

A.K. Jatia,
Executive Chairman.

Dated : 28th May, 2016
Mumbai,

PUDUMJEE PULP & PAPER MILLS LIMITED

Annexure No. 6 A

Information as per Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2016

| Name & Age (Years) | Designation/ Nature of duties | Remuneration | | Qualification & Experience (Years) | Date of commencement of employment | Last employed | |
|-----------------------|----------------------------------|--------------|-----------|--|------------------------------------|---------------------------|----------------|
| | | Gross ₹ | Net ₹ | | | Name of the organisation. | Position held |
| Mr. A. K. Jatia (53) | Executive Chairman | 1,19,78,012 | 85,02,940 | B.S. (Finance & Business Economics) (33) | 01.06.2014 | - | - |
| Mr. Bansal S. K. (56) | Whole Time Director & CFO | 98,71,872 | 73,17,827 | B.Com., ACA, ACS (33) | 03.10.1984 | A.F. Fergusson & Co., | Asstt. Manager |

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 employees are whole-time directors of the Company during the year.
- 3) There is no employee drawing remuneration in excess of the remuneration drawn by the managing director/whole time director and who holds himself or along with his/her spouse and dependent children not less than two percent of the equity shares of the Company.
- 4) None of the above employees is related to each other.
- 5) The statement excludes the remuneration drawn by the employees/Directors whose services had been transferred to Pudumjee Paper Products Limited pursuant to Scheme of Demerger.

On behalf of the Board of Directors,

A. K. Jatia,
Executive Chairman.

Date : 28th May, 2016

Place : Mumbai

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

NUMBER OF PERMANENT EMPLOYEES OF THE COMPANY : 5#

| Sr. No. | Name of the director, Chief Financial Officer, Chief Executive Officer, Company Secretary | Designation | remuneration of each director, Chief Financial Officer, Executive Officer, Company Secretary (in INR) | comparison of the remuneration of the director with the Key Managerial Personnel against the performance of the Company; | key parameters for any variable component of remuneration availed by the directors | median remuneration of the employees (in INR) | Ratio for the financial year between D and G | percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year | average percentile increase in the salaries of employees other than managerial personnel | percentage increase in managerial remuneration | justification to Column "K" & "L" in case of exceptional circumstances but receive remuneration of employees who are not directors | ratio of the remuneration of the director to the highest paid director during the year | market capitalisation of the Company INR | Closing Share price as on 31.03.2016 | price earnings ratio = Mrkt. price per share / earnings per share (EPS) | price earnings ratio = the Company's price per share / earnings per share (EPS) | percentage increase over decrease in comparison to last public offer | | |
|---------|---|---|---|--|--|---|--|---|--|--|--|--|--|--------------------------------------|---|---|--|-----|--|
| A | B | C | D | E | F | G | H | I | J | K | L | N | O | Q | R | S | T | U | |
| 1 | Mr. Anun Kumar Mahabir Prasad Jaitia | Executive Chairman & Whole time Director | 11,978,012 | Comparison of remuneration of Key Managerial Personnel with that of performance of the Company cannot be made this year in view of demerger of major paper business in to Pudumjee Paper Products Limited. | NIL | 1,052,959 | 11.38 | 12.43 | 14.44# | 14.44 | 16.01 | N.A. | 953,250,000 | ₹ 19.45 | 4.94 | 1.84 | Company has not made any Public Issue during recent past years. | N.A | |
| 3. | Mr. Surendra Kumar Bansal | Whole time director & Chief Financial Officer | 9,871,872 | | NIL | | 9.38 | 21.13 | | | | | | | | | | | |
| 5. | Mr. R. M. Kulkarni | Company Secretary | 1,497,506 | | NIL | | 1.42 | 13.24 | | | | | | | | | | | |

#Pursuant to Scheme of Demerger all the employees (Except 5 employees including Whole Time Directors) of the Company were transferred to PPPL with effect from 1st February, 2016

On behalf of the Board of Directors,
A.K. Jaitia,
Executive Chairman.

Dated: 28th May, 2016
Mumbai

ANNEXURE NO. 7
REPORT ON CORPORATE GOVERNANCE

The Directors present their Report on Corporate Governance as required by SEBI guidelines and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Company's Philosophy on Code of Governance:

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

Code of Conduct :

In tune with the corporate philosophy stated in the preceding para, the Board of Directors of the Company in its meeting held on 29th October, 2005 laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company in terms of the requirement of clause 49 of the Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'). The Code of Conduct is displayed at the Company's website www.pudumjeepulp.com. Affirmation regarding compliance with the Code of Conduct had been obtained from all Board members and senior management personnel of the Company. As required, a declaration duly signed by the Managing Director to the effect is appended.

BOARD PROCEDURE :

Board Meetings are held about four-five times a year. Detailed Agenda is sent to each Director well in advance of the meetings. The Directors are briefed at each Board Meeting regarding performance and working by the functional heads. In addition to matters statutorily requiring Board's approval, all major decisions of policy, strategic formulations, capital expenditure, new investments, major accounting policies are considered by the committees and/ Board. Board periodically reviews all the compliances of applicable laws affecting the Company.

MANAGEMENT DISCUSSION AND ANALYSIS :

The Company operates mainly in the business of Real Estate development and Wind Power generation. The 12 acre land which is being developed for residential apartments in partnership arrangement with G.Corp Properties Pvt. Ltd. has completed construction of five 12 storey buildings of 94 flats each and the flats therein have been handed over to the customers.

The sixth building which is a 16 storey building is under construction including construction for 4 additional floors, approval to which has been just received. The project is well received in the market, however, due to prevailing slow down of economy in general and real estate in particular, the sales have slowed down as the choices available to the prospective customers' in the building are somewhat restricted due to lesser number of available unsold apartments.

The new TDR policy announced by the Government of Maharashtra would enable the firm to construct and sell 124 flats in the 7th building, the construction of which may be taken up in the next financial year depending upon the business scenario. Thus a long standing impediment of slum TDR not being available in the Municipal area where the site is also located is addressed. Consequently it is estimated that the firm would be able to construct in all 718 apartments as against 658 apartments planned earlier.

A Memorandum of Understanding has been signed for development of about 13 acres of land at Thergaon, Pune for construction of a residential apartment in Partnership arrangement subject to requisite approvals. The potential for such development is expected to be 9,00,000 sq.ft. The current slowdown in the real estate is perceived to be short lived and the market would see the revival by the time the firm is ready to launch the project.

The new and emerging regulatory environment is conducive to growth of development of real estate market and the Company would be ideally placed to reap the dividend arising out of it.

The three Wind Power Plants located at Satara and Sangli generated in aggregate 58.29 KWH Lacs of energy during the financial year. The Company expects that continuous emphasis of the regulatory authorities mandating industries to meet part of their requirement of energy from renewable sources would continually increase demand for wind power energy.

Segment wise financial performance is stated in the accompanying Accounts.

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

Board of Directors :

The Board of Directors is composed of a 1 Promoter Director (Whole time director), 1 Whole-time Director, 1 Managing Director, 1 Non Executive Non Independent Director and 5 Non Executive Independent Directors. The Executive chairman, Managing Director and the Whole-time Director conduct the day to day management of the Company subject to the supervision and control of the Board of Directors.

The composition of the Board as on 31st March, 2016 is as under:

| Directors | Category | Total number of Directorships in Public Companies as on 31 st March, 2016.* | Total number of Membership of Committees of as on 31 st March, 2016. + | Total number of Chairmanships of Committees as on 31 st March, 2016. + |
|------------------------------------|---------------------------|--|---|---|
| Executive Directors | | | | |
| Mr. Arunkumar Mahabir Prasad Jatia | Executive Chairman | 5 | 5 | 1 |
| Mr. Ved Prakash Leekha | Managing Director | 3 | Nil | Nil |
| Mr. Surendra Kumar Bansal | Whole time Director & CFO | 8 | 2 | Nil |
| Non- Executive Directors | | | | |
| Dr. Ashok Kumar | Non Independent Director | 1 | Nil | Nil |
| Mr. Gautam Khaitan | Independent Director | 4 | 6 | 2 |
| Mr. Nandan Damani | Independent Director | 7 | 5 | 1 |
| Mr. Bhupendra Champaklal Dalal | Independent Director | 4 | 2 | 1 |
| Mr. Vinod Kumar Beswal | Independent Director | 4 | 3 | 2 |
| Ms. Preeti Gautam Mehta | Independent Director | 3 | 1 | Nil |

* includes Directorship in other Public Companies and Pudumjee Pulp & Paper Mills Limited.

+ Committees considered are Audit Committee and Stakeholders relationship Committee, including in Pudumjee Pulp & Paper Mills Limited.

+ Total number of committee membership includes the Chairmanship also.

None of the Directors of the Company is a Member of more than 10 Committees and Chairman of more than 5 Committees across all the public limited Companies in which he/she is a Director.

The Independent Directors of the Company are acting as Independent Director in not more than seven listed companies. Independent Director who is whole time Director in other Company acts as Independent Director in not more than three listed Companies. The Whole Time Directors of the Company are not Independent directors in more than three Companies. During the year 2015-2016, Five Board Meetings were held on the following dates:

| | | |
|------------|------------|------------|
| 30-05-2015 | 01-08-2015 | 19-09-2015 |
| 31-10-2015 | 09-02-2016 | -- |

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The Fiftieth Annual General Meeting (AGM) of the Company was held on 19th September, 2015. The attendance of the Directors at these Meetings was as under:

| Name of the Director | Number of Board Meetings Attended | Attendance at the last AGM |
|------------------------------------|-----------------------------------|----------------------------|
| Mr. Arunkumar Mahabir Prasad Jatia | 5 | Yes |
| Mr. Ved Prakash Leekha | 4 | Yes |
| Mr. Surendra Kumar Bansal | 5 | Yes |
| Dr. Ashok Kumar | 4 | Yes |
| Mr. Gautam Khaitan | 2 | No |
| Mr. Nandan Damani | 4 | No |
| Mr. Bhupendra Champaklal Dalal | 4 | No |
| Mr. Vinod Kumar Beswal | 5 | Yes |
| Mr. Venkateshwar Onkarmal Somani | 1 | Not Applicable |
| Ms. Preeti Gautam Mehta | 3 | No |

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

(In ₹)

| Name of Directors | Sitting fees | Salaries | Perquisites & Benefits | Commission | Total |
|------------------------------------|--------------|--------------|------------------------|------------|----------------|
| Mr. Arunkumar Mahabir Prasad Jatia | Nil | 78,00,000.00 | 41,78,012.00 | Nil | 1,19,78,012.00 |
| Mr. Ved Prakash Leekha | Nil | Nil | Nil | Nil | Nil |
| Mr. Surendra Kumar Bansal | Nil | 62,40,000.00 | 36,31,872.00 | Nil | 98,71,872.00 |
| Dr. Ashok Kumar | Nil | Nil | Nil | Nil | Nil |
| Mr. Gautam Khaitan | 21,000.00 | Nil | Nil | Nil | 21,000.00 |
| Mr. Nandan Damani | 75,000.00 | Nil | Nil | Nil | 75,000.00 |
| Mr. Bhupendra Champaklal Dalal | 1,25,000.00 | Nil | Nil | Nil | 1,25,000.00 |
| Mr. Vinod Kumar Beswal | 1,35,000.00 | Nil | Nil | Nil | 1,35,000.00 |
| Mr. Venkateshwar Onkarmal Somani | 26,000.00 | Nil | Nil | Nil | 26,000.00 |
| Ms. Preeti Gautam Mehta | 45,000.00 | Nil | Nil | Nil | 45,000.00 |

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

- The details for shares held by directors as on 31-03-2016 are as under:

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

- * *Out of total shares mentioned above, 3,58,333 equity shares are held as Executor of the will of Late Shri Mahabir Prasad Jatia and 20,39,270 equity shares are held as Executor of the will of Late Smt Poonam Jatia.*

Appointment of Directors:

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

The Brief profile of appointee has given as under:

| | |
|--|--|
| Name of the Director | Mr. Surendra Kumar Bansal |
| DIN | 00031115 |
| Age | 56 years |
| Education | B.com, A.C.A, A.C.S. |
| Nature of expertise in specific functional areas; | Mr. Bansal has wide and varied experience in finance, accounts, corporate laws and taxation matters over 33 years. |
| Names of other Listed Companies in which the non-executive / executive director holds the directorship | 1. Pudumjee Paper Products Limited 2. Thacker and Company Limited |
| Names of the other Listed Companies membership of Committees of the non-executive / executive Director | 1. Pudumjee Paper Products Limited: Stakeholders Relationship Committee |
| Shareholding of non-executive / executive Director | Nil |

There is no inter-se relationship with other Directors, Manager and other Key Managerial Personnel of the Company.

COMMITTEES OF DIRECTORS :

a) Audit Committee :

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

| Sr. No. | Name of the Directors | Designation |
|---------|------------------------------------|-------------|
| 1 | Mr. Bhupendra Champaklal Dalal | Chairman |
| 2 | Mr. Arunkumar Mahabir Prasad Jatia | Member |
| 3 | Mr. Nandan Damani | Member |
| 4 | CA. Vinod Kumar Beswal | Member |
| 5 | Late Mr. V. O. Somani ¹ | Member |

¹ expired on 19th June, 2015

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Pursuant to provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations, following revised terms of reference of this Committee are as under:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties, grant omnibus approvals subject to fulfillment of certain conditions;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters;
- To obtain outside legal and other professional advice
- call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the following information:
 - a) management discussion and analysis of financial condition and results of operations;
 - b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) internal audit reports relating to internal control weaknesses; and
 - e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - f) statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Meetings of the Audit Committee are also attended by the Managing Director, Chief Finance Officer, the Statutory Auditors and the Internal Auditors. The company secretary acts as secretary to the committee.

Four (4) Meetings of Committee were held during the year 2015-16 on the following dates:

| | | |
|------------|------------|------------|
| 30-05-2015 | 01-08-2015 | 31-10-2015 |
| 09-02-2016 | -- | -- |

The attendance at the Meetings were as under:

| Sr. No. | Name of the Committee Members | Meetings Attended |
|---------|------------------------------------|-------------------|
| 1 | Mr. Bhupendra Champaklal Dalal | 4 |
| 2 | Mr. Arunkumar Mahabir Prasad Jatia | 4 |
| 3 | Late Mr. V. O. Somani ¹ | 1 |
| 4 | Mr. Nandan Damani | 2 |
| 5 | CA Vinod Kumar Beswal | 4 |

¹ expired on 19th June, 2015

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b) Nomination and Remuneration Committee :

The constitution and the terms of reference of the Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

The Nomination and Remuneration Committee comprises of Mr. Bhupendra Champaklal Dalal, Mr. Vinod Kumar Beswal and Mr. Nandan Damani and late Mr. V. O. Somani (expired on 19th June, 2015). Mr. Bhupendra Champaklal Dalal is Chairman of the Committee.

Three Committee meetings were held on 30th May, 2015, 01st August, 2015, and 09th February, 2016 , during the year 2015-16. The attendances at these meetings were as under:

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

The detailed policy of the company on Directors' appointment and remuneration including criteria for determining qualifications, of a director and other matters and policy relating to the remuneration for the directors, key managerial personnel and other employees is annexed as respective annexure No. 9 to the directors' report in this annual report and can be viewed at company's website at www.pudumjeeulp.com .

c) Stakeholders Relationship Committee :

The Stakeholders Relationship Committee comprises of Mr. Gautam Khaitan, Mr. Arunkumar Mahabir Prasad Jatia, and Mr. Surendra Kumar Bansal, and Late Mr. V. O. Somani (Expired on 19th June, 2015) as its members.

Its terms of reference include review of complaints of shareholders/investors, Fixed deposit holders the Company's performance on redressal of complaints and to look into the correspondence with Securities & Exchange Board of India (SEBI) and the Stock Exchanges concerning Investor's Complaints.

During the year 2015-2016, 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. During the year there was no share transfer request pending.

Mr. Gautam Khaitan is the Chairman of the Committee. Company Secretary is the Compliance Officer of the Company.

Four Committee meetings were held on 30th May, 2015, 01st August, 2015, 31st October, 2015 and 09th February, 2016 , during the year 2015-16. The attendance at these meetings was as under:

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

d) Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee comprises of Four members of which Two including the Chairman of the Committee are Independent Directors. Details of the Committee are given in the Director's Report.

e) General Body Meetings :

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

| Date of Meeting and Time | Special Resolutions passed |
|---|--|
| 24 th August, 2013 9.00 a.m. (ST) | i) Special Resolution for approval to the remuneration payable to Mr.V.P. Leekha, the Chief Executive Officer of the Company for the remaining period of his appointment from 01.04.2013 to 31.03.2014. ii) Special Resolution for approval to the revised remuneration payable to Mr.S.K. Bansal, the Whole-time Director of the Company for the remaining period of his appointment from 01.04.2012 to 31.03.2014. |
| 13 th September, 2014 12.00 noon (ST) | i) Approval to appointment, remuneration and other terms of Mr. Arunkumar Mahabirprasad Jatia as Whole-time Director designated as "Executive Chairman" of the Company for a period of five years with effect from 1 st June, 2014. ii) Approval to appointment, remuneration and other terms of Mr. Ved Prakash Leekha as Managing Director of the Company for a period of five years with effect from 1 st April, 2014. iii) Approval to appointment, remuneration and other terms of Mr. Surendra Kumar Bansal as Whole-time Director of the Company for a period of five years with effect from 1 st April, 2014. iv) to borrow monies from time to time from any one or more bodies corporate or financial institutions, Banks or any entity or any person or persons not exceeding Rs. 1000 crores. v) to invite and accept deposits from the members of the Company and from the public in general, not exceeding the limits laid down under the Companies (Acceptance of Deposits) Rules, 2014. |
| 19 th September, 2015 12.00 noon (ST) | i) Approval to appointment of and remuneration payable to Dr. Ashok Kumar (DIN: 07111155), as an Executive Director of the Company. ii) Approval to revision in remuneration of Mr. Arunkumar Mahabirprasad Jatia (DIN: 01104256), Executive Chairman of the Company with effect from 1 st July, 2015. iii) Approval to the related party subsisting contracts. iv) Consent of shareholders for accepting of fixed deposits from the members and from the public in general. v) Approval to revision in remuneration of Mr. Ved Prakash Leekha (DIN: 00048568), the Managing Director of the Company. vi) Approval to revision in remuneration of Mr. S. K. Bansal (DIN: 00031115), the Whole-time Director of the Company. |

ii) Court Convened Meeting:

| Date of Meeting and Venue | Time | Resolutions passed |
|---|--------------------|--|
| 20 th July, 2015 Thergaon, Pune - 411033 | 10.00 a.m. (ST) | Approval to the Scheme of Arrangement between Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited and Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective shareholders and creditors ("Scheme") |

iii) Postal Ballot

During the year under review, no resolutions were passed through Postal Ballot.

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COMPANY POLICIES:

The Board has adopted the following policies/ programme:

- (a) Policy on Related Party Transactions
- (b) Policy for determining Material Subsidiary#
- (c) Whistle Blower Policy/Vigil Mechanisam
- (d) Criteria For Selection of Candidates For Senior Management And Members On The Board of Directors
- (e) Familiarisation programme for Independent Directors
- (f) Policy on Board's Diversity
- (g) Risk Policy & Procedures
- (h) CSR Policy
- (i) Archival policy#
- (j) Policy For Preservation of Documents#
- (k) Policy on Determination of Materiality For Disclosure(s) #

The disclosure in respect of above policies/ programme is hosted on the website of the Company viz. www.pudumjeepulp.com.

These policies have been adopted during the year under review.

Meeting of Independent Directors:

As required under Companies Act 2013 and Listing Regulations, a meeting of the Independent Directors was held on 9th February, 2016, without the attendance of Non-Independent Directors and Members of the management.

The Independent Directors evaluate the performance of the Non-Independent Directors, wherein the evaluation of performance of the non independent directors, including the Chairman and also of the Board as a whole was made, against pre-defined and identified criteria.

Annual Evaluation of Board, its Committees and Directors:

As required under Companies Act, 2013 and Listing Regulations the Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

CEO/CFO Certification:

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the Director (Finance) & CFO of the Company have certified to the Board that Audited Financial Statements for the Financial Year ended 31st March, 2016 do not contain any untrue statement and that these statements represent a true and fair view of the Company's affairs and other matters as specified there under.

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) All the Mandatory requirements of the revised Clause 49 of the listing agreement and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, have been complied with as detailed in this annexure. The Company has also complied Non-mandatory requirements of the Listing Regulations such as: a) Separate posts of Chairman and Managing Director b) unmodified audit opinion.

The Company has complied with corporate governance requirements specified in regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- d) In terms of Listing Regulations, 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.
- e) Whistle Blower Policy/ Vigil Mechanism

The Company has formulated a policy "Whistle Blower Policy / vigil mechanism", wherein the Employees/ Directors/Stakeholders of the Company are free to report any unethical or improper activity, actual or

suspected fraud or violation of the Company's Code of Conduct. This mechanism provides safeguards against victimization of Employees, who report under the said mechanism. The said policy may be referred to, at the Company's official website at - www.pudumjeepulp.com

We affirm that no director or employee has been denied access to the Audit Committee during financial year 31st March, 2016.

f) **Subsidiary Company :**

Regulation 16 of the Listing Regulations defines, a "Material Subsidiary" as subsidiary, whose income or net worth exceeds 20% of the Consolidated Income or Net Worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

In view of above, the Company did not have any "Material non-listed Indian Subsidiary" during the year under review.

g) **Disclosure of commodity price risks and commodity hedging activities:** Not Applicable

h) **Foreign exchange risk and hedging activities:**

The Company usually takes short term cover against foreign exchange rates moving upwards and guards against possible losses.

Means of Communication

a) The Company has published its quarterly and half yearly and 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.pudumjeepulp.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.

f) During the year, no presentation has been made to any institutional investors or to the analysts.

Disclosure of shares lying In the Unclaimed Suspense Account

Pursuant to Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details in respect of the shares lying in the unclaimed suspense account till March 31, 2016 is as under:

| Particulars | No. of Shareholders | No. of Shares |
|---|----------------------------|----------------------|
| Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 1 st April, 2015 | 508 | 340665 |
| Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account | 0 | 0 |
| Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents | 0 | 0 |
| Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31 st March, 2016 | 508 | 340665 |

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

Voting rights in respect of the aforesaid 340665 shares held in the Unclaimed Suspense Account will remain frozen till the time such shares are claimed by the concerned Shareholders.

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

PUDUMJEE PULP & PAPER MILLS LIMITED

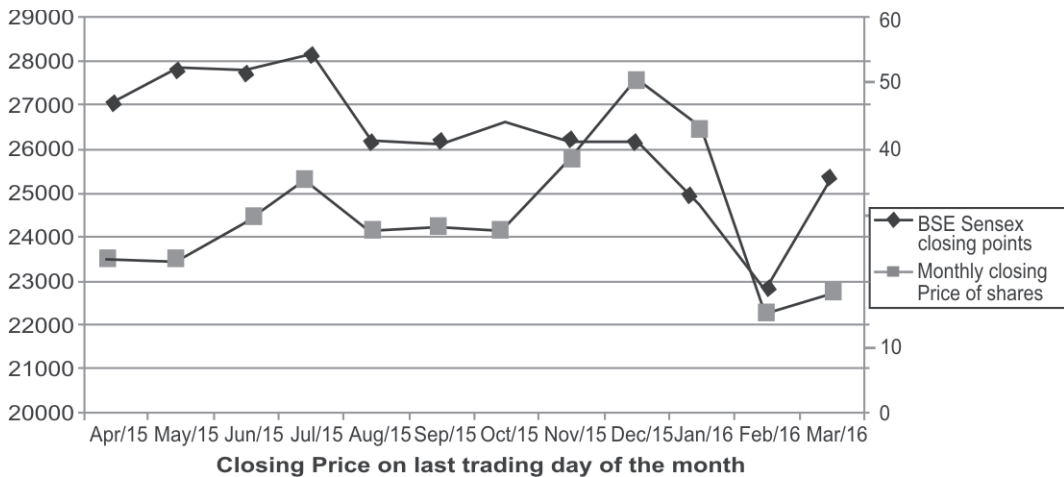
General Information for Shareholders:

| Annual General Meeting | | |
|---------------------------------------|---|---|
| 1. | Date & Time | Saturday, 17 th September, 2016 at 11.30 a.m. |
| 2. | Venue of AGM | Registered Office of the Company at Thergaon, Pune 411 033. |
| 3. | Financial Year | 1 st April to 31 st March |
| Financial Calendar (Tentative) | | |
| 1. | Date of Book Closure | 06 th September, 2016 to 17 th September, 2016 |
| 2. | Last date for receipt of Proxy Form | 15 th September, 2016 by 11.30 a.m. |
| 3. | Dividend Payment Date | 27 th September, 2016 |
| 4. | Board Meeting for Consideration of unaudited results for first three quarters | Within 45 days from the end of the each quarter |
| 5 | Listing on Stock Exchanges and Scrip code: BSE Ltd. Phiroze Jeejibhoy Towers 25th Floor, Dalal Street, Mumbai 400 001. | 500343 |
| | The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), MUMBAI 400 051. | PDUMJEPULP |
| | NSDL and CDSL Dematstock code | INE606A01024 |
| 6 | E-mail ID for Investor Complaints | inv_compl_ppm@pune.pudumjee.com |
| 7 | Registrars & Share Transfer Agents: | <p>Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No. 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 008 Tel. : 91-40-44655000 Fax : 91-40-23420814 E-mail: einward.ris@karvy.com</p> <p>This is a Common Agency looking after all the work related to share registry in terms of both physical and electronic connectivity (as per directions of SEBI) the details are as under; 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. (Note: Shareholders holding shares in Electronic Mode should address all correspondence to their respective Depository Participants).</p> |
| 8 | Any other inquiry: | <p>The Company Secretary, Pudumjee Pulp & Paper Mills Ltd., Thergaon, Pune 411 033. Tel. : 91-20-30613333 Fax. : 91-20-40773388 E-mail : sk@pune.pudumjee.com</p> |
| 9 | Plant Location | Thergaon, Pune 411 033. |

Market share Price Data: (In ₹)

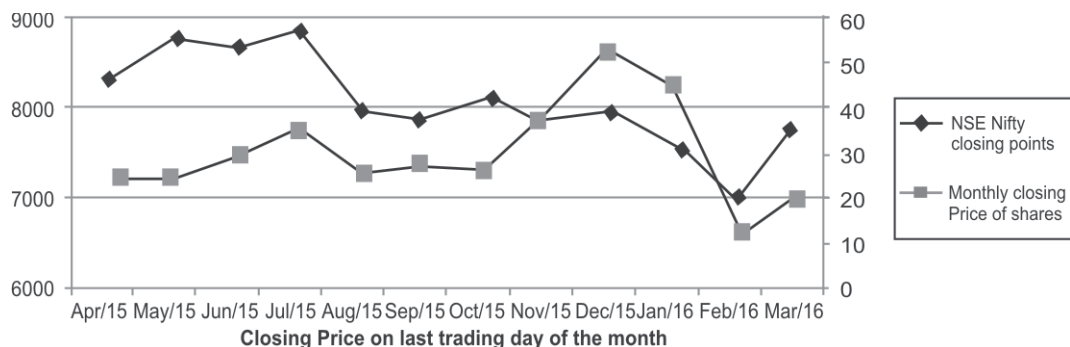
| Month / Index | Bombay Stock Exchange | | | National Stock Exchange | | |
|----------------|-----------------------|-----------|-------------|-------------------------|-----------|-------------|
| | High Price | Low Price | Close Price | High Price | Low Price | Close Price |
| April-2015 | 28.35 | 23.00 | 24.25 | 28.50 | 21.20 | 24.20 |
| May-2015 | 25.50 | 22.35 | 23.75 | 26.80 | 22.30 | 24.00 |
| June-2015 | 31.80 | 23.15 | 29.70 | 32.00 | 22.35 | 29.45 |
| July-2015 | 37.40 | 28.15 | 35.60 | 37.30 | 26.65 | 35.55 |
| August-2015 | 34.75 | 26.00 | 27.65 | 35.00 | 26.05 | 27.55 |
| September-2015 | 30.90 | 24.50 | 28.30 | 29.70 | 24.25 | 28.25 |
| October-2015 | 29.95 | 24.60 | 27.55 | 30.00 | 24.35 | 27.80 |
| November-2015 | 41.85 | 29.20 | 38.80 | 42.00 | 28.75 | 38.90 |
| December-2015 | 54.50 | 37.40 | 50.45 | 54.70 | 35.50 | 50.35 |
| January-2016 | 56.25 | 36.80 | 43.55 | 55.95 | 36.55 | 43.55 |
| February-2016 | 49.60 | 14.10 | 15.20 | 49.80 | 14.35 | 15.35 |
| March-2016 | 24.70 | 14.80 | 19.45 | 24.65 | 14.05 | 19.30 |

Stock Performance in comparison to BSE Sensex



PUDUMJEE PULP & PAPER MILLS LIMITED

Stock Performance in comparison to NSE NIFTY



Shareholding pattern and distribution pattern of shares as at 31st March, 2016:

| SHAREHOLDING PATTERN | | | DISTRIBUTION OF SHAREHOLDING | | |
|--|--------------------|------------------|------------------------------|---------------------|--------------------|
| Category of shareholder | No. of shares | % of shares held | No. of shares | No. of shareholders | No. of Shares held |
| PROMOTER AND PROMOTER GROUP | | | 1-5000 | 9385 | 64,86,896 |
| Individual /Hindu Undivided Family | 67,81,957 | 16.54 | 5001- 10000 | 215 | 16,29,309 |
| Bodies Corporate | 1,74,37,404 | 42.53 | 10001- 20000 | 98 | 14,48,891 |
| Individuals (Non-Resident Individuals / Foreign Individuals) | 10,00,000 | 2.44 | 20001- 30000 | 24 | 5,83,697 |
| PUBLIC SHAREHOLDING | | | 30001- 40000 | 11 | 3,92,020 |
| Mutual Funds /UTI | 250 | 0 | 40001- 50000 | 10 | 4,56,901 |
| Financial Institutions/Banks | 1,680 | 0 | 50001- 100000 | 15 | 10,77,578 |
| NBFC Registered with RBI | 1 | 0 | 100001 & Above | 21 | 2,89,24,708 |
| Insurance Companies | 250 | 0 | | | |
| Bodies Corporate | 33,06,884 | 8.07 | | | |
| Individuals | 1,20,30,804 | 29.34 | | | |
| Non resident Indians | 4,18,622 | 1.02 | | | |
| Clearing Members | 22,148 | 0.06 | | | |
| GRAND TOTAL | 4,10,00,000 | 100.00 | GRAND TOTAL | 9779 | 4,10,00,000 |

Dematerialization of Shares and Liquidity as on 31st March, 2016

Physical Form : 2.64%
Dematerialized Form : 97.36%

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

Listing fees:

Listing fees for the year 2015-2016 have been paid in full to BSE Ltd. and National Stock Exchange of India Ltd.

Share Transfer System:

The Share transfers in physical form are presently processed and the Share Certificates returned within a period of 15 days from the date of receipt subject to the documents being in order in all respects. With a view to expediting the process of Share Transfer, the Board of Directors constituted the Share Transfer Committee for approval of transfer of shares of the Company.

Certificate of Compliance:

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

On behalf of the Board of Directors,

A.K. Jatia,
Executive Chairman.

Dated : 28th May, 2016
Place : Mumbai

**DECLARATION BY THE MANAGING DIRECTOR
REGARDING AFFIRMATION OF CODE OF CONDUCT**

To
The Members of Pudumjee Pulp & Paper Mills Limited

I, V. P. Leekha, Managing Director of Pudumjee Pulp & Paper Mills Limited, declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Codes of Conduct for the year ended 31st March, 2016.

V. P. Leekha,
Managing Director

Place : Mumbai
Dated : 28th May, 2016

PUDUMJEE PULP & PAPER MILLS LIMITED

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of
Pudumjee Pulp and Paper Mills Limited**

We have examined the compliance of the conditions of Corporate Governance by Pudumjee Pulp and Paper Mills Limited ('the Company') for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges ("Listing Agreement") for the period April 1, 2015 to November 30, 2015 and Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period December 1, 2015 to March 31, 2016.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. 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 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 the Listing Agreement and the Listing Regulations applicable for the respective periods as mentioned above.

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

For Parikh & Associates
Practising Company Secretaries

P. N. Parikh
FCS : 327 CP : 1228

Mumbai, May 28, 2016

ANNEXURE NO. 8**FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN As on the financial year ended on 31st March, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

| | | |
|------|--|--|
| i) | CIN : | L21012MH1964PLC013058 |
| ii) | Registration Date | 19/11/1964 |
| iii) | Name of the Company | Pudumjee Pulp & Paper Mills Limited |
| iv) | Category / Sub-Category of the Company | Public Company Limited by Shares |
| v) | Address of the Registered office and contact details | Thergaon, Pune- 411033 Tel. : 91-20-30613333 Fax. : 91-20-40773388 |
| vi) | Whether listed company | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008 Tel. : 91-40-44655000 Fax : 91-40-23420814 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|---------|---|-------------------------------------|------------------------------------|
| 1 | Real Estate | 70 | 57.84 |
| 2 | Sale of Wind Power | 35106 | 33.99 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SR. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|--------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Pudumjee Investment & Finance Company Limited, Thergaon, Pune- 411033 | U65993PN1991PLC062635 | Subsidiary | 100% | Section 2(87) |
| 2 | Pudumjee Plant Laboratories Limited, Thergaon, Pune- 411033 | U01122PN1994PLC021609 | Associate | 27.11% | Section 2(6) |

PUDUMJEE PULP & PAPER MILLS LIMITED

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

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (01-04-2015) | | | | No. of Shares held at the end of the year 31-03-2016 | | | | % Change during the year |
|---|--|------------------|--------------------|-------------------|--|------------------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A Promoters | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/HUF | 67,81,957 | 0 | 67,81,957 | 16.54 | 67,81,957 | 0 | 67,81,957 | 16.54 | 0.00 |
| b) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) State Govt. (s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corp. | 1,74,37,404 | 0 | 1,74,37,404 | 42.53 | 1,74,37,404 | 0 | 1,74,37,404 | 42.53 | 0.00 |
| e) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A) (1):- | 2,42,19,361 | 0 | 2,42,19,361 | 59.07 | 2,42,19,361 | 0 | 2,42,19,361 | 59.07 | 0.00 |
| 2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | 10,00,000 | 0 | 10,00,000 | 2.44 | 10,00,000 | 0 | 10,00,000 | 2.44 | 0.00 |
| b) Other – Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A) (2) : | 10,00,000 | 0 | 10,00,000 | 2.44 | 10,00,000 | 0 | 10,00,000 | 2.44 | 0.00 |
| Total shareholding of Promoter (A) = (A) (1)+(A) (2) | 2,52,19,361 | 0 | 2,52,19,361 | 61.51 | 2,52,19,361 | 0 | 2,52,19,361 | 61.51 | 0.00 |
| B Public Shareholding | | | | | | | | | |
| 1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 250 | 250 | 0.00 | 0 | 250 | 250 | 0.00 | 0.00 |
| b) Banks / FI | 6,025 | 405 | 6,430 | 0.02 | 1,275 | 405 | 1,680 | 0.004 | -0.02 |
| c) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt. (s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 4,536 | 250 | 4,786 | 0.01 | 0 | 250 | 250 | 0.00 | -0.01 |
| g) FIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B) (1) : | 10,561 | 905 | 11,466 | 0.03 | 1,275 | 905 | 2,180 | 0.004 | -0.03 |
| 2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 38,05,734 | 4,400 | 38,10,134 | 9.29 | 33,02,484 | 4,400 | 33,06,884 | 8.07 | -1.22 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lacs | 81,74,485 | 11,09,826 | 92,84,311 | 22.64 | 89,11,123 | 10,28,091 | 99,39,214 | 24.24 | 1.60 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lacs | 23,39,297 | 0 | 23,39,297 | 5.71 | 20,91,590 | 0 | 20,91,590 | 5.10 | -0.61 |
| c) Others (specify) | | | | | | | | | |
| Non -resident Indians | 2,85,181 | 50,250 | 3,35,431 | 0.82 | 3,68,372 | 50,250 | 4,18,622 | 1.02 | -0.20 |
| Clearing Members | 0 | 0 | 0 | 0.00 | 22,148 | 0 | 22,148 | 0.05 | 0.05 |
| NBFC | 0 | 0 | 0 | 0.00 | 1 | 0 | 1 | 0.00 | 0.00 |
| Sub-total (B) (2) : | 1,46,04,697 | 11,64,476 | 1,57,69,173 | 38.46 | 1,46,95,717 | 10,82,741 | 1,57,78,459 | 38.48 | 0.02 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 1,46,15,258 | 11,65,381 | 1,57,80,639 | 38.49 | 1,46,96,992 | 10,83,646 | 1,57,80,639 | 38.49 | 0.00 |
| C Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Grand Total (A+B+C) | 3,98,34,619 | 11,65,381 | 4,10,00,000 | 100.00 | 1,46,96,992 | 10,83,646 | 4,10,00,000 | 100.00 | 0.00 |

(ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of Total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of Total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | Arunkumar Mahabir Prasad Jatia | 3,58,333@ | 0.87 | 0 | 3,58,333 | 0.87 | 0 | NIL@ |
| 2 | Arunkumar Mahabir Prasad Jatia | 20,39,270* | 4.97 | 0 | 20,39,270 | 4.97 | 0 | * refer below notes |
| 3 | Arun Kumar Mahabir Prasad Jatia | 20,48,000 | 5.00 | 0 | 20,48,000 | 5.00 | 0 | NIL |
| 4 | Vrinda Jatia | 5,00,000 | 1.22 | 0 | 5,00,000 | 1.22 | 0 | NIL |
| 5 | Vasudha Jatia | 5,00,000 | 1.22 | 0 | 5,00,000 | 1.22 | 0 | NIL |
| 6 | Yashvardhan Jatia | 23,36,354 | 5.70 | 0 | 23,36,354 | 5.70 | 0 | NIL |
| 7 | Thacker And Co. Ltd. | 63,68,253 | 15.53 | 0 | 63,68,253 | 15.53 | 0 | NIL |
| 8 | Pudumjee Industries Ltd. | 34,12,850 | 8.32 | 0 | 34,12,850 | 8.32 | 0 | NIL |
| 9 | Suma Commercial Private Limited | 28,73,036 | 7.00 | 0 | 51,23,036 | 12.50 | 0 | 5.50 |
| 10 | Chem Mach Pvt. Ltd. | 25,33,265 | 6.18 | 0 | 25,33,265 | 6.18 | 0 | NIL |
| 11 | Ubiquitous Trading Private Limited | 21,50,000 | 5.24 | 0 | Nil | Nil | 0 | -5.24 |
| 12 | Winterpark Investments & Finance Pvt. Ltd. | 1,00,000 | 0.24 | 0 | Nil | Nil | 0 | -0.24 |

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

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

(iii) Change in Promoters' Shareholding

| Name of the Promoter | Shareholding at beginning of the year (01-04-2015) | | Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease | | | | Cumulative Shareholding during the year | | At the End of the year (31-03-2016) | |
|--|--|----------------------------------|--|--|-------------------------------------|--------------------------------------|---|----------------------------------|-------------------------------------|------------------|
| | No. of Shares | % of total shares of the Company | Increase / Decrease | Reasons for change | No. of shares increasing/ decreased | Date of change in shareholding D/M/Y | No. of shares | % of total shares of the Company | No. of Shares | % of Shares held |
| Ubiquitous Trading Private Limited | 21,50,000 | 5.24 | Decrease | Transfer pursuant to Scheme of Amalgamation | 21,50,000 | 05-10-2015 | Nil | Nil | Nil | Nil |
| Winterpark Investments & Finance Pvt. Ltd. | 1,00,000 | 0.24 | Decrease | Transfer pursuant to Scheme of Amalgamation | 1,00,000 | 05-10-2015 | Nil | Nil | Nil | Nil |
| Suma Commercial Private Limited | 28,73,036 | 7.00 | Increase | Acquisition pursuant to Scheme of Amalgamation | 22,50,000 | 05-10-2015 | 22,50,000 | 5.48 | 51,23,036 | 12.50 |

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

PUDUMJEE PULP & PAPER MILLS LIMITED

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

| For Each of the Top 10 Shareholders | | Shareholding at beginning of the year (01-04-2015) | | Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease@ | | | Cumulative Shareholding during the year | |
|-------------------------------------|--|--|----------------------------------|--|--------------------------------------|------------------------------------|---|----------------------------------|
| Sr. No. | Name of the Shareholders | No of Shares | % of total shares of the Company | Reasons for change | Date of change in shareholding D/M/Y | No. of shares increasing/decreased | No. of shares | % of total shares of the Company |
| 1 | HALAN PROPERTIES PRIVATE LIMITED | 1,65,0000 | 4.02 | At the End of the Year | 31/03/2016 | - | 1,65,0000 | 4.02 |
| 2 | MANJU GAGGAR | 3,68,697 | 0.90 | Increase | 01/5/2015 | 303 | 3,69,000 | 0.90 |
| | | | | At the End of the Year | 31/03/2016 | - | 3,69,000 | 0.90 |
| 3 | HANUMAN PRASAD BIRLA | 3,00,000 | 0.73 | At the End of the Year | 31/03/2016 | - | 3,00,000 | 0.73 |
| 4 | MUKTILAL GANULAL PALDIWAL | 2,08,613 | 0.51 | Decrease | 03/04/2015 | (1,000) | 2,07,613 | 0.51 |
| | | | | Decrease | 10/04/2015 | (2,276) | 2,05,337 | 0.50 |
| | | | | Decrease | 17/04/2015 | (1,550) | 2,03,787 | 0.50 |
| | | | | Decrease | 04/12/2015 | (2,000) | 2,01,787 | 0.49 |
| | | | | Decrease | 11/12/2015 | (4,000) | 1,97,787 | 0.48 |
| | | | | Decrease | 25/12/2015 | (500) | 1,97,287 | 0.48 |
| | | | | Decrease | 15/01/2016 | (3,633) | 1,93,654 | 0.47 |
| | | | | At the End of the Year | 31/03/2016 | - | 1,93,654 | 0.47 |
| 5 | GAYATRI GAGGAR | 1,79,252 | 0.44 | At the End of the Year | 31/03/2016 | - | 1,79,252 | 0.44 |
| 6 | NANDKISHORE AGARWAL | 1,67,059 | 0.41 | At the End of the Year | 31/03/2016 | - | 1,67,059 | 0.41 |
| 7 | SUPERWAYS INVESTMENT AND FINANCE PRIVATE LIMITED | 1,38,569 | 0.34 | At the End of the Year | 31/03/2016 | - | 1,38,569 | 0.34 |
| 8 | RAMESH S DAMANI | 1,36,117 | 0.33 | Decrease | 10/07/2015 | (18,617) | 1,17,500 | 0.29 |
| | | | | Decrease | 24/07/2015 | (35,000) | 82,500 | 0.20 |
| | | | | Decrease | 04/12/2015 | (12,198) | 70,302 | 0.17 |
| | | | | Decrease | 11/12/2015 | (2,500) | 67,802 | 0.17 |
| | | | | At the End of the Year | 31/03/2016 | - | 67,802 | 0.17 |
| 9 | SARWANKUMAR DEVIDUTT SARAF HUF | 1,33,177 | 0.32 | Increase | 17/07/2015 | 1,33,177 | 2,66,354 | 0.65 |
| | | | | Decrease | 17/07/2015 | (1,33,177) | 1,33,177 | 0.32 |
| | | | | Decrease | 06/11/2015 | (177) | 1,33,000 | 0.32 |
| | | | | At the End of the Year | 31/03/2016 | - | 1,33,000 | 0.32 |
| 10 | SHIRIN R PUDUMJEE | 1,31,220 | 0.32 | At the End of the Year | 31/03/2016 | - | 1,31,220 | 0.32 |

Figures in bracket indicates No. of shares sold.

@ Based on the beneficiary positions as at end of the each week.

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of the Each Directors and Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Shareholding At the End of the year | |
|---------|--|---|----------------------------------|---|----------------------------------|--------------------------------------|----------------------------------|
| | | No. of shares | % of Total shares of the Company | No. of shares | % of Total shares of the Company | No. of shares | % of Total shares of the Company |
| 1 | Mr. Arunkumar Mahabir Prasad Jatia | 20,48,000 | 4.99 | 3,58,333@ 20,39,270* | 0.87@ 4.97* | 20,48,000 3,58,333@ 20,39,270* | 4.99 0.87@ 4.97* |
| 2 | Mr. Ved Prakash Leekha | ----- | ----- | ----- | ----- | ----- | ----- |
| 3 | Mr. Surendra Kumar Bansal | ----- | ----- | ----- | ----- | ----- | ----- |
| 4 | Dr. Ashok Kumar | ----- | ----- | ----- | ----- | ----- | ----- |
| 5 | Mr. Gautam Khaitan | ----- | ----- | ----- | ----- | ----- | ----- |
| 6 | Mr. Nandan Damani | ----- | ----- | ----- | ----- | ----- | ----- |
| 7 | Mr. Bhupendra Champaklal Dalal | ----- | ----- | ----- | ----- | ----- | ----- |
| 8 | Mr. Vinod Kumar Beswal | ----- | ----- | ----- | ----- | ----- | ----- |
| 9 | Mr. Venkateshwar O. Somani (Expired on 19th June, 2015) | 2,150 | 0.005 | 2150 | 0.005 | 2150 | 0.005 |
| 10 | Ms. Preeti Gautam Mehta | ----- | ----- | ----- | ----- | ----- | ----- |
| 11 | Mr. R. M. Kulkarni | 500 | 0.001 | 500 | 0.001 | 500 | 0.001 |

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

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

V. INDEBTEDNESS

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

(In ₹)

| | | Secured Loans excluding deposits | | Unsecured Loans | Fixed Deposit Accepted | Total Indebtedness |
|---|---|----------------------------------|---------------------|---------------------|------------------------|---------------------|
| | | Cash credit | Term Loan | | | |
| Indebtedness at the beginning of the year | | | | | | |
| i) | Principal Amount | 10,03,43,594 | 36,95,58,443 | 17,00,00,000 | Nil | 63,99,02,037 |
| ii) | Interest due but not paid | Nil | Nil | Nil | Nil | Nil |
| iii) | Interest accrued but not due | 29,494 | 16021 | Nil | Nil | 45,515 |
| | Total (i+ii+iii) | 10,03,73,088 | 36,95,74,464 | 17,00,00,000 | Nil | 63,99,47,552 |
| Change in Indebtedness during the financial year | | | | | | |
| | Addition | Nil | 40,00,000 | Nil | Nil | 40,00,000 |
| | Reduction | Nil | 3,82,77,952 | 17,00,00,000 | Nil | 20,82,77,952 |
| | Net Change | Nil | 3,42,77,952 | 17,00,00,000 | Nil | 21,22,77,952 |
| | Less: Transferred pursuant to the Scheme demerger | 10,03,73,088 | 28,41,81,634 | Nil | Nil | 42,05,55,904 |
| Indebtedness at the End of the year | | | | | | |
| i) | Principal Amount | Nil | 5,11,14,878 | Nil | Nil | 5,11,14,878 |
| ii) | Interest due but not paid | Nil | Nil | Nil | Nil | Nil |
| iii) | Interest accrued but not due | Nil | 9,912 | Nil | Nil | 9,912 |
| | Total (i+ii+iii) | Nil | 5,11,24,790 | Nil | Nil | 5,11,24,790 |

PUDUMJEE PULP & PAPER MILLS LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in ₹)

| Sr. No. | Name of the Directors and Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total |
|---------|---|-------------------------|---------------------------|---|--------------------|
| | | Mr. Arunkumar Jatia | Mr. Ved - Prakash Leekha@ | Mr. Surendra Kumar Bansal (Whole time Director and CFO) | Amount |
| 1 | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 78,00,000 | NIL | 62,40,000 | 1,40,40,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 24,62,012 | NIL | 22,61,172 | 47,23,184 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | NIL | NIL |
| 2 | Stock Option | NIL | NIL | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL | NIL | NIL |
| 4 | Commission as % of profit others, specify... | NIL | NIL | NIL | NIL |
| 5 | Others, please specify (Insurance Premium, PF and Superannuation contribution, Sitting fees paid, if any) | 17,16,000 | NIL | 13,70,700 | 30,86,700 |
| | Total | 1,19,78,012 | NIL | 98,71,872 | 2,18,49,884 |
| | Ceiling as per the Act (I) | 1,20,00,000 | -- | 1,20,00,000 | -- |

@The Statement excludes the remuneration drawn by him. Whole services have been transferred to Pudumjee Paper Products Limited pursuant to the Scheme of Demerger.

b) Remuneration to other directors :

(in ₹)

| Particulars of Remuneration and Name of the Directors | Name of other Directors | | | | | | Total Amount |
|--|---------------------------------------|-------------------|-----------------|------------------|------------------|-------------------|-----------------|
| | Mr. Gautam Khaitan | Mr. Nandan Damani | Mr. B. C. Dalal | Mr. V. K. Beswal | Mr. V. O. Somani | Mrs. Preeti Mehta | |
| 1. Independent Directors : | | | | | | | |
| Fee for attending board / committee meetings | 21,000 | 75,000 | 1,25,000 | 1,35,000 | 26,000 | 45,000 | 4,27,000 |
| Commission | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Others, please specify | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Total (1) | 21,000 | 75,000 | 1,25,000 | 1,35,000 | 26,000 | 45,000 | 4,27,000 |
| 2. | Name of the Non - Executive Directors | | | | | | |
| Other Non-Executive Directors | Dr. Ashok Kumar # | | | | | | |
| Fee for attending board / committee meetings | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Commission | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Others, please specify | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Total (2) | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Total (B)=(1+2) | 21,000 | 75,000 | 1,25,000 | 1,35,000 | 26,000 | 45,000 | 4,27,000 |
| Ceiling limit as per Act being Maximum sitting fees at ₹ 1 Lac per Meeting (II) | 3,00,000 | 9,00,000 | 17,00,000 | 18,00,000 | 1,00,000 | 6,00,000 | |

#The Statement excludes the remuneration drawn by him whose services have been transferred to Pudumjee Paper Products Limited pursuant to the Scheme of Demerger.

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

(in ₹)

| Particulars of Remuneration and Name of the KMP | Key Managerial Personnel | | | Total |
|---|--------------------------|-------------------------------|--------------------|--------------------|
| | CEO | (Whole time Director and CFO) | Company Secretary | |
| | NA | Mr. S. K. Bansal | Mr. R. M. Kulkarni | |
| (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | NIL | 62,40,000 | 14,97,506 | 77,37,506 |
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | 22,61,172 | NIL | 22,61,172 |
| (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | NIL | NIL |
| Stock Option | NIL | NIL | NIL | NIL |
| Sweat Equity | NIL | NIL | NIL | NIL |
| Commission as % of profit others, specify... | NIL | NIL | NIL | NIL |
| Others, please specify | NIL | 13,70,700 | NIL | 13,70,700 |
| Total | NIL | 98,71,872 | 14,97,506 | 1,13,69,378 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

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

On behalf of the Board of Directors,

A.K. Jatia,
Executive Chairman.

Place : Mumbai
Dated : 28th May, 2016

ANNEXURE NO. 9

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

Introduction :

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

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

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

Criteria for Selection of Directors :

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

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

Criteria for Selection of Senior Management Personnel :

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

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

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

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

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

Remuneration Policy :

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

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

The Company pays sitting fees of ₹ 10,000 per meeting or as may be fixed from time to time to its directors for attending the meetings of the Board and ₹ 10,000/5000 for meetings of the Committee of the Board. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the meetings.

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Pudumjee Pulp & Paper Mills Ltd.

We have audited the accompanying standalone financial statements of Pudumjee Pulp and Paper Mills Ltd ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

We draw attention to Note No.24.08 which describes the effect of the Scheme of Arrangement on the Company and charges, mortgages and encumbrances on the assets of the Company and of Pudumjee Paper Products Ltd. respectively.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016(" the Order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act , We give in the Annexure 'A' statement on the matters specified in paragraph 3 and 4 of the Order.
- 2 As required by Section 143 (3) of the Act,
 - (a) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls our financial reporting of the company and operating effectiveness of such controls, refer to our separate report in Annexure 'B' and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the pending litigations in its financial statements, which may impact its financial position [Refer Note 24.14 (a) (ii)and (iii)];
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For KHARE & COMPANY
Chartered Accountants
FRN 105100W

Y.P. SHUKLA
Proprietor
Membership No. 16203

Place of Signature : Mumbai,
Dated : 28th May, 2016.

PUDUMJEE PULP & PAPER MILLS LIMITED

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date of the financial statements for the year ended 31st March 2016.

- 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. In our opinion the periodicity of verification is reasonable;
- c) According to the information and explanations given to us, the title deeds of immovable property are in the name of the Company;
- ii It is reported that, the inventories have been physically verified by the management at the end of the year and as explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records;
- iii The Company has given unsecured loans to four companies covered in the register maintained under Section 189 of the Companies Act, 2013,
 - a) In our opinion, the terms and conditions of the loans given are not prima facie prejudicial to the interest of the company;
 - b) The company to whom loans have been given by the Company are regularly repaying the principal amounts and interest thereon wherever applicable as stipulated;
 - c) There are no overdue amounts in respect of the loans given by the Company;
- iv In our opinion, and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the loans and investments made;
- v The Company has accepted deposits from public during the year and has complied with the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under. However, pursuant to the scheme of Arrangement the Liability has been transferred to Pudumjee Paper Products Ltd. on the appointed date;
- vi The Central Government has not prescribed the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 for any of the services rendered by the Company;
- vii a) According to the information and explanations given to us and on the basis of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us there are no undisputed statutory dues referred above as on 31st March 2016 outstanding for a period of more than six months from the date they became payable;
- b) According to the information and explanations given to us, the disputed statutory dues aggregating to ₹.9.61 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 CESTAT | Dy. Commissioner (Central Excise) | 9.61 |

- viii According to the information and explanations given to us, the Company has not made any default in repayment of loans or borrowings to financial institutions, banks or to Government. The Company does not have any outstanding debentures;
- ix The Company has not raised money by way of initial public offer or further public offer however, it has raised money by way of term loans from banks and according to the information and explanations given to us, the term loans were applied for the purposes for which they were obtained;
- x To the best of our knowledge and belief, and according to the information and explanations given to us by the management, no fraud on or by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit;
- xi According to the information and explanations given to us and based on our examinations of records of the company, Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013;
- xii Since the Company does not fall into the category of a Nidhi Company, this clause is not applicable to the Company;
- xiii According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and have been disclosed in the financial statement as required by the applicable accounting standards;
- xiv According to the information and explanations given to us and based on our examinations of records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- xv According to the information and explanations given to us and based on our examinations of records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him during the year;
- xvi The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For KHARE & COMPANY
Chartered Accountants
(FRN 105100W)

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

Place of Signature : Mumbai,
Dated : 28th May, 2016.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 2(f) under the heading of "report on other legal and regulatory requirements" of our report of even date of the financial statements for the year ended 31st March 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Pudumjee Pulp and Paper Mills Ltd ('the Company') as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KHARE & COMPANY
Chartered Accountants
(FRN 105100W)

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

Place of Signature : Mumbai,
Dated : 28th May, 2016.

PUDUMJEE PULP & PAPER MILLS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

| | Note No. | AS AT 31.03.2016 (₹ in Lacs) | AS AT 31.03.2015 (₹ in Lacs) |
|------------------------------------|----------|------------------------------------|------------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 820.00 | 820.00 |
| (b) Reserves and Surplus | 2 | 7,730.02 | 17,312.80 |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 510.85 | 4,594.58 |
| (b) Deferred tax liabilities (Net) | | 439.27 | 1,440.00 |
| (c) Other Long-term Liabilities | 4 | 1.84 | 758.90 |
| (d) Long term provisions | 5 | 283.24 | 790.74 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 6 | – | 2,810.66 |
| (b) Trade payable | 7 | 60.71 | 4,246.73 |
| (c) Other current liabilities | 8 | 379.99 | 3,637.77 |
| (d) Short-term provisions | 9 | 125.61 | 305.81 |
| Total | | 10,351.53 | 36,717.99 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 10 | 3,305.00 | 10,812.16 |
| (ii) Intangible assets | | – | 9.27 |
| (iii) Capital work-in-progress | | 46.49 | 6,468.92 |
| (b) Non-current investments | 11 | 396.31 | 396.31 |
| (c) Long term loans and advances | 12 | 3,655.87 | 7,470.52 |
| (2) Current assets | | | |
| (a) Inventories | 13 | 1,746.70 | 5,612.87 |
| (b) Trade receivables | 14 | 21.73 | 3,222.90 |
| (c) Cash and Bank Balances | 15 | 79.35 | 499.54 |
| (d) Short term loans & Advances | 16 | 1,100.08 | 2,225.50 |
| Total | | 10,351.53 | 36,717.99 |

OTHER NOTES AS PER NOTE '24'

As per our report of date attached

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

Y. P. SHUKLA
Proprietor

B.C. DALAL
Director

R. M. KULKARNI
Company Secretary

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

On behalf of the Board,

A. K. JATIA
Executive Chairman

V.P. LEEKHA
Managing Director

Mumbai, Dated : 28th May, 2016

Mumbai, Dated : 28th May, 2016

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

| | Note No. | 2015-2016 (₹ in Lacs) | 2014-2015 (₹ in Lacs) |
|---|----------|--------------------------|--------------------------|
| I. a) Revenue from operations | 17 | 515.53 | 29,443.02 |
| Less : Excise Duty | | — | 1,648.48 |
| | | <u>515.53</u> | <u>27,794.54</u> |
| b) Profit from firm in Real Estate Activity | | <u>707.52</u> | <u>1,353.21</u> |
| Net Revenue from Operations | | <u>1,223.05</u> | <u>29,147.75</u> |
| II. Other Income | 18 | <u>345.62</u> | <u>970.04</u> |
| III. Total Revenue (I + II) | | <u>1,568.67</u> | <u>30,117.79</u> |
| IV. Revenue of Discontinued Operations (included in above) | | — | 28,107.48 |
| V Revenue from Continuing Operations | | <u>1,568.67</u> | <u>2,010.31</u> |
| VI. Expenses : | | | |
| (1) Cost Of Materials Consumed | 19 | — | 15,007.97 |
| (2) Trade Purchases | | — | 19.53 |
| (3) Changes in Inventories of Finished Goods, Work-in-Process and Stock in Trade | 20 | — | 296.33 |
| (4) Employees' Cost | 21 | 265.38 | 2,999.68 |
| (5) Finance Cost | 22 | 84.72 | 903.82 |
| (6) Depreciation and Amortization | 10 | 158.98 | 504.93 |
| (7) Other Expenses | 23 | 312.52 | 8,007.58 |
| Total Expenses | | <u>821.60</u> | <u>27,739.84</u> |
| VII. Expenses of Discontinued Operations included in above | | — | 27,318.41 |
| VIII. Expenses of Continued Operations (VI-VII) | | <u>821.60</u> | <u>421.43</u> |
| IX. Profit before Exceptional and Extraordinary items and tax (V-VIII) | | <u>747.07</u> | <u>1,588.88</u> |
| X. Exceptional items/Extraordinary Items | | — | — |
| XI. Prior Year Income | | <u>37.50</u> | — |
| XII. Profit/(Loss) before tax of continuing operations (IX-X) | | <u>784.57</u> | <u>1,588.88</u> |
| XIII. Tax expense : | | | |
| (1) Current tax | | 45.00 | 66.44 |
| (2) Deferred tax / (Saving) | | (15.00) | (63.77) |
| | | <u>30.00</u> | <u>2.67</u> |
| XIV Profit/(Loss) for the Year of Continuing Operations (XII-XIII) (A) | | <u>754.57</u> | <u>1,586.21</u> |
| XV Profit before tax for the period from Discontinuing operations | | — | 789.07 |
| XVI Tax Expense of Discontinued operations | | | |
| (1) Current tax | | — | 381.56 |
| (2) Deferred tax / (Saving) | | — | (33.23) |
| | | <u>—</u> | <u>348.33</u> |
| Profit for the year from Discontinued operations (B) | | — | 440.74 |
| XVII Profit for the year (A+B) | | <u>754.57</u> | <u>2,026.95</u> |
| XVIII Earning per equity share:(Face value ₹ 2 per share) | | | |
| (1) Basic | | 1.84 | 4.94 |
| (2) Diluted | | 1.84 | 4.94 |
| (See Note No. 24.16) | | | |

OTHER NOTES AS PER NOTE '24'

As per our report of date attached

For **KHARE & CO.**,
Chartered Accountants**Y. P. SHUKLA**
ProprietorMumbai, Dated : 28th May, 2016**B.C. DALAL**
Director**R. M. KULKARNI**
Company Secretary**S. K. BANSAL**
Director (Finance) &
Chief Financial Officer

On behalf of the Board,

A. K. JATIA
Executive Chairman**V.P. LEEKHA**
Managing DirectorMumbai, Dated : 28th May, 2016

PUDUMJEE PULP & PAPER MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

| | <u>2015-2016</u> (₹ in Lacs) | <u>2014-2015</u> (₹ in Lacs) |
|--|---------------------------------|---------------------------------|
| A. Cash Flow from Operating Activities | | |
| Net profit before Taxation & Extraordinary Items | 784.57 | 2,377.95 |
| Adjustments for : | | |
| Depreciation | 158.98 | 504.93 |
| Interest & Financial charges | 84.72 | 903.82 |
| Provision for Bad & Doubtful debts | - | 18.22 |
| Other income | (323.48) | (948.31) |
| | <u>(79.78)</u> | 478.66 |
| Operating Profit before Working Capital Changes | 704.79 | 2,856.61 |
| (Increase)/Decrease in Inventories | (34.11) | 708.07 |
| (Increase)/Decrease in Debtors | (21.73) | (1,128.49) |
| (Increase)/Decrease in Advances | (358.04) | (842.22) |
| Increase/(Decrease) in Liabilities | 57.56 | (1,221.38) |
| | <u>(356.32)</u> | (2,484.02) |
| Cash Generated from Operations | 348.47 | 372.59 |
| Income Tax (Paid)/Refund Received (Net) | 136.29 | (290.84) |
| Cash Flow before Extraordinary Items | 484.76 | 81.75 |
| Extra ordinary items | - | - |
| Net cash from Operating Activities | <u>484.76</u> | 81.75 |
| B Cash flow from Investing Activities | | |
| Purchase of Fixed Assets | (73.89) | (1,503.93) |
| Sale Proceeds of Fixed Assets etc. | - | 35.67 |
| Investment in Preference shares / Mutual Funds etc. | - | 474.84 |
| Change in Loans & Advances | (328.21) | (338.83) |
| Interest Received | 323.48 | 859.44 |
| Dividend Received | - | 5.24 |
| Net cash from / (used) in Investing Activities | <u>(78.62)</u> | (467.57) |
| C Cash flow from Financing Activities | | |
| Proceeds from Borrowings | 240.00 | 3,851.89 |
| Repayment of Borrowings | (353.35) | (2,039.45) |
| Payment of Interest | (84.72) | (966.49) |
| Dividend paid | (123.00) | (123.00) |
| Net cash from / (used) in Financing Activities | <u>(321.07)</u> | 722.95 |
| Net change in Cash & Cash Equivalents (A+B+C) | 85.07 | 337.13 |
| Cash & Cash Equivalents (Opening Balance) | 499.54 | 162.41 |
| Add : Amount adjusted pursuant to Scheme of Arrangement (with reference to Provisional Balance Sheet as at 31st Mar 2015) | (505.26) | - |
| Cash & Cash Equivalents (Closing Balance) | <u>79.35</u> | <u>499.54</u> |

Note: Figures in brackets represent cash outflows.
Current year Cash Flow is based on Continuing Activities.

As per our report of date attached.

On behalf of the Board,

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

B.C.DALAL
Director

A. K. JATIA
Executive Chairman

Y. P. SHUKLA
Proprietor

R. M. KULKARNI
Company Secretary

V.P. LEEKHA
Managing Director

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

Mumbai, Dated : 28th May, 2016

Mumbai, Dated : 28th May, 2016

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016**

| | <u>AS AT</u> <u>31.03.2016</u> (₹ in Lacs) | <u>AS AT</u> <u>31.03.2015</u> (₹ in Lacs) |
|---|--|--|
| NOTE '1' - SHARE CAPITAL | | |
| AUTHORISED | | |
| 4,75,00,000 Equity Shares of ₹ 2/-each | 950.00 | 950.00 |
| 50,000 14% (free of company's tax but subject to deduction of tax at source at the prescribed rates) Redeemable Cumulative Preference Shares of ₹ 100/- each | 50.00 | 50.00 |
| | <u>1,000.00</u> | <u>1,000.00</u> |
| ISSUED, SUBSCRIBED AND FULLY PAID UP | | |
| 4,10,00,000 Equity Shares of ₹ 2/- each | <u>820.00</u> | <u>820.00</u> |

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

| Particulars | <u>AS AT</u> <u>31.03.2016</u> No. of Shares | <u>AS AT</u> <u>31.03.2015</u> No. of Shares |
|--|--|--|
| Equity Shares at the beginning and end of the year | <u>41,000,000</u> | <u>41,000,000</u> |

1.2 The details of Shareholders holding more than 5% shares

| Name of the Shareholder | <u>AS AT</u> <u>31-03-016</u> | | <u>AS AT</u> <u>31-03-2015</u> | |
|-----------------------------|----------------------------------|--------------|-----------------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Thacker & Co. Ltd. | 6,368,253 | 15.53 | 6,368,253 | 15.53 |
| Pudumjee Industries Limited | 3,412,850 | 8.32 | 3,412,850 | 8.32 |
| Suma Commercial Pvt. Ltd. | 5,123,036 | 12.50 | 2,873,036 | 7.01 |
| Chem-Mach Pvt. Ltd. | 2,533,265 | 6.18 | 2,533,265 | 6.18 |
| Yashvardhan Jatia | 2,336,354 | 5.70 | 2,336,354 | 5.70 |
| Ubiquitous Trading Pvt.Ltd. | - | - | 2,150,000 | 5.24 |

PUDUMJEE PULP & PAPER MILLS LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT 31.03.2016 (₹ in Lacs) | AS AT 31.03.2015 (₹ in Lacs) |
|--|---|---|
| NOTE '2' - RESERVES & SURPLUS | | |
| GENERAL RESERVE | | |
| As per last Balance Sheet | 7,750.00 | 7,600.00 |
| Add : Transfer from Profit & Loss Account | 200.00 | 150.00 |
| Less : Reduction on Demerger | <u>7,600.00</u> 350.00 | <u> </u> – 7,750.00 |
| 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 | | |
| As per last Balance Sheet | 1,441.53 | 1,441.53 |
| SURPLUS IN PROFIT AND LOSS ACCOUNT | | |
| Balance in Profit & Loss Account | 6,577.91 | 4,878.80 |
| Less : Reduction on Demerger | <u>2,639.58</u> | <u> </u> – |
| | 3,938.33 | 4,878.80 |
| Add : | | |
| Profit for the Year | <u>754.57</u> | <u>2,026.95</u> |
| AMOUNT AVAILABLE FOR APPROPRIATIONS | 4,692.90 | 6,905.75 |
| APPROPRIATIONS : | | |
| Proposed Dividend on Equity | | |
| Shares (Free of Tax) | 82.00 | 123.00 |
| Tax on Proposed Dividend | 15.77 | 25.04 |
| Transfer to General Reserve | 200.00 | 150.00 |
| Provision for CSR | <u> </u> – | <u> </u> 29.80 |
| | <u>297.77</u> | <u>327.84</u> |
| | <u>4,395.13</u> | <u>6,577.91</u> |
| | <u>7,730.02</u> | <u>17,312.80</u> |

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT 31.03.2016 (₹ in Lacs) | AS AT 31.03.2015 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| NOTE '3' - LONG TERM BORROWINGS | | |
| (A) Secured Borrowings | | |
| FROM BANKS | | |
| TERM LOAN | - | 509.72 |
| (Secured by first charge on the Assets at Mahad, specifically purchased therefrom) | | |
| (See Note (a) below) | | |
| TERM LOAN | - | 171.00 |
| (Secured by first charge on the Assets at Sadawaghapur, specifically purchased therefrom) | | |
| (See Note (b) below) | | |
| TERM LOAN | 129.50 | 301.50 |
| (Secured by first charge on the Assets at Jath specifically purchased therefrom) | | |
| (See Note (c) below) | | |
| TERM LOAN | - | 1,375.00 |
| (Secured by pari passu first charge on immoveable assets at pune.)* | | |
| (See Note (d) below) | | |
| FROM OTHERS | | |
| TERM LOAN | - | 18.80 |
| (Secured by vehicle purchased therefrom) | | |
| (See Note (e) below) | | |
| TERM LOAN | 26.35 | 22.42 |
| (Secured by vehicle purchased therefrom) | | |
| (See Note (f) below) | | |
| Total (A) | 155.85 | 2,398.44 |

Notes:

(a) Notes: (a) Excluding N.A. (Last year ₹ 427.78 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.

Repayable in 18 equal quarterly installments beginning with 04.02.2013.

(b) Excluding ₹ 171.00 (Last year ₹ 180.00 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.

Repayable in 20 equal quarterly installments beginning with 21.06.2012.

(c) Excluding ₹ 172.00 (Last year ₹ 172.00 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.

Repayable in 20 equal quarterly installments beginning with 25.09.2013.

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

Repayable in 20 equal quarterly installments beginning with 16.01.2014.

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2016 (Contd.)

- (e) Excluding ₹ - (Last year ₹ 10.46 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.
Repayable in 60 Monthly installments beginning with 15.12.2012.
- (f) Excluding ₹ 12.30 lacs (Last year ₹ 6.90 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.
Repayable in 36 Monthly installments beginning with 1.2.2016
- (g) There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.
Security : All other secured loans are transferred to Pudumjee Paper Products Ltd.on demerger.
* Land & Building at Pune of the Company continues to be under first Charge for the Term Loans transferred to Pudumjee Paper Products Ltd.,pursuant to scheme of demerger,pending agreement with bank till their release.

| | AS AT <u>31.03.2016</u> (₹ in Lacs) | AS AT <u>31.03.2015</u> (₹ in Lacs) |
|--|---|---|
| (B) Unsecured Borrowings | | |
| Fixed Deposits from Public/Shareholders * | - | 778.98 |
| (See Note (a) below) | | |
| Deposit | | |
| from Associates | 310.00 | 110.00 |
| From Others | 45.00 | 45.00 |
| Deferred Sales Tax Liability | - | 1,262.16 |
| (See Note (b) below) | | |
| Total (B) | <u>355.00</u> | <u>2,196.14</u> |
| Total Long term borrowings (A) +(B) | <u>510.85</u> | <u>4,594.58</u> |

- Notes: (a) Excluding (i) N.A. (Last year ₹ Nil lacs) being deposits for 1 year shown under "Short Term Borrowings" under Note No 6, and (ii) ₹ Nil (Last year ₹ 1,861.14 lacs) shown under "Current maturities of Long Term Fixed Deposits" under Note No.8.
- (b) Excluding N.A. (Last year ₹ 159.96 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.
- (d) Fixed Deposits and Deferred Sales Tax Liability transferred to Pudumjee Paper Products Ltd.on demerger.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT 31.03.2016 (₹ in Lacs) | AS AT 31.03.2015 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| NOTE '4' - OTHER LONG TERM LIABILITIES | | |
| Other Long Term Liability | - | 403.33 |
| Sundry Creditors | <u>1.84</u> | <u>355.57</u> |
| | <u>1.84</u> | <u>758.90</u> |
| NOTE '5' - LONG TERM PROVISIONS | | |
| 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 | - | 1,397.26 |
| Transfer on Demerger | <u>1,397.26</u> | <u>1,756.26</u> |
| | - | - |
| Provision for Doubtful Debts & Advances | 573.19 | 554.97 |
| Add : Transferred from Profit & Loss Account | - | 18.22 |
| | <u>573.19</u> | <u>573.19</u> |
| Less: Transfer on Demerger to PPPL | 573.19 | - |
| Less : Debts & Advances considered Doubtful per contra | - | 573.19 |
| Provision for Taxation (Less : Advance Tax etc.) | <u>218.52</u> | 13.84 |
| Provision for Gratuity | 64.72 | 700.25 |
| Provision for Pension | - | 76.65 |
| | <u>283.24</u> | <u>790.74</u> |

PUDUMJEE PULP & PAPER MILLS LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT 31.03.2016 (₹ in Lacs) | | AS AT 31.03.2015 (₹ in Lacs) | |
|---|------------------------------------|--------|------------------------------------|-----------------|
| NOTE '6' - SHORT TERM BORROWINGS | | | | |
| (A) Secured Borrowings from Bank | | | | |
| Cash Credit repayable on demand | - | | | 1,003.44 |
| (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) | - | | | 1,003.44 |
| * Land & Building at Pune of the Company continues to be under second Charge for the working Capital facilities transferred. to Pudumjee Paper Products Ltd., pursuant to scheme of demerger, agreement with bank till for their release. | | | | |
| (B) Unsecured Borrowings | | | | |
| OTHER SHORT TERM LOANS & ADVANCES | | | | |
| Working Capital Demand loan from Bank | - | | 1,000.00 | |
| Fixed Deposits | - | | - | |
| Others Borrowings/Deposits | - | - | 807.22 | 1,807.22 |
| Total (B) | - | - | - | 1,807.22 |
| Total short term borrowings(A) +(B) | - | - | - | 2,810.66 |
| Note : There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings. | | | | |
| NOTE '7' - TRADE PAYABLE | | | | |
| Acceptances | - | | 2,187.90 | |
| Sundry Creditors | 60.71 | 60.71 | 2,058.83 | 4,246.73 |
| | | 60.71 | | 4,246.73 |
| NOTE '8' - OTHER CURRENT LIABILITIES | | | | |
| Current Maturities of Long Term Debts: | | | | |
| Fixed Deposits | - | | 1,861.14 | |
| Secured Debts | 355.30 | | 1,297.14 | |
| Unsecured Debts | - | 355.30 | 159.96 | 3318.24 |
| Unclaimed dividend | | 19.59 | | 18.80 |
| Unclaimed Matured Fixed Deposits | | - | | 36.16 |
| Unclaimed Interest On Fixed Deposits | | - | | 3.34 |
| Interest on Loans accrued but not due on borrowing | | 0.10 | | 172.99 |
| Creditors for Capital Goods | | - | | 43.21 |
| Advances from customers | | - | | 40.43 |
| Others payables | | 5.00 | | 4.60 |
| | | 379.99 | | 3,637.77 |
| NOTE '9' - SHORT TERM PROVISIONS | | | | |
| Provision for Leave Encashment | | 27.84 | | 157.77 |
| Proposed Dividend | | 82.00 | | 123.00 |
| Tax on Proposed Dividend | | 15.77 | | 25.04 |
| | | 125.61 | | 305.81 |

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2016 (Contd.)

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

| TYPE OF ASSETS | Cost upto Additions/ Transfers during the year 31.3.2015 | Deductions/ Transfers during the year 31.03.2016 | Assets* Transferred on Demerger 31.03.2015 | Balance Cost upto 31.03.2016 | Depreciation/ Impairment upto 31.3.2015 | Amortisation for the year 2015 | Depreciation on sold/ Transfer of Assets and on deductions written back | Depre- ciation* on Transfer Demerger on 31.03.2016 | Depreciation/ Impairment Balance as on 31.03.2016 | Net Book Value as on 31.03.2016 | Net Book Value as on 31.3.2015 |
|--------------------------|--|--|--|------------------------------|---|--------------------------------|---|--|---|---------------------------------|--------------------------------|
| TANGIBLE ASSETS | | | | | | | | | | | |
| Land - Freehold | 37.35 | - | - | 37.35 | - | - | - | - | - | 37.35 | 37.35 |
| Land - Freehold | 3.40 | - | - | 3.40 | - | - | - | - | - | 3.40 | 3.40 |
| - Leasehold | 1,134.74 | - | 1,095.74 | 39.00 | 55.22 | 1.30 | - | 50.13 | 6.39 | 32.61 | 1,079.52 |
| Buildings | 2,278.92 | 22.78 | 251.82 | 2,049.88 | 1,051.62 | 48.17 | - | 14.24 | 1,085.55 | 964.33 | 1,227.30 |
| Buildings - Leased | 488.85 | - | - | 488.85 | 123.69 | 7.66 | - | - | 131.35 | 357.50 | 365.16 |
| Machinery | 24,518.71 | 0.74 | 22,148.07 | 2,371.38 | 16,648.32 | 99.74 | - | 16,245.82 | 502.24 | 1,869.14 | 7,870.39 |
| Laboratory Equipments | 58.65 | - | 58.65 | - | 27.40 | - | - | 27.40 | - | - | 31.25 |
| Furniture & Fixtures | 454.82 | - | 454.50 | 0.32 | 387.34 | 0.03 | - | 387.18 | 0.19 | 0.13 | 67.48 |
| Vehicles | 226.66 | 36.66 | 215.29 | 48.03 | 96.35 | 2.08 | - | 90.94 | 7.49 | 40.54 | 130.31 |
| Total (A) | 29,202.10 | 60.18 | 24,224.07 | 5,038.21 | 18,389.94 | 158.98 | - | 16,815.71 | 1,733.21 | 3,305.00 | 10,812.16 |
| INTANGIBLE ASSETS | | | | | | | | | | | |
| Computer Software | 102.81 | - | 102.81 | - | 93.54 | - | - | 93.54 | - | - | 9.27 |
| Total (B) | 102.81 | - | 102.81 | - | 93.54 | - | - | 93.54 | - | - | 9.27 |
| Total (A+B) | 29,304.91 | 60.18 | 24,326.88 | 5,038.21 | 18,483.48 | 158.98 | - | 16,909.25 | 1,733.21 | 3,305.00 | 10,821.43 |
| Previous year | 28,505.80 | 829.34 | 30.23 | - | 29,304.91 | 17,999.94 | 553.01 | 69.47 | - | 18,483.48 | 10,821.43 |

* After considering transactions of 2014-15

PUDUMJEE PULP & PAPER MILLS LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT <u>31.03.2016</u> (₹ in Lacs) | AS AT <u>31.03.2015</u> (₹ in Lacs) | |
|--|---|---|----------------------|
| NOTE '11' - NON CURRENT INVESTMENTS | | | |
| LONG TERM INVESTMENTS (AT COST) | | | |
| TRADE INVESTMENTS : (EQUITY) | | | |
| Investment in Subsidiary Companies : | | | |
| 1,990,000 | Equity Shares of Pudumjee Investment & Finance Company Ltd. of ₹ 10/- each fully paid. (unquoted) | 199.00 | 199.00 |
| 6,85,526 | (Last year 2,55,000) Equity shares of Pudumjee Paper Products Ltd.* of ₹ 1/- each fully paid (quoted) | 71.59 | 51.00 |
| Investments In Associates : | | | |
| 675,000 | Equity shares of Pudumjee Plant Laboratories Ltd. of ₹ 10/- each fully paid (unquoted) | 60.00 | 60.00 |
| 9,56,725 | Equity shares of Pudumjee Industries Ltd. of ₹ 2/- each fully paid (quoted) | 89.47 | 110.06 |
| Investment In Joint Venture : | | | |
| | Investment in Pudumjee-G : Corp Developers, a Firm | 35.00 | 35.00 |
| Other Investment : | | | |
| 2,500 | Shares of Saraswat Co-op Bank Ltd. of ₹ 10/- each fully paid (unquoted) | 0.25 | 0.25 |
| Trade Investments : (Preference) | | | |
| Investment in Subsidiary Companies : | | | |
| 3,000,000 | 12% Non-Cumulative Redeemable preference shares of Pudumjee Investment & Finance Company Ltd. of ₹ 10/- each fully paid. (unquoted) | <u>300.00</u> | <u>300.00</u> |
| | | <u>755.31</u> | <u>755.31</u> |
| Less: Provision for Diminution in value of Long term Investments deducted per contra | | <u>359.00</u> | <u>359.00</u> |
| | | <u><u>396.31</u></u> | <u><u>396.31</u></u> |
| *The cost of Pudumjee Paper Products Ltd.shares have been arrived at as per section 49 (2C) & (2D) of the Income Tax Act on demerger and reduced from the cost of of investee Companies. | | | |
| | Aggregate amount of quoted investments – Cost | 161.06 | 110.06 |
| | Market Value | 215.78 | 110.69 |
| | Aggregate amount of unquoted investments | | |
| | Cost | 594.25 | 645.25 |

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT | | AS AT | |
|--|-------------|-----------------|-------------|-----------------|
| | 31.03.2016 | | 31.03.2015 | |
| | (₹ in Lacs) | | (₹ in Lacs) | |
| NOTE '12' - LONG TERM LOANS & ADVANCES | | | | |
| (Unsecured, Considered good, unless otherwise stated) | | | | |
| Prepaid Expenses | | 6.65 | | 15.14 |
| Advance Income Tax | | - | | - |
| Security Deposits | 27.49 | | 69.49 | |
| Less : Provision for Doubtful Deposits deducted per contra | - | 27.49 | 0.81 | 68.68 |
| Loans & Advances to Subsidiary/Associates Companies | | 3,107.53 | | 7,110.17 |
| Others Advances (Includes Rs.360.00 lacs secured.(last year Nil)) | 514.20 | | 308.58 | |
| Less : Provision for Doubtful Advances deducted per contra | - | 514.20 | 32.05 | 276.53 |
| | | <u>3,655.87</u> | | <u>7,470.52</u> |
| NOTE '13' - INVENTORIES | | | | |
| Raw material (At cost) | | - | | 959.87 |
| Work-in-process (At cost) | | - | | 390.05 |
| Finished Paper (At lower of cost or market value.) | | - | | 1,477.56 |
| Stores, Spare Parts Etc. (At Cost) | | - | | 1,071.07 |
| Stores, Spare Parts Etc. in Transit (At Cost) | | - | | 0.58 |
| Loose Tools (At Cost) | | - | | 1.15 |
| Stock in Trade- Land | 1,441.67 | | 1,441.67 | |
| Stock in Trade-Development Expenses | 305.03 | 1746.70 | 270.92 | 1,712.59 |
| [See note 24.10 (a)] | | <u>1,746.70</u> | | <u>5,612.87</u> |
| NOTE '14' - TRADE RECEIVABLES (Unsecured) | | | | |
| Debts outstanding for a period exceeding six months from due date | | | | |
| Considered Good | | - | 60.00 | |
| Considered Doubtful | | - | 535.04 | |
| | | - | 595.04 | |
| Other Debts | | | | |
| Considered Good | 21.73 | | 3,162.90 | |
| Considered Doubtful | - | | - | |
| | 21.73 | | 3,757.94 | |
| Less : Provision for Doubtful Debts deducted per contra | - | | 535.04 | |
| | | <u>21.73</u> | | <u>3,222.90</u> |
| | | <u>21.73</u> | | <u>3,222.90</u> |

PUDUMJEE PULP & PAPER MILLS LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT <u>31.03.2016</u> (₹ in Lacs) | AS AT <u>31.03.2015</u> (₹ in Lacs) |
|--|---|---|
| NOTE '15' - CASH & BANK BALANCES | | |
| Cash on hand as per books | - | 5.20 |
| Deposit with Bank for Margin Money (with maturity beyond 12 months) | - | 9.00 |
| On other Deposit account with Bank (with maturity period 12 months Rs. Nil Last year Rs.66.00 lacs) | - | 350.75 |
| On other accounts with Banks | 59.76 | 62.93 |
| Cheques on hand | - | 52.86 |
| Unpaid Dividends account with Banks | 19.59 | 18.80 |
| | <u>79.35</u> | <u>499.54</u> |
| NOTE '16' - SHORT TERM LOANS & ADVANCES | | |
| (Unsecured, Considered Good, other than related parties) | | |
| Prepaid Expenses | 33.02 | 88.67 |
| Security Deposits | - | 2.96 |
| Capital Advances | 32.16 | 66.53 |
| Advance Income Tax for Current year (Less Provision for Current year Tax) | 12.19 | 39.64 |
| S.A.Fund Contribution Receivable etc. | 2.30 | 19.82 |
| Balance with Government Authorities | 41.75 | 770.91 |
| Advances to Contractors & Others | 685.17 | 828.75 |
| Sundry Advances | 293.49 | 413.51 |
| | <u>1,020.41</u> | <u>2,013.17</u> |
| Less : Provision for Doubtful Advances deducted per contra | - | 5.29 |
| | <u>1,020.41</u> | <u>2,007.88</u> |
| | <u>1,100.08</u> | <u>2,225.50</u> |

**NOTES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2016**

| | Year Ended 31.03.2016 (₹ in Lacs) | Year Ended 31.03.2015 (₹ in Lacs) |
|---|---|---|
| NOTE '17' - REVENUE FROM OPERATIONS | | |
| PAPER | - | 27,285.06 |
| Less : Excise Duty | - | 1,647.92 |
| TRADE SALE | - | 25.38 |
| SALE OF WIND POWER | 415.73 | 265.58 |
| MISCELLANEOUS SALES | - | 113.27 |
| Less : Excise Duty | - | 0.56 |
| PROCESSING AND OTHER CHARGES | - | 1,662.89 |
| OTHER OPERATING REVENUE | 99.80 | 90.84 |
| | <u>515.53</u> | <u>27,794.54</u> |
| DISCONTINUED OPERATIONS (Included in above) (Refer Note No 24.08 vi) | <u>-</u> | <u>27,482.13</u> |
| NOTE '18' - OTHER INCOME | | |
| DIVIDENDS | | |
| Others | - | 5.24 |
| MISCELLANEOUS INCOME (Rent) | 22.14 | 21.73 |
| INTEREST RECEIVED FROM OTHERS | 323.48 | 916.24 |
| PROFIT ON SALE/TRANSFER OF FIXED ASSETS (NET) | - | 26.83 |
| | <u>345.62</u> | <u>970.04</u> |
| DISCONTINUED OPERATIONS (Included in above) (Refer Note No 24.08 vi) | <u>-</u> | <u>625.35</u> |
| NOTE '19' - COST OF MATERIAL CONSUMED | | |
| CONSUMPTION OF RAW MATERIALS | - | 11,963.34 |
| CONSUMPTION OF STORES, COLOURS,CHEMICALS etc. | - | 3,044.63 |
| | - | 15,007.97 |
| DISCONTINUED OPERATIONS (Included in above) (Refer Note No 24.08 vi) | <u>-</u> | <u>15,007.97</u> |
| NOTE '20' - CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROCESS AND STOCK-IN-TRADE | | |
| STOCK AT COMMENCEMENT | | |
| Finished Paper | - | 1,600.18 |
| Work-in-Process | | |
| - Pulp | - | 28.47 |
| - Paper | - | 535.29 |
| STOCK AT CLOSE | | |
| Finished Paper | - | 1,477.56 |
| Work-in-Process | | |
| - Pulp | - | 5.23 |
| - Paper | - | 384.82 |
| | <u>-</u> | <u>1,867.61</u> |
| | <u>-</u> | <u>296.33</u> |
| DISCONTINUED OPERATIONS (Included in above) (Refer Note No 24.08 vi) | <u>-</u> | <u>296.33</u> |

PUDUMJEE PULP & PAPER MILLS LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)**

| | Year Ended 31.03.2016 (₹ in Lacs) | Year Ended 31.03.2015 (₹ in Lacs) |
|--|--|--|
| NOTE '21' - EMPLOYEES' COST | | |
| SALARIES, WAGES, BONUS etc. | | |
| Salaries, Wages, gratuity & Bonus | 223.04 | 2,634.00 |
| Contribution to Provident & Other Funds (Including Administrative Charges) | 39.26 | 240.51 |
| Employees State Insurance | - | 2.41 |
| Workmen & Staff Welfare Expenses | 3.08 | 122.76 |
| | 265.38 | 2,999.68 |
| DISCONTINUED OPERATIONS (Included in above) (Refer Note No 24.08 vi) | - | 2,999.68 |
| NOTE '22' - INTEREST & FINANCIAL COST | | |
| INTEREST ON BORROWINGS | 84.68 | 902.95 |
| OTHER FINANCIAL CHARGES | 0.04 | 89.18 |
| LESS: INTEREST RECEIVED ON TRADE DEBTS | - | 88.31 |
| | 84.72 | 903.82 |
| DISCONTINUED OPERATIONS (Included in above) (Refer Note No 24.08 vi) | - | 775.53 |
| NOTE '23' - OTHER EXPENSES | | |
| FUEL, POWER & WATER | 64.09 | 5,565.91 |
| RENT | 91.10 | 21.84 |
| RATES & TAXES | 16.80 | 54.46 |
| REPAIRS & MAINTENANCE | | |
| Machinery | 48.19 | 845.16 |
| Buildings | - | 61.24 |
| Others | 0.02 | 23.14 |
| INSURANCE | 1.98 | 31.77 |
| PACKING, CARTAGE, CUTTING, | - | 560.30 |
| DEVELOPMENT & RESEARCH EXPENSES | - | 96.31 |
| COMMISSION ON SALES | - | 198.88 |
| DIRECTORS' FEES | 4.27 | 5.70 |
| EXCISE DUTY ON STOCK | - | (4.82) |
| FOREIGN EXCHANGE LOSS / (GAIN) | - | 76.84 |
| PROVISION FOR DOUBTFUL DEBTS | - | 18.22 |
| CORPORATE SOCIAL RESPONSIBILITY EXPENSES | 40.00 | 10.20 |
| PROFESSIONAL FEES | 13.10 | 128.39 |
| MOTOR CAR & VEHICLE EXPENSES | 10.97 | 22.42 |
| SALES TAX FOR EARLIER YEAR | 6.68 | - |
| OFFICE & MISCELLANEOUS EXPENSES | 15.32 | 291.62 |
| | 312.52 | 8,007.58 |
| DISCONTINUED OPERATIONS (Included in above) (Refer Note No 24.08 vi) | - | 7,870.81 |

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND
THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016**

NOTE '24'

| | <u>2015-2016</u> (₹ in Lacs) | <u>2014-2015</u> (₹ in Lacs) |
|---|---------------------------------|---------------------------------|
| 24.01 The value of raw materials consumed | | |
| Pulp | – | 11,831.53 |
| Waste Paper | – | 131.81 |
| 24.02 Trade Purchases | | |
| Pulp | – | 19.53 |
| Others | – | – |
| 24.03 Value of direct imports calculated on CIF basis during the financial year | | |
| Raw Material | – | 9,416.83 |
| Components & Spare Parts | – | 438.96 |
| Capital Goods | – | 628.97 |
| Trade Goods | – | 16.78 |
| 24.04 Expenditure in foreign currency during the financial year on account of | | |
| Royalty, know-how, interest, professional consultation, travelling, subscription and periodicals etc. | – | 33.04 |
| 24.05 Value of raw materials, spare parts and component consumed during the financial year and the percentage thereof | | |
| | <u>2015-2016</u> | <u>2014-2015</u> |
| | Value | Value |
| | % | % |
| | <u>(₹ in Lacs)</u> | <u>(₹ in Lacs)</u> |
| Direct Imports | – | 11,034.68 |
| Others | – | 928.66 |
| Total : | – | 11,963.34 |
| Spare Parts & Components : | | |
| Direct Imports | – | 539.18 |
| Others | – | 3,049.65 |
| Total : | – | 3,588.83 |
| | <u>2015-2016</u> | <u>2014-2015</u> |
| | <u>(₹ in Lacs)</u> | <u>(₹ in Lacs)</u> |
| 24.06 Remittance In Foreign Currency On Account Of Dividend | | |
| The amount of dividend for the year 2014-2015 remitted in rupees into NRE Account of 183 (Last year 183) NRI shareholders holding 15,27,468 shares of ₹ 2/- each (Last year 14,12,606 of ₹ 2/-each) Equity shares | 4.58 | 4.24 |
| 24.07 Export of goods calculated on FOB basis | | |
| Export of goods calculated on FOB basis (Earning in foreign Exchange) | – | 461.64 |
| Deemed Exports. | – | 2.42 |
| | – | 464.06 |

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE '24' - (Contd.)

24.08 Note on Scheme of Arrangement & Demerger

- i) Pursuant to the Scheme of Arrangement ("the Scheme") between the company, Pudumjee Industries Ltd (PIL), Pudumjee Hygiene Products Ltd (PHPL), Pudumjee Paper Products Ltd (PPPL) and their respective shareholders and creditors as approved by the High Court of Mumbai vide its order dated 8th January, 2016, which became effective on 1st February, 2016 (effective date) on filing with the Registrar of Companies, all the assets and liabilities of the Paper Manufacturing Business of the Company have been transferred to the PPPL (Transferee Company) at their respective book values on a going concern basis with effect from the appointed date (i.e 1st April, 2014). Accordingly, the Scheme of Arrangement has been given effect to in these accounts. The details of Assets & Liabilities transferred, as on 1st April,2014 and also corresponding reduction of Reserves & Surplus are as under :

| Particulars | Amount (₹ In Lacs) |
|--|-----------------------|
| Total Assets Transferred (including fixed assets at cost of ₹ 23,545.86 lacs Less accumulated depreciation of ₹ 16,580.95 lacs plus Capital Work in Progress ₹ 5783.62 Lacs) | 25778.53 |
| Total Liabilities Transferred | 15979.69 |
| Net Assets Transferred | 9798.84 |
| Adjusted to – | |
| General Reserves | 7600.00 |
| Surplus from the Statement of Profit & Loss Account | 2198.84 |

- ii) The net profit of the demerged paper manufacturing business of the company for the period from appointed date i.e. 1st April,2014 to 31st March,2015 of ₹ 440.74 lacs is adjusted in surplus i.e. balance in the Profit & Loss Account.
- iii) As per the Scheme, each share holder of the Company, as on record date, has received 37 equity share of ₹ 1 each in the Pudumjee Paper Products Ltd, for every 20 Equity Shares of ₹ 2 each in the Company.
- iv) The transactions pertaining to Paper Manufacturing business from the appointed date (i.e. 1st April, 2014) upto the effective date (i.e. 1st February, 2016) of the Scheme of arrangement, have been deemed to be made by Pudumjee Paper Products Ltd..
- v) Consequent to the Demerger of the Paper Manufacturing business of the Company in terms of the Scheme, the Financial Statements of the Company for the year ended March 31, 2016, do not include operations of the Demerged paper manufacturing business and therefore are not comparable with the figures of the Previous Year ended March 31, 2015.
- vi) The revenue and expense in respect of the ordinary activities attributable to the Discontinuing Operations:

NOTE '24' - (Contd.)

(₹ in Lacs)

| Particulars | | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|-------------|--|--------------------------|--------------------------|
| I. | Revenue from operations | - | 27482.13 |
| II. | Other Income | - | 625.35 |
| III. | Total Revenue | - | 28107.48 |
| IV. | Expenses: | | |
| | Cost of Materials consumed | - | 15007.97 |
| | Trade Purchases | - | 19.53 |
| | Changes in Inventories of finished goods, work-in-progress and Stock-in-trade | | |
| | Employee Benefit Expenses | - | 296.33 |
| | Financial Costs | - | 2999.68 |
| | Depreciation and amortization expenses | - | 775.53 |
| | Other expenses | - | 348.56 |
| | | - | 7870.81 |
| | Total Expenses | - | 27318.41 |
| V. | Profit before exceptional and extra ordinary items | - | 789.07 |
| VI. | Earlier Year Income | - | - |
| VII. | Profit before Tax | - | 789.07 |
| VIII. | Tax Expenses: | | |
| | 1. Current Tax | - | 381.56 |
| | 2. Deferred Tax | - | -33.23 |
| IX. | Profit | - | 440.74 |

vii) Carrying Value of Assets and Liabilities of Discontinued Paper Manufacturing Business

(₹ in Lacs)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|-------------------|------------------------------|------------------------------|
| Total Assets | NIL | 27911.24 |
| Total Liabilities | NIL | 17671.69 |
| Net Assets | NIL | 10239.55 |

viii) Details of Cash Flows relating to Discontinued Paper Manufacturing Business

(₹ in Lacs)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|--|--|
| Net Cash flow from Operating Activities | NIL | (1,210.11) |
| Net Cash flow from Investing Activities | NIL | (1,217.09) |
| Net Cash flow from Financing Activities | NIL | 2,762.46 |
| Net Cash Inflows / (Outflows) | NIL | 335.26 |

ix) Pursuant to the Scheme of Arrangement, the Secured Loans and facilities concerning the demerged business stands transferred to the Pudumjee Paper Products Ltd. along with the Security created therefor on the assets transferred. However the security, whether by way of first charge or second charge on other assets i.e. Land and Buildings at Pune which have not been transferred by the Company, continues to subsist in favour of the lenders for their loans (as per the agreements initially executed by the Company in favour of the lenders while availing the loans), till their release, until appropriate documents are executed.

x) Pursuant to the Scheme, Land & Buildings at Pune, belonging to the Company have been given on Leave & License basis to Pudumjee Paper Products (PPPL), on terms for 5 years from the effective date, i.e. 1st February, 2016, to enable PPPL to shift its operations, in due course of time, to the Industrial Area of Mahad District – Raigad.

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '24' - (Contd.)

24.09 Salary, Wages, gratuity and bonus (Note '21') does not include a sum of ₹ 22.21 lacs (Last year ₹ 109.15 lacs) transferred to stock.

- 24.10**
- a) Land admeasuring 96111.84 sqft at Thergaon, Pune costing ₹ 0.14 lac, is revalued and converted 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 ₹ 34.11 lacs during the year and ₹ 270.92 lacs in the earlire year incurred in this regard is carried forward as a part of stock in trade.
 - b) Land admeasuring about 3000 Sq.Meters has been acquired by Municipal Corporation for road widening purpose in the earlier years. The Company is entitled to TDR with an out side chance of cash compensation, which is yet to be determined and as such this will be included when finally decided since the relevant documentation is yet to be finalised and executed.
 - c) Interest amounting to ₹ Nil (previous year ₹ 10.71 lacs) has been capatilised during the year to Machinery under installation.

| 24.11 Payments made to Auditors: | 2015-2016 | 2014-2015 |
|---|--------------------|--------------------|
| | (₹ in Lacs) | (₹ in Lacs) |
| Audit fees | 3.00 | 3.00 |
| Taxation matters | 0.60 | 0.60 |
| Others | 2.15 | 3.45 |
| | 5.75 | 7.05 |

24.12 Corporate Social Responsibility expenses debited to the Profit & Loss account ₹ 40.00 lacs (Last year ₹ 10.20 lacs) represents amount actually spent during the year on purpose other than construction / acquisition of Assets.

24.13 To the best of knowledge of the company, none of the creditors are 'Small enterprise' within its meaning under clause (m) of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006 & therefore principal amount, interest paid/payable or accrued is NIL.

| 24.14 | AS AT | AS AT |
|---|-------------------|-------------------|
| a) Contingent Liabilities not provided for in respect of : | 31.03.2016 | 31.03.2015 |
| | ₹ in Lacs | ₹ in Lacs |
| i) Bank Guarantees and Letters of Credit in favour of suppliers of raw materials, spares etc.* | - | 2,104.77 |
| ii) Guarantee for Firm/Other Companies * | 1,000.00 | 1,297.68 |
| iii) Claims against the Company not acknowledged as debts for excise duty, property tax and commercial claims etc. ** | 9.61 | 586.99 |
| iv) Penalty under Income Tax Act no longer payable in view of appellate order in company's favour * | - | - |
| * 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) Estimates of contracts remaining to be executed on capital account | 132.26 | 207.57 |

NOTE '24' - (Contd.)

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

- a) Fixed Assets are valued at cost.
- b) Borrowing costs comprising interest etc. relating to projects unless deferred, are capitalised up to the date of its completion and other borrowing costs are charged to Profit & Loss Account in the year of their accrual.
- c) Depreciation on Machinery & Building has been provided on Straight Line Method and that on the other Assets on Written Down Value method till 31-03-2014. The depreciation is provided on all the assets based on the useful lives of the assets on straight line method w.e.f. 01/04/2014, in accordance with schedule II of the Companies Act 2013. Lease hold land is depreciated based on period of residual lease.
- d) Finished goods stock is valued at lower of cost or market value. Land treated as stock in trade duly revalued at fair market value on the date of treatment, is carried at that value together with actual development expenses incurred thereon.
All other inventories are valued at lower of cost on First In First Out Method or realisable value.
- e) Investments are classified into current and long term investments. Current investments are stated at lower of cost or fair value. Long term investments are stated at cost, less provision for permanent diminution in value, if any.
- f)
 - (i) Contributions to defined contribution schemes, namely, Provident Fund and Superannuation Fund is made at a pre-determined rates and are charged to the Profit & Loss Account.
 - (ii) Contributions to the defined benefit scheme, namely, Gratuity Fund & provision for the remaining Gratuity, Pension and for Leave encashment are made on the basis of actuarial valuations made in accordance with the revised Accounting Standard (AS) 15 at the end of each Financial Year and are charged to the Profit & Loss Account of the year.
 - (iii) Actuarial gains & losses are recognized immediately in the Profit & Loss Account.
- g) Foreign Exchange Transactions are recorded at the then prevailing rate. Closing balances of Assets & Liabilities relating to foreign currency transactions are converted into rupees at the rates prevailing on the date of the Balance Sheet.
The difference for transactions are dealt with in the Profit & Loss Account.
- h) Lease arrangement where the risks and rewards to ownership an assets substantially vest with the lessor, are recognized as operating leases, Lease rentals under operating leases are recognised in the statement of Profit & Loss.
- i) Revenue recognition is postponed to a later year only when it is not possible to estimate it with reasonable accuracy.
- j) Factors giving rise to any indication of any impairment of the carrying amount of the company's assets are appraised at each balance sheet date to determine and provide /revert an impairment loss following accounting standard AS 28 for impairment of assets.

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '24' - (Contd.)

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

| | AS AT | AS AT |
|---|--------------------|-------------------|
| | <u>31.03.2016</u> | <u>31.03.2015</u> |
| Basic / Diluted EPS : | | |
| (a) Net Profit after tax as per Profit & Loss Account : | | |
| After current and deferred Tax | ₹ 754.57 lacs | ₹ 2,026.95 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) | ₹ 1.84 | ₹ 4.94 |

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

| | AS AT | AS AT |
|--|----------------------|-------------------|
| | <u>31.03.2016</u> | <u>31.03.2015</u> |
| | (₹ in Lacs) | (₹ in Lacs) |
| In respect of Depreciation | 468.24 | 1,858.00 |
| In respect of allowances and disallowances under various provisions of Income Tax Act. | (28.97) | (418.00) |
| Net Deferred Tax Liability | <u>439.27</u> | <u>1,440.00</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 ,2016.

24.18 A Dividend of ₹ 0.20 (Last year ₹ 0.30) per equity share of ₹ 2/- each has been proposed for the current year amounting to ₹ 82 lacs (Last year ₹ 123 lacs) excluding ₹ 15.77 lacs (Last year ₹ 25.04 lacs) of Dividend Distribution tax.

24.19 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 Hygeine Products Limited.
 e) Pudumjee Holding Limited.
 f) Pudumjee Paper Products Limited.

C) Key Management personnel

Shri. Arunkumar M. Jatia
Executive Chairman

Shri. V. P. Leekha
Managing Director

Shri. S.K. Bansal
Wholetime Director & C.F.O

Shri. R.M. Kulkarni
Company Secretary

NOTE '24' - (Contd.)

D) Transactions With Related Parties

2015-16
(2014-2015)
(₹ in Lacs)

| | Subsidiary Company | Associate Companies | Maximum during the year | Key Management Personnel |
|---|---------------------------|-------------------------------|-------------------------------|--------------------------------|
| a) Interest bearing Inter Corporate Deposits lent during the year | 96.80 (573.65) | 177.36 (5278.00) | | |
| b) Interest charged during the year | 101.09 (169.37) | 174.26 (647.47) | | |
| c) Inter Corporate Deposits /Advances etc. outstanding receivable as at 31 st March, 2016 including interest Pudumjee- G : Corp Developers | | | – (127.00) | – (127.00) |
| Pudumjee Investments and Finance Company Limited | 844.30 (965.13) | | 968.70 (1827.01) | |
| Pudumjee Industries Limited | | 1,361.20 (6,018.04) | 6,427.00 (6105.00) | |
| Pudumjee Paper Products Limited | | 775.03 (–) | 775.03 (–) | |
| d) Sale / Processing charges of goods during the year | – | 158.98 (1,622.49) | | |
| e) Purchases made during the year | – | – (20.31) | | |
| f) Reimbursement of common services and utilities during the year. | – | 1.41 (335.84) | | |
| g) Rent Received | – | 17.08 (–) | | |
| h) Remuneration | – | – | – | 260.59 (402.16) |
| i) Guarantees outstanding as at 31 st March, 2015 | – | 1,000.00 (1,297.68) | | |
| j) Debts outstanding as at 31 st March, 2016 | – | 166.90 (195.18) | 166.90 (292.61) | |
| k) Amount payable as at 31 st March 2016 | | – (403.33) | | |
| l) Dividend to Associates during the year | – | 10.24 (10.24) | | |
| m) Share of Profit from firm | – | 707.52 (1,353.21) | | |
| n) Investment in Subsidiary Company | – (51.00) | | | |

Note : The figures in bracket relate to earlier year.

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '24' - (Contd.)

| | 2015-16 (2014-2015) (₹ in Lacs) | | | | |
|--|---------------------------------------|-------------|------------|------------|-------------|
| 24.20 SEGMENT REPORTING (Accounting standard 17) | Discontinuing | | Continuing | | |
| Information about business segments. | Paper Manufacturing | Real Estate | Power | Others | TOTAL |
| SEGMENT REVENUE | - | 707.52 | 515.53 | - | 1,223.05 |
| | (27,482.13) | (1,353.21) | (312.41) | - | (29,147.75) |
| SEGMENT RESULTS | - | 707.52 | 253.12 | 30.08 | 990.72 |
| | (1,303.06) | (1,352.99) | (80.25) | (60.76) | (2,675.54) |
| Unallocated corporate expenses | - | | | | 246.27 |
| | - | | | | (394.64) |
| Operating Profit | | | | | 744.45 |
| | | | | | (2,280.90) |
| Interest Expenses | | | | | - |
| | | | | | (912.74) |
| Interest Income | | | | | 40.12 |
| | | | | | (1,004.55) |
| Dividend Income | | | | | - |
| | | | | | (5.24) |
| Income in respect of Investments | | | | | - |
| | | | | | - |
| Income Taxes including Deferred Tax | | | | | 30.00 |
| | | | | | (351.00) |
| Profit from ordinary activities | | | | | 754.57 |
| | | | | | (2,026.95) |
| Extra Ordinary Income | | | | | - |
| | | | | | (-) |
| Net Profit as per Profit & Loss Account | | | | | 754.57 |
| | | | | | (2,026.95) |
| OTHER INFORMATION | | | | | |
| Total carrying amount of Segment Assets | - | 2,082.63 | 2,264.56 | 5,992.15 | 10,339.34 |
| | (23,807.93) | (414.53) | (2,255.31) | (1,379.43) | (27,857.20) |
| Add: Unallocated Corporate Assets | | | | | 12.19 |
| | | | | | (8,835.75) |
| Total Assets as per Balance Sheet | | | | | 10,351.53 |
| | | | | | (36,692.95) |
| Total carrying amount of Segment Liabilities | - | 379.33 | 486.28 | 180.34 | 1,045.95 |
| | (6,129.89) | (139.11) | (74.33) | - | (6,343.33) |
| Add: Unallocated Corporate Liabilities | | | | | 9,305.58 |
| | | | | | (30,349.62) |
| Total Liabilities as per Balance Sheet | | | | | 10,351.53 |
| | | | | | (36,692.95) |
| Capital Expenditure incurred during the year | - | 0.74 | - | 73.15 | 73.89 |
| | (1,482.86) | (0.64) | - | (31.14) | (1,514.64) |
| Depreciation for the Year | - | 0.27 | 100.80 | 57.91 | 158.98 |
| | (348.56) | (0.22) | (100.80) | (55.36) | (504.94) |

NOTE '24' - (Contd.)

2015-16
(2014-2015)
(₹ in Lacs)

24.20 SEGMENT REPORTING (Accounting standard 17)

| Information about business segments. | Discontinuing | | Continuing | | TOTAL |
|---|------------------------|---------------|---------------|--------|-----------------|
| | Paper Manufacturing | Real Estate | Power | Others | |
| Other Non Cash Expenditure | - | - | - | - | - |
| | | (-) | (-) | | (-) |
| Sales Revenue by Geographical Segments | | | | | |
| WITHIN INDIA | - | 707.52 | 515.53 | | 1,223.05 |
| | (27,020.49) | (1,353.21) | (312.41) | | (28,686.11) |
| OUTSIDE INDIA | - | - | - | | - |
| | (461.64) | | | | (461.64) |
| | - | 707.52 | 515.53 | - | 1,223.05 |
| | (27,482.13) | (1,353.21) | (312.41) | - | (29,147.75) |

- i) The Discontinued Segment relates to paper manufacturing business demerged in to Pudumjee Paper Products Ltd, pursuant to the Scheme of Arrangement
- ii) The Continuing Segment Relates to -
- Construction Activity Development of land for residential / commercial building carried directly or through firm
 - Power Segment relates to Power Generation Activity through Wind Power Turbines.
 - Other segment relates to activities not covered by aforesaid segments.
- iii) The figures in brackets relates to earlier year.

24.21 The Company had entered into lease/ leave & license agreements (including leave & license agreement pursuant to the scheme) for commercial use on terms and conditions as specified in their agreements for period ranging from 2 years to 5 years . In respect of this agreement the future minimum lease/ rental payments receivable /payable is as under :

(₹ in Lacs)

| Particulars | 31-Mar-16 | 31-Mar-15 | 31-Mar-16 | 31-Mar-15 |
|--|---------------|-----------|---------------|-----------|
| | Receivables | | Payables | |
| i) not later than one year | 57.48 | Nil | 102.27 | Nil |
| ii) later than one year and not later than five years | 195.00 | Nil | 302.79 | Nil |
| iii) later than five years | Nil | Nil | Nil | Nil |

All such lease receipts/payments for the year are recognized in Profit & Loss Account as miscellaneous income/Rent Expense.

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '24' - (Contd.)

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

- | | | | |
|-----|------------------------------|---------------------------------------|------------------------------------|
| (a) | Partners | Pudumjee Pulp and Paper Mills Limited | G-Corp Properties Private Limited. |
| | Capital - ₹ in Lacs | 35 | 35 |
| | Profit /Loss - Sharing ratio | 60% | 40% |
- (b) The Firm is engaged in construction and sale of residential flats. It has followed completed building method till 31st March, 2015. However in view of newly introduced tax accounting standards the firm has instead adopted percentage completes method. Consequently the Company's share of profit is higher in the year by ₹ 652.20 lacs as compared to previous year.

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

| | (₹ in Lacs) | |
|-------------|-------------------------|-------------------------|
| | <u>As at 31.03.2016</u> | <u>As at 31.03.2015</u> |
| Liabilities | 1831.96 | 3129.00 |
| Assets | 2180.56 | 2920.07 |
| Turnover | 2617.15 | 4003.56 |
| Expenditure | 1909.63 | 2650.35 |

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

- a) An amount of ₹ 34.10 lacs (Last year ₹ 166.53 lacs) has been recognized as an expense for defined contribution plans by way of Company's contribution to Provident Funds & Super Annuation Fund.
- b) The defined benefits plans comprise of Gratuity Plan and Leave Encashment Plan. The Gratuity Plan is partly funded with Life Insurance Corporation of India under its Cash Accumulation Plan.
- c) Expenses recognized during the year and reconciliation of the Assets & Liabilities recognized in Balance Sheet as at 31.03.2016 :

| | Gratuity (Partly funded) (₹ in Lacs) | | Leave Encashment (Unfunded) (₹ in Lacs) | |
|---|--|-----------|---|-----------|
| | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
| i) The present value of defined benefit obligations at the commencement of the Year | 959.55 | 895.05 | 157.76 | 126.13 |
| Less: Transferred Pursuant to Scheme of Demerger | 834.65 | - | 136.93 | - |
| Balance | 124.90 | 895.05 | 20.83 | 126.13 |
| ii) Current Service cost | 8.87 | 55.14 | 4.23 | 19.48 |
| iii) Interest cost | 9.77 | 80.55 | 1.61 | 11.35 |
| iv) Actuarial (Gain)/Loss | 12.59 | 67.39 | 3.14 | 29.64 |
| v) Benefits (Paid) | - | (138.58) | (1.97) | (28.84) |
| vi) Past Service Cost | - | - | - | - |
| vii) The present value of defined benefit obligations at the close of the Year | 156.13 | 959.55 | 27.84 | 157.76 |
| viii) The fair value of plan assets at the close of the year | 91.41 | 259.30 | - | - |
| ix) The Past service cost not yet recognized | - | - | - | - |
| x) Expected return on plan assets | (6.85) | (22.16) | - | - |

NOTE '24' - (Contd.)

Expenses aggregating Rs.33.36 lacs (Last year Rs.212.55 lacs) covered under items (ii),(iii),(iv),(vi) and (x) above have been debited to the Profit & Loss Account under Salary & Wages, Bonus etc.

| d) Actuarial assumptions | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
|--|-----------------|-----------|-----------------|-----------|
| i) Rate of interest (per annum) | 7.75% | 7.75% | 7.75% | 7.75% |
| ii) Salary growth (per annum) | 7.00% | 7.00% | 7.00% | 7.00% |
| iii) Withdrawal rate (Per annum) | 1.00% | 1.00% | 1.00% | 1.00% |
| iv) Expected return on Plan Assets | 8.50% | 9.00% | — | — |
| v) Mortality rates: Indian Assured Lives (2006-08) | Ultimate | Ultimate | Ultimate | Ultimate |

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

SIGNATURES TO NOTES '1' TO '25'

As per our report of date attached

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

Y. P. SHUKLA
Proprietor

Mumbai, Dated : 28th May, 2016

B.C.DALAL
Director

R. M. KULKARNI
Company Secretary

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

On behalf of the Board,

A. K. JATIA
Executive Chairman

V.P. LEEKHA
Managing Director

Mumbai, Dated : 28th May, 2016

INDEPENDENT AUDITOR'S REPORT

**To The Members of
Pudumjee Pulp & Paper Mills Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PUDUMJEE PULP & PAPER MILLS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

We draw attention to Note No. 25.01 which describes the effect of the Scheme of Arrangement on the Company and

charges, mortgages and encumbrances on the assets of the Company and of Pudumjee Paper Products Ltd. respectively.

Other Matters

- (a) We have audited the financial statements of Pudumjee Investment & Finance Co. Ltd. a subsidiary, whose financial statements reflect total assets of ₹ 823.95 lacs as at 31st March, 2016, total revenues of ₹ 356.62 lacs and net cash flows amounting to ₹ 0.47 lac for the year ended on that date, as considered in the consolidated financial statements.
- (b) We did not audit the financial statements of Pudumjee G: Corp Developers a jointly controlled firm whose financial statements reflect total assets ₹ 3634.27 lacs as at 31-03-2016, total Revenue ₹ 4262.22 lacs and net cash flows ₹ 157.15 Lacs for the year ended on that date as appropriately considered in the consolidated financial statements.
- (c) The consolidated financial statements also include the Group's share of net profit of ₹ 6.50 lacs for the year ended 31st March, 2015 as considered in the consolidated financial statements, in respect of Pudumjee Industries Ltd., whose financial statements have been audited by us.
- (d) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - Refer Note 24.13(a)(ii) to the consolidated financial statements.
 - ii. The group, its associates and jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred during the year to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company, associate companies and jointly controlled companies incorporated in India.

For KHARE & COMPANY
Chartered Accountants
(FRN 105100W)

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

Place of Signature : Mumbai,
Dated : 28th May, 2016.

PUDUMJEE PULP & PAPER MILLS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

| | Note No. | AS AT 31.03.2016 (₹ in Lacs) | AS AT 31.03.2015 (₹ in Lacs) |
|------------------------------------|----------|------------------------------------|------------------------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 820.00 | 820.00 |
| (b) Reserves and Surplus | 2 | 7,909.27 | 17,654.95 |
| (2) Minority Interest | | | |
| | | – | 49.55 |
| (3) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 1,110.85 | 4,594.58 |
| (b) Deferred tax liabilities (Net) | | 439.27 | 1,440.00 |
| (c) Other Long-term Liabilities | 4 | 1.84 | 355.57 |
| (d) Long term provisions | 5 | 283.24 | 790.74 |
| (4) Current Liabilities | | | |
| (a) Short-term borrowings | 6 | 86.40 | 2,898.56 |
| (b) Trade payables | 7 | 536.51 | 4,840.88 |
| (c) Other current liabilities | 8 | 1,055.08 | 6,091.35 |
| (d) Short-term provisions | 9 | 109.84 | 280.77 |
| Total | | 12,352.30 | 39,816.95 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 10 | 3,340.93 | 10,865.77 |
| (ii) Intangible assets | | – | 9.27 |
| (iii) Capital work-in-progress | | 46.49 | 6,468.92 |
| (b) Non-current investments | 11 | 1,107.15 | 1,277.24 |
| (c) Long term loans and advances | 12 | 2,532.34 | 6,477.37 |
| (2) Current assets | | | |
| (a) Current investments | 13 | 1.09 | 140.47 |
| (b) Inventories | 14 | 3,676.35 | 8,021.93 |
| (c) Trade receivables | 15 | 111.65 | 3,497.78 |
| (d) Cash and Bank Balances | 16 | 374.31 | 704.49 |
| (e) Short term loans & Advances | 17 | 1,161.99 | 2,353.71 |
| Total | | 12,352.30 | 39,816.95 |

OTHER NOTES AS PER NOTE '25'

As per our report of date attached.

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

Y. P. SHUKLA
Proprietor

B.C. DALAL
Director

R. M. KULKARNI
Company Secretary

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

On behalf of the Board,

A. K. JATIA
Executive Chairman

V.P. LEEKHA
Managing Director

Mumbai, Dated : 28th May, 2016

Mumbai, Dated : 28th May, 2016

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH, 2016**

| | Note No. | <u>2015-2016</u> (₹ in Lacs) | <u>2014-2015</u> (₹ in Lacs) |
|---|-------------|---------------------------------|---------------------------------|
| I. Revenue from operations | 18 | 3,374.18 | 34,957.55 |
| Less : Excise Duty | | — | <u>1,648.48</u> |
| Net Revenue from Operations | | 3,374.18 | 33,309.07 |
| II. Other Income | 19 | 359.65 | <u>864.13</u> |
| III. Total Revenue (I + II) | | <u>3,733.83</u> | <u>34,173.20</u> |
| IV. Revenue of Discontinued Operations (included in above) | | — | 28,107.48 |
| V Revenue from Continuing Operations | | 3,733.83 | 6,065.72 |
| VI. Expenses : | | | |
| (1) Cost Of Materials Consumed | 20 | 1,148.13 | 16,864.73 |
| (2) Trade Purchases | | 232.68 | 813.14 |
| (3) Changes in Inventories of Finished Goods, Work-in-Process and Stock in Trade | 21 | 106.48 | 899.90 |
| (4) Employees Cost | 22 | 356.37 | 3,087.42 |
| (5) Finance Cost | 23 | 172.52 | 1,065.08 |
| (6) Depreciation and Amortization | 10 | 174.34 | 521.58 |
| (7) Other Expenses | 24 | 468.53 | 8,281.59 |
| Total Expenses | | <u>2,659.05</u> | <u>31,533.44</u> |
| VII. Expenses of Discontinued Operations (included in above) | | — | 27,318.41 |
| VIII. Expenses of Continued Operations (VI-VII) | | 2,659.05 | 4,215.03 |
| IX. Profit/(Loss) before Exceptional and Extraordinary items and tax from Continued Operation (V-VIII) | | 1,074.78 | 1,850.69 |
| X. Prior Period Income | | 37.50 | — |
| XI. Profit/(Loss) before tax of continuing operations (IX+X) | | 1,112.28 | 1,850.69 |
| XII. Tax expense : | | | |
| (1) Current tax | | 413.95 | 324.39 |
| (2) Deferred tax / (Savings) | | (15.00) | <u>(63.77)</u> |
| XIII. Profit/(Loss) for the Year of Continued Operations (A) (XI-XII) | | 713.33 | 1,590.07 |
| XIV. Profit/(Loss) before exceptional and extraordinary items and tax from Discontinued Operation (IV-VII) | | — | 789.07 |
| Tax Expense : | | | |
| (1) Current tax | | — | 381.56 |
| (2) Deferred tax / (Savings) | | — | <u>(33.23)</u> |

PUDUMJEE PULP & PAPER MILLS LIMITED

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH, 2016**

| | Note No. | <u>2015-2016</u> (₹ in Lacs) | <u>2014-2015</u> (₹ in Lacs) |
|---|-------------|---------------------------------|---------------------------------|
| XV. Profit/(Loss) for the year of Discontinued operations (B) | | - | 440.74 |
| XVI. Profit for the year (A+B) | | 713.33 | 2,030.81 |
| Add : Shares of profit from Associate | | 6.50 | 45.23 |
| Less : Minority Interest | | - | 0.55 |
| XVII. Net Profit for the year after Tax, Minority interest and share of profit from associate | | <u>719.83</u> | <u>2,075.49</u> |
| XVIII. Earning per equity share : (Face value ₹ 2 per share) | | | |
| (1) Basic | | 1.76 | 5.06 |
| (2) Diluted | | 1.76 | 5.06 |
| (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

Mumbai, Dated : 28th May, 2016

B.C. DALAL
Director

R. M. KULKARNI
Company Secretary

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

On behalf of the Board,

A. K. JATIA
Executive Chairman

V.P. LEEKHA
Managing Director

Mumbai, Dated : 28th May, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

| | 2015-2016 (₹ in Lacs) | 2014-2015 (₹ in Lacs) |
|--|--------------------------|--------------------------|
| A Cash Flow from Operating Activities | | |
| Net profit before Taxation & Extraordinary Items | 1,118.78 | 2,639.21 |
| Adjustments for : | | |
| Depreciation | 174.34 | 521.58 |
| Interest & Financial charges | 172.52 | 1,065.08 |
| Provision for Bad & Doubtful debts | – | 18.23 |
| Other income | <u>(239.51)</u> | <u>(842.40)</u> |
| | 107.35 | 762.49 |
| Operating profit before Working Capital Changes | 1,226.13 | 3,401.70 |
| (Increase)/Decrease in Inventories | 445.30 | 1,995.66 |
| (Increase)/Decrease in Debtors | 163.23 | (1,216.42) |
| (Increase)/Decrease in Advances Others | (148.08) | (991.82) |
| Increase/(Decrease) in Advances Customers | (1,109.49) | – |
| Increase/(Decrease) in Minority Interest | (49.55) | 49.55 |
| Increase/(Decrease) in Liabilities | <u>(69.79)</u> | <u>(1,524.24)</u> |
| | (768.38) | (1,687.27) |
| Cash Generated from Operations | 457.75 | 1,714.43 |
| Income Tax (paid)/Refund Received (Net) | <u>(212.68)</u> | <u>(924.19)</u> |
| Cash Flow before Extraordinary Items | 245.07 | 790.24 |
| Extra ordinary items | – | – |
| Net cash from Operating Activities | 245.07 | 790.24 |
| B Cash flow from Investing Activities | | |
| Purchase of Fixed Assets | (77.46) | (1,521.50) |
| Sale Proceeds of Fixed Assets etc. | – | 35.67 |
| Investment in Preference shares / Mutual Funds etc. | 181.88 | 693.17 |
| Change in Loans & Advances | 51.13 | (1,013.82) |
| Interest Received | 223.41 | 718.54 |
| Dividend Received | 16.10 | 40.03 |
| Net cash from / (used) in Investing Activities | 395.06 | (1,047.91) |
| C Cash flow from Financing Activities | | |
| Proceeds from Borrowings | 240.00 | 3,798.88 |
| Repayment of Borrowings | (414.85) | (2,710.56) |
| Payment of Interest | (172.52) | (1,118.05) |
| Dividend paid | (123.00) | (123.00) |
| Net cash from / (used) in Financing Activities | (470.37) | (152.73) |
| Net change in Cash & Cash Equivalents (A+B+C) | 169.76 | (410.40) |
| Cash & Cash Equivalents (Opening Balance) | 704.49 | 1,114.89 |
| Add : Amount adjusted pursuant to Scheme of Arrangement (with reference to Provisional Balance Sheet as at 31st Mar 2015) | (499.94) | – |
| Cash & Cash Equivalents (Closing Balance) | 374.31 | 704.49 |

Note : Figures in brackets represent cash outflows.

Current year Cash Flow is based on Continuing Activities.

OTHER NOTES AS PER NOTE '25'

As per our report of date attached

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

Y. P. SHUKLA
Proprietor

B.C. DALAL
Director

R. M. KULKARNI
Company Secretary

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

On behalf of the Board,

A. K. JATIA
Executive Chairman

V.P. LEEKHA
Managing Director

Mumbai, Dated : 28th May, 2016

Mumbai, Dated : 28th May, 2016

PUDUMJEE PULP & PAPER MILLS LIMITED

**NOTES ANNEXED TO AND FORMING PART OF
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

| NOTE '1' - SHARE CAPITAL | AS AT 31.03.2016 (₹ in Lacs) | | AS AT 31.03.2015 (₹ in Lacs) |
|---|------------------------------------|--|------------------------------------|
| | AUTHORISED | | |
| 4,75,00,000 Equity Shares of ₹ 2/- each | 950.00 | | 950.00 |
| 50,000 14% (free of company's tax but subject to deduction of tax at source at the prescribed rates) Redeemable Cumulative Preference Shares of ₹ 100/- each | 50.00 | | 50.00 |
| | <u>1,000.00</u> | | <u>1,000.00</u> |
| ISSUED, SUBSCRIBED AND FULLY PAID UP | | | |
| 4,10,00,000 Equity Shares of ₹ 2/- each | <u>820.00</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>41,000,000</u> | | <u>41,000,000</u> |

1.2 The details of Shareholders holding more than 5% shares

| Name of the Shareholder | AS AT 31-03-2016 | | AS AT 31-03-2015 | |
|------------------------------|---------------------|--------------|---------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Thacker & Co. Ltd. | 6,368,253 | 15.53 | 6,368,253 | 15.53 |
| Pudumjee Industries Limited | 3,412,850 | 8.32 | 3,412,850 | 8.32 |
| Suma Commercial Pvt. Ltd. | 5,123,036 | 12.50 | 2,873,036 | 7.01 |
| Chem-Mach Pvt. Ltd. | 2,533,265 | 6.18 | 2,533,265 | 6.18 |
| Yashvardhan Jatia | 2,336,354 | 5.70 | 2,336,354 | 5.70 |
| Ubiquitous Trading Pvt. Ltd. | - | - | 2,150,000 | 5.24 |

**NOTES ANNEXED TO AND FORMING PART OF
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT | | AS AT | |
|---|--------------------|-----------------|--------------------|-----------|
| | 31.03.2016 | | 31.03.2015 | |
| | (₹ in Lacs) | | (₹ in Lacs) | |
| NOTE '2' - RESERVES & SURPLUS | | | | |
| GENERAL RESERVE | | | | |
| As per last Balance Sheet | 7,508.39 | | 7,358.39 | |
| Add : Transfer from Profit & Loss Account | 200.00 | | 150.00 | |
| Less : Transfer on Demerger to PPPL | 7,600.00 | 108.39 | — | 7,508.39 |
| SHARE PREMIUM ACCOUNT | | | | |
| As per last Balance Sheet | | 1,537.50 | | 1,537.50 |
| CAPITAL RESERVE I | | | | |
| On Reissue of forfeited shares | | 5.86 | | 5.86 |
| CAPITAL RESERVE II (On Consolidation of Subsidiary Companies) | | | | |
| As per last Balance Sheet | | 297.83 | | 297.83 |
| CAPITAL RESERVE III (On Consolidation of Associate Companies) | | | | |
| On Valuation of Investments | 367.20 | | 449.56 | |
| Add / (Less) Transfer from P & L Account | 6.50 | 373.70 | 45.23 | 494.79 |
| CAPITAL RESERVE IV (On Consolidation of Joint Venture) | | | | |
| Add / (Less) Transfer from P & L Account | | 32.40 | | 32.40 |
| CAPITAL RESERVE V | | | | |
| On Treatment of land as stock-in-Trade [See note 25.03 (a)] | | 1,441.53 | | 1,441.53 |
| SURPLUS IN PROFIT AND LOSS ACCOUNT | | | | |
| Balance in Profit & Loss Account | | 6,336.65 | | 4,634.23 |
| Less : Transfer on Demerger to PPPL | | 2,639.58 | | — |
| Less : Transfer on seized to be subsidiary PPPL | | 0.57 | | |
| Add : | | | | |
| Profit for the Year | | 719.83 | | 2,075.49 |
| AMOUNT AVAILABLE FOR APPROPRIATIONS | | 4,416.33 | | 6,709.72 |
| APPROPRIATIONS : | | | | |
| Proposed Dividend on Equity | | | | |
| Shares (Free of Tax) | 82.00 | | 123.00 | |
| Tax on Proposed Dividend | 15.77 | | 25.04 | |
| Transfer to Capital Reserves | 6.50 | | 45.23 | |
| Transfer to General Reserve | 200.00 | | 150.00 | |
| Provision for CSR | — | 304.27 | 29.80 | 373.07 |
| | | 4,112.06 | | 6,336.65 |
| | | 7,909.27 | | 17,654.95 |

PUDUMJEE PULP & PAPER MILLS LIMITED

**NOTES ANNEXED TO AND FORMING PART OF
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT <u>31.03.2016</u> (₹ in Lacs) | AS AT <u>31.03.2015</u> (₹ in Lacs) |
|--|---|---|
| NOTE '3' - LONG TERM BORROWINGS | | |
| (A) Secured Borrowings | | |
| FROM BANKS | | |
| TERM LOAN | - | 509.72 |
| (Secured by first charge on the Assets at Mahad of the Holding Company specifically purchased therefrom) (See Note (a) below) | | |
| TERM LOAN | - | 171.00 |
| (Secured by first charge on the Assets at Sadawaghapur of the Holding Company specifically purchased therefrom) (See Note (b) below) | | |
| TERM LOAN | 129.50 | 301.50 |
| (Secured by first charge on the Assets at Jath of the Holding Company specifically purchased therefrom) (See Note (c) below) | | |
| TERM LOAN | - | 1,375.00 |
| (Secured by pari passu first charge on immovable assets at pune.) * (See Note (d) below) | | |
| TERM LOAN | 600.00 | - |
| (Secured by Land & Building under construction in Phase III of Joint Venture and corporate guarantee of the Company) (See Note (e) below) | | |
| FROM OTHERS | | |
| TERM LOAN | - | 18.80 |
| (Secured by vehicle purchased therefrom) (See Note (f) below) | | |
| TERM LOAN | - | 22.42 |
| (Secured by vehicle purchased therefrom) (See Note (g) below) | | |
| TERM LOAN | 26.35 | - |
| (Secured by vehicle purchased therefrom) (See Note (h) below) | | |
| Total (A) | <u>755.85</u> | <u>2,398.44</u> |

Notes:

- (a) Excluding N.A. (Last year ₹ 427.78 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.
Repayable in 18 equal quarterly installments beginning with 04.02.2013.
- (b) Excluding ₹ 171.00 lacs (Last year ₹ 180 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.
Repayable in 20 equal quarterly installments beginning with 21.06.2012.
- (c) Excluding ₹ 172.00 lacs (Last year ₹ 172.00 lacs) shown under "Current maturities of Long Term

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

Debt"under Note No.8.

Repayable in 20 equal quarterly installments beginning with 25.09.2013.

- (d) Excluding N.A.(Last year ₹ 500.00 lacs) shown under "Current maturities of Long Term Debt"under Note No.8.

Repayable in 20 equal quarterly installments beginning with 16.01.2014.

- (e) Excluding ₹ Nil (Last year ₹ 1100 lacs) shown under "Current maturities of Long Term Debt" under Note No.8.

Repayable in 8 equal quarterly installments beginning with 1.01.2018.

- (f) Excluding N.A.(Last year ₹ 10.46 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 N.A.(Last year ₹ 6.90) shown under "Current maturities of Long Term Debt" under Note No.8. Repayable in 59 Monthly installments beginning with 10.1.2014.

- (h) Excluding ₹ 12.30 (Last year ₹ Nil) shown under "Current maturities of Long Term Debt" under Note No.8. Repayable in 36 Monthly installments beginning with 1.2.2016.

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

*** Security :**

All other secured loans are transferred to Pudumjee Paper Products Ltd.on demerger.

* Land & Building at Pune of the Holding Company continues to be under first Charge for the Term Loans transferred to Pudumjee Paper Products Ltd.,pursuant to scheme of demerger,pending agreement with bank till their release.

| | AS AT <u>31.03.2016</u> (₹ in Lacs) | AS AT 31.03.2015 (₹ in Lacs) |
|--|---|------------------------------------|
| (B) Unsecured Borrowings | | |
| Fixed Deposits from Public/Shareholders * | - | 778.98 |
| (See Note (a) below) | | |
| Deposit | | |
| From Associates | 310.00 | 110.00 |
| From Others | 45.00 | 45.00 |
| Deferred Sales Tax Liability | - | 1,262.16 |
| (See Note (b) below) | | |
| Total (B) | <u>355.00</u> | <u>2,196.14</u> |
| Total Long term borrowings(A) + (B) | <u>1,110.85</u> | <u>4,594.58</u> |

Notes:

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

- (b) Excluding N.A.(Last year ₹ 159.96 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.

- (d) Fixed Deposits and Deferred Sales Tax Liability transferred to Pudumjee Paper Products Ltd.on demerger.

PUDUMJEE PULP & PAPER MILLS LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT <u>31.03.2016</u> (₹ in Lacs) | AS AT <u>31.03.2015</u> (₹ in Lacs) |
|---|---|---|
| NOTE '4' - OTHER LONG TERM LIABILITIES | | |
| Sundry Creditors | <u>1.84</u> | <u>355.57</u> |
| NOTE '5' - LONG TERM PROVISIONS | | |
| 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 | 573.19 | 554.97 |
| Add : Transferred from Profit & Loss Account | <u>-</u> | <u>18.22</u> |
| | 573.19 | 573.19 |
| Less : Debts & Advances considered Doubtful per contra | - | 573.19 |
| Less : Transfer on Demerger to PPPL | <u>573.19</u> | <u>-</u> |
| | - | - |
| Provision for Taxation (Less : Advance Tax etc.) | 218.52 | 13.84 |
| Provision for Gratuity | 64.72 | 700.25 |
| Provision for Pension | <u>-</u> | <u>76.65</u> |
| | <u>283.24</u> | <u>790.74</u> |

**NOTES ANNEXED TO AND FORMING PART OF
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT 31.03.2016 (₹ in Lacs) | AS AT 31.03.2015 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| NOTE '6' - SHORT TERM BORROWINGS | | |
| (A) Secured Borrowings from Bank | | |
| Cash Credit repayable on demand | - | 1,091.34 |
| (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) | | |
| Demand loan from Bank | <u>86.40</u> | - |
| Total (A) | <u>86.40</u> | <u>1,091.34</u> |
| * Land & Building at Pune of the Holding Company continues to be under second Charge for the working Capital facilities transferred to Pudumjee Paper Products Ltd.,pursuant to scheme of demerger,pending agreement with banks till their release. | | |
| (B) Unsecured Borrowings from others | | |
| OTHER SHORT TERM LOANS & ADVANCES | | |
| Working Capital Demand loan from Bank | - | 1,000.00 |
| Others Deposits | - | 807.22 |
| Total (B) | <u>-</u> | <u>1,807.22</u> |
| Total short term borrowings(A) + (B) | <u>86.40</u> | <u>2,898.56</u> |
| Note : There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings. | | |
| NOTE '7' - TRADE PAYABLE | | |
| Acceptances | - | 2,187.90 |
| Sundry Creditors | <u>536.51</u> | <u>2,652.98</u> |
| | <u>536.51</u> | <u>4,840.88</u> |
| NOTE '8' - OTHER CURRENT LIABILITIES | | |
| Current Maturities of Long Term Debts : | | |
| Fixed Deposits | - | 1861.14 |
| Secured Debts | <u>355.30</u> | 1957.14 |
| Unsecured Debts | - | 159.96 |
| Unclaimed dividend | <u>19.59</u> | 18.80 |
| Unclaimed Matured Fixed Deposits | - | 36.16 |
| Unclaimed Interest On Fixed Deposits | - | 3.34 |
| Interest on Loans accrued but not due on borrowings | <u>0.80</u> | 182.69 |
| Creditors for Capital Goods | - | 43.21 |
| Advances from Customers | <u>674.39</u> | 1,824.31 |
| Other payables | <u>5.00</u> | 4.60 |
| | <u>1,055.08</u> | <u>6,091.35</u> |
| NOTE '9' - SHORT TERM PROVISIONS | | |
| Provision for Leave Encashment | <u>27.84</u> | 157.77 |
| Proposed Dividend | <u>82.00</u> | 123.00 |
| | <u>109.84</u> | <u>280.77</u> |

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016 (Contd.)

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

(₹ in lacs)

| TYPE OF ASSETS | Cost Additions/ upto 31.3.2015 | Deductions/ Transfers during the Year | Transfers during the Year | Assets Transferred on Demerger** 31.03.2016 | Balance upto 31.03.2016 | Depreciation/ Impairment upto 31.3.2015 | Depreciation/ Impairment upto 31.03.2016 | Depreciation/ Amortisation for the Year | Depreciation/ on sold Assets and on deductions written back | Transfer on Demerger** | Depreciation/ Impairment Value as on 31.03.2016 as on 31.03.2016 | Net Book Value as on 31.3.2015 | Net Book Value as on 31.03.2016 |
|--------------------------|--------------------------------|---------------------------------------|---------------------------|---|-------------------------|---|--|---|---|------------------------|--|--------------------------------|---------------------------------|
| TANGIBLE ASSETS | | | | | | | | | | | | | |
| Land - Freehold | 37.35 | - | - | - | 37.35 | - | - | - | - | - | 37.35 | 37.35 | 37.35 |
| Land - Freehold | 3.40 | - | - | - | 3.40 | - | - | - | - | - | 3.40 | 3.40 | 3.40 |
| - Leasehold | 1,134.74 | - | - | 1,095.74 | 39.00 | 55.22 | 1.30 | 1.30 | 50.13 | - | 6.39 | 1,079.52 | 1,079.52 |
| Buildings Under Lease | 488.85 | - | - | - | 488.85 | 123.69 | 7.66 | 7.66 | - | - | 131.35 | 357.50 | 365.16 |
| Buildings - Others | 2,372.91 | 22.87 | - | 251.82 | 2,143.96 | 1,110.07 | 65.94 | 65.94 | 14.24 | - | 1,161.77 | 982.19 | 1,262.84 |
| Machinery | 24,534.96 | 0.99 | - | 22,148.07 | 2,387.88 | 16,657.94 | 101.13 | 101.13 | 16,245.82 | - | 513.25 | 1,874.63 | 7,877.02 |
| Laboratory Equipments | 60.14 | 0.04 | - | 58.65 | 1.53 | 28.31 | 0.14 | 0.14 | 27.40 | - | 1.05 | 0.48 | 31.83 |
| Furniture & Fixtures | 464.24 | 0.24 | - | 454.50 | 9.98 | 392.56 | 0.92 | 0.92 | 387.18 | - | 6.30 | 3.68 | 71.68 |
| Vehicles | 234.10 | 39.61 | - | 215.29 | 58.42 | 97.13 | 3.14 | 3.14 | 90.94 | - | 9.33 | 49.09 | 136.97 |
| Total (A) | 29,330.69 | 63.75 | - | 24,224.07 | 5,170.37 | 18,464.92 | 180.23 | 180.23 | 16,815.71 | - | 1,829.44 | 3,340.93 | 10,865.77 |
| INTANGIBLE ASSETS | | | | | | | | | | | | | |
| Computer Software | 102.81 | - | - | 102.81 | - | 93.54 | - | - | 93.54 | - | - | - | 9.27 |
| Total (B) | 102.81 | - | - | 102.81 | - | 93.54 | - | - | 93.54 | - | - | - | 9.27 |
| Total (A+B) | 29,433.50 | 63.75 | - | 24,326.88 | 5,170.37 | 18,558.46 | 180.23 | 180.23 | 16,909.25 | - | 1,829.44 | 3,340.93 | 10,875.04 |
| Previous year | 28,616.64 | 847.09 | 30.23 | - | 29,433.50 | 18,058.08 | 569.85 | 569.85 | 69.47 | - | 18,558.46 | 10,875.04 | 10,565.52 |

Note : 1) The depreciation charged on Fixed Assets in the Profit & Loss Account does not include an amount of ₹ 5.89 lac (Last year ₹ 0.18 lac) allocated to construction work in progress of Joint Venture.

** After considering transactions of 2014-15.

**NOTES ANNEXED TO AND FORMING PART OF
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT 31.03.2016 (₹ in Lacs) | AS AT 31.03.2015 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| NOTE '11' - NON CURRENT INVESTMENTS | | |
| LONG TERM INVESTMENTS (AT COST) | | |
| TRADE INVESTMENTS : (EQUITY) | | |
| Investments In Associates : | | |
| 675,000 Equity shares of Pudumjee Plant Laboratories Ltd. of ₹ 10/- each fully paid (unquoted) | 60.00 | 60.00 |
| 49,02,515 Equity shares of Pudumjee Industries Ltd. of ₹ 2/- each fully paid (quoted)* | 927.92 | 1,176.84 |
| 24,61,131 (Last year Nil) Equity Shares of Pudumjee Paper Products Ltd. of ₹ 1/- each fully paid (quoted)* | 178.83 | |
| Other Investment : | | |
| 4,000 Shares of Saraswat Co-op Bank Ltd. of ₹ 10/- each fully paid (unquoted) | 0.40 | 0.40 |
| 95,791 Units of Redart India Trust (Alternative Investment Fund) | - | 100.00 |
| | <u>1,167.15</u> | <u>1,337.24</u> |
| Less : Provision for Diminution in value of Long term Investments deducted per contra | 60.00 | 60.00 |
| | <u>1,107.15</u> | <u>1,277.24</u> |
| * The cost of Pudumjee Paper Products Ltd.shares have been arrived at as per section 49 (2 C) & (2 D) of the Income Tax Act on demerger & reduced from the cost of Pudumjee Industries Ltd.shares. | | |
| Aggregate amount of quoted investments | | |
| Cost | 1,106.75 | 1,176.84 |
| Market Value | 918.53 | 557.22 |
| Aggregate amount of unquoted investments | | |
| Cost | 60.40 | 160.40 |
| NOTE '12' - LONG TERM LOANS & ADVANCES | | |
| (Unsecured, Considered good, unless otherwise stated) | | |
| Prepaid Expenses | 6.65 | 15.14 |
| Security Deposits | 29.46 | 71.63 |
| Less : Provision for Doubtful Advances deducted per contra | - | 0.81 |
| Loans & Advances to Associates | 2,136.23 | 6,114.88 |
| Others Advances | 360.00 | 308.58 |
| Secured Last Year (Nil) | | |
| Less : Provision for Doubtful Advances deducted per contra | - | 32.05 |
| | <u>2,532.34</u> | <u>6,477.37</u> |
| NOTE '13' - CURRENT INVESTMENTS | | |
| CURRENT INVESTMENTS IN MUTUAL FUNDS (unquoted) (EACH VALUED ON LOWER OF COST OR FAIR VALUE) | | |
| 65 (Last Year 7,865) Units of SBI Magnum Insta Cash Fund of ₹ 10/- each fully paid | 0.65 | 79.05 |
| 48 (Last Year 6,696) Units of Reliance Liquid Fund. of ₹ 1000/- each fully paid | 0.44 | 61.42 |
| | <u>1.09</u> | <u>140.47</u> |
| Aggregate amount of unquoted investments | | |
| Cost | 1.09 | 140.47 |

PUDUMJEE PULP & PAPER MILLS LIMITED

**NOTES ANNEXED TO AND FORMING PART OF
THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016 (Contd.)**

| | AS AT 31.03.2016 (₹ in Lacs) | AS AT 31.03.2015 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| NOTE '14' - INVENTORIES | | |
| Raw material (At cost) | 34.36 | 975.59 |
| Work-in-process (At cost) | 1,518.34 | 2,299.96 |
| Finished Stock | 376.95 | 1,960.99 |
| (At lower of cost or market value) | | |
| Stores, Spare Parts Etc. (At Cost) | - | 1,071.07 |
| Stores, Spare Parts Etc. (At Cost) in transit | - | 0.58 |
| Loose Tools (At Cost) | - | 1.15 |
| Stock in Trade - Land | 1,441.67 | 1,441.67 |
| - Other developments | 305.03 | 270.92 |
| [See note 25.03 (a)] | <u>3,676.35</u> | <u>8,021.93</u> |
| NOTE '15' - TRADE RECEIVABLES (Unsecured) | | |
| Debts outstanding for a period exceeding six months from due date | | |
| Considered Good | 6.69 | 70.47 |
| Considered Doubtful | - | 535.04 |
| | <u>6.69</u> | <u>605.51</u> |
| Other Debts | | |
| Considered Good | 104.96 | 3,427.31 |
| Considered Doubtful | - | - |
| | <u>111.65</u> | <u>4,032.82</u> |
| Less : Provision for Doubtful Debts deducted per contra | - | 535.04 |
| | <u>111.65</u> | <u>3,497.78</u> |
| | <u>111.65</u> | <u>3,497.78</u> |
| NOTE '16' - CASH & BANK BALANCES | | |
| Cash on hand as per books | 0.17 | 5.37 |
| Deposit with Bank for Margin Money (with maturity beyond 12 months) | 12.00 | 15.00 |
| On other Deposit account with Bank | - | 354.75 |
| On other accounts with Banks | 181.79 | 150.69 |
| Cheques on hand | 160.76 | 159.88 |
| Unpaid Dividends account with Banks | 19.59 | 18.80 |
| | <u>374.31</u> | <u>704.49</u> |
| NOTE '17' - SHORT TERM LOANS & ADVANCES | | |
| (Unsecured, Considered Good other than related parties) | | |
| Prepaid Expenses | 33.47 | 89.17 |
| Security Deposits | - | 2.96 |
| Interest Accrued | | |
| On Banks & Other Deposits | 2.94 | 10.10 |
| Capital Advances | 32.16 | 66.53 |
| Advance Income Tax for Current year (Less Provision for Current year Tax) | 15.80 | 53.96 |
| Advances to employees of the Company | 2.30 | 19.82 |
| Balance with Government Authorities | 41.75 | 770.91 |
| Advances to Suppliers | 725.08 | 832.78 |
| Sundry Advances | 308.49 | 512.77 |
| | <u>1,075.32</u> | <u>2,116.46</u> |
| Less : Provision for Doubtful Advances deducted per contra | - | 5.29 |
| | <u>1,075.32</u> | <u>2,111.17</u> |
| | <u>1,161.99</u> | <u>2,353.71</u> |

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016**

| | Year Ended <u>31.03.2016</u> (₹ in Lacs) | Year Ended <u>31.03.2015</u> (₹ in Lacs) |
|---|--|--|
| NOTE '18' - REVENUE FROM OPERATIONS | | |
| PAPER | - | 27,285.06 |
| Less : Excise Duty | - | 1,647.92 |
| TRADE SALE | | |
| Shares | 301.32 | 1,563.46 |
| Others | - | 25.38 |
| SALE OF WIND POWER | 415.73 | 265.58 |
| MISCELLANEOUS SALES | - | 113.27 |
| Less : Excise Duty | - | 0.56 |
| PROCESSING AND OTHER CHARGES | - | 1,662.89 |
| REAL ESTATE ACTIVITY | 2,557.33 | 3,951.07 |
| OTHER OPERATING REVENUE | 99.80 | 90.84 |
| | <u>3,374.18</u> | <u>33,309.07</u> |
| DISCONTINUED OPERATIONS (Included in above) (Refer Note No.25.01 vi) | - | 27,482.13 |
| NOTE '19' - OTHER INCOME | | |
| DIVIDENDS | | |
| OTHERS | 16.10 | 40.03 |
| MISCELLANEOUS INCOME | 120.14 | 21.73 |
| INTEREST RECEIVED FROM OTHERS | 223.41 | 775.54 |
| PROFIT ON SALE/TRANSFER OF FIXED ASSETS (NET) | - | 26.83 |
| | <u>359.65</u> | <u>864.13</u> |
| DISCONTINUED OPERATIONS (Included in above) (Refer Note No.25.01 vi) | - | 625.35 |
| NOTE '20' - COST OF MATERIAL CONSUMED | | |
| CONSUMPTION OF RAW MATERIALS | 1,148.13 | 13,820.10 |
| CONSUMPTION OF STORES, COLOURS,CHEMICALS etc. | - | 3,044.63 |
| | <u>1,148.13</u> | <u>16,864.73</u> |
| DISCONTINUED OPERATIONS (Included in above) (Refer Note No.25.01 vi) | - | 15,007.97 |
| NOTE '21' - CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROCESS AND STOCK-IN-TRADE | | |
| STOCK AT COMMENCEMENT | | |
| Finished Paper / Shares / Construction | 483.43 | 2,687.18 |
| Work-in-Process | | |
| - Pulp | - | 28.47 |
| - Paper | - | 535.29 |
| STOCK AT CLOSE | | |
| Finished Paper / Shares / Construction | 376.95 | 1,960.99 |
| Work-in-Process | | |
| - Pulp | - | 5.23 |
| - Paper | - | 384.82 |
| | <u>376.95</u> | <u>2,351.04</u> |
| | <u>106.48</u> | <u>899.90</u> |
| DISCONTINUED OPERATIONS (Included in above) (Refer Note No.25.01 vi) | - | 296.33 |

PUDUMJEE PULP & PAPER MILLS LIMITED

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)**

| | Year Ended <u>31.03.2016</u> (₹ in Lacs) | Year Ended <u>31.03.2015</u> (₹ in Lacs) |
|--|--|--|
| NOTE '22' - EMPLOYEES' COST | | |
| SALARIES, WAGES, BONUS etc. | | |
| Salaries, Wages, gratuity & Bonus | 307.66 | 2,717.01 |
| Contribution to Provident & Other Funds (Including Administrative Charges) | 43.03 | 243.04 |
| Employees State Insurance | - | 2.41 |
| Workmen & Staff Welfare Expenses | 5.68 | 124.96 |
| | <u>356.37</u> | <u>3,087.42</u> |
| DISCONTINUED OPERATIONS | - | - |
| (Included in above) (Refer Note No. 25.01 vi) | <u>-</u> | <u>2,999.68</u> |
| NOTE '23' - FINANCE COST | | |
| INTEREST ON BORROWINGS | 172.43 | 1,063.87 |
| OTHER FINANCIAL CHARGES | 0.09 | 89.52 |
| | <u>172.52</u> | <u>1,153.39</u> |
| LESS: INTEREST RECEIVED ON DEBTORS | - | 88.31 |
| | <u>172.52</u> | <u>1,065.08</u> |
| DISCONTINUED OPERATIONS | - | - |
| (Included in above) (Refer Note No.25.01 vi) | <u>-</u> | <u>775.53</u> |
| NOTE '24' - OTHER EXPENSES | | |
| FUEL, POWER & WATER | 64.09 | 5,580.33 |
| RENT | 91.10 | 21.84 |
| RATES & TAXES | 16.98 | 54.66 |
| REPAIRS & MAINTENANCE | | |
| Machinery | 48.19 | 845.16 |
| Buildings | - | 61.24 |
| Others | 0.02 | 23.14 |
| | <u>48.21</u> | <u>929.54</u> |
| INSURANCE | 2.47 | 32.51 |
| PACKING, CARTAGE, CUTTING, BALING, FREIGHT ETC. | - | 560.30 |
| DEVELOPMENT & RESEARCH EXPENSES | - | 96.31 |
| COMMISSION ON SALES | - | 198.88 |
| DIRECTORS' FEES | 4.27 | 5.70 |
| EXCISE DUTY ON STOCK | - | (4.82) |
| FOREIGN EXCHANGE LOSS / (GAIN) | - | 76.84 |
| PROVISION FOR DOUBTFUL DEBTS | - | 18.22 |
| ADVERTISEMENT EXPENSES | 19.54 | 61.64 |
| CORPORATE SOCIAL RESPONSIBILITY | 40.00 | 10.20 |
| OFFICE & MISCELLANEOUS EXPENSES | 181.87 | 639.44 |
| | <u>468.53</u> | <u>8,281.59</u> |
| DISCONTINUED OPERATIONS | - | - |
| (Included in above) (Refer Note No.25.01 vi) | <u>-</u> | <u>7,870.81</u> |

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

25.01 Note on Scheme of Arrangement & Demerger

- i Pursuant to the Scheme of Arrangement (“the Scheme”) between the Parent company, Pudumjee Industries Ltd (PIL), Pudumjee Hygiene Products Ltd (PHPL), Pudumjee Paper Products Ltd (PPPL) and their respective shareholders and creditors as approved by the High Court of Mumbai vide its order dated 8th January, 2016, which became effective on 1st February, 2016 (effective date) on filing with the Registrar of Companies, all the assets and liabilities of the Paper Manufacturing Business of the Company have been transferred to the PPPL (Transferee Company) at their respective book values on a going concern basis with effect from the appointed date (i.e 1st April, 2014). Accordingly, the Scheme of Arrangement has been given effect to in these accounts. The details of Assets & Liabilities transferred, as on 1st April, 2014 and also corresponding reduction of Reserves & Surplus are as under :

| Particulars | Amount (₹ In Lacs) |
|--|-----------------------|
| Total Assets Transferred (including fixed assets at cost of ₹ 23545.86 lacs Less accumulated depreciation of ₹ 16580.95 lacs plus Capital Work in Progress ₹ 5783.62 Lacs) | 25778.53 |
| Total Liabilities Transferred | 15979.69 |
| Net Assets Transferred | 9798.84 |
| Adjusted to – | |
| General Reserves | 7600.00 |
| Surplus from the Statement of Profit & Loss Account | 2198.84 |

- ii The net profit of the demerged paper manufacturing business of the company for the period from appointed date i.e. 1st April, 2014 to 31st March, 2015 of ₹ 440.74 lacs is adjusted in surplus i.e. balance in the Profit & Loss Account.
- iii As per the Scheme, each share holder of the Parent Company , as on record date, has received 37 equity shares of ₹ 1 each in the Pudumjee Paper Products Ltd., for every 20 Equity Shares of ₹ 2 each held in the Parent Company.
- iv The transactions pertaining to Paper Manufacturing business from the appointed date (i.e. 1st April, 2014) upto the effective date (i.e. 1st February, 2016) of the Scheme of arrangement, have been deemed to be made by Pudumjee Paper Products Ltd.
- v Consequent to the Demerger of the Paper Manufacturing business of the Parent Company in terms of the Scheme, the Financial Statements of the Parent Company for the year ended March 31, 2016, do not include operations of the Demerged paper manufacturing business and therefore are not comparable with the figures of the Previous Year ended March 31, 2015.
- vi The revenue and expense in respect of the ordinary activities attributable to the Discontinuing Operations:

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '25' - (Contd.)

(₹ in Lacs)

| | Particulars | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|-------|--|--------------------------|--------------------------|
| I. | Revenue from operations | - | 27482.13 |
| II. | Other Income | - | 625.35 |
| III. | Total Revenue | | 28107.48 |
| IV. | Expenses: | | |
| | Cost of Materials consumed | - | 15007.97 |
| | Trade Purchases | - | 19.53 |
| | Changes in Inventories of finished goods, work-in-progress and Stock-in-trade | | |
| | Employee Benefit Expenses | - | 296.33 |
| | Financial Costs | - | 2999.68 |
| | Depreciation and amortization expenses | - | 775.53 |
| | Other expenses | - | 348.56 |
| | | - | 7870.81 |
| | Total Expenses | - | 27318.41 |
| V. | Profit before exceptional and extra ordinary items | - | 789.07 |
| VI. | Earlier Year Income | - | - |
| VII. | Profit before Tax | - | 789.07 |
| VIII. | Tax Expenses: | | |
| | 1. Current Tax | - | 381.56 |
| | 2. Deferred Tax | - | -33.23 |
| IX. | Profit | - | 440.74 |

vii Carrying Value of Assets and Liabilities of Discontinued Paper Manufacturing Business

(₹ in Lacs)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|-------------------|--|--|
| Total Assets | NIL | 27911.24 |
| Total Liabilities | NIL | 17671.69 |
| Net Assets | NIL | 10239.55 |

viii Details of Cash Flows relating to Discontinued Paper Manufacturing Business

(₹ in Lacs)

| | For the year ended 31 st March, 2016 | For the year ended 31 st March, 2015 |
|---|--|--|
| Net Cash flow from Operating Activities | NIL | -306.90 |
| Net Cash flow from Investing Activities | NIL | -1217.09 |
| Net Cash flow from Financing Activities | NIL | 1859.25 |
| Net Cash Inflows / (Outflows) | NIL | 335.26 |

ix Pursuant to the Scheme of Arrangement, the Secured Loans and facilities concerning the demerged business stands transferred to the Pudumjee Paper Products Ltd. along with the Security created therefor on the assets transferred. However the security, whether by way of first charge or second charge on other assets i.e. Land and Buildings at Pune which have not been transferred by the Parent Company, continues to subsist in favour of the lenders for their loans (as per the agreements initially executed by the Parent Company in favour of the lenders while availing the loans), till their release, until appropriate documents are executed.

x Pursuant to the Scheme, Land & Buildings at Pune, belonging to the Parent Company have been given on Leave & License basis to Pudumjee Paper Products Limited (PPPL), on terms for 5 years from the effective date, i.e. 1st February, 2016, to enable PPPL to shift its operations, in due course of time, to the Industrial Area of Mahad District – Raigad.

NOTE '25' - (Contd.)

25.02 Salary, Wages, gratuity and bonus (Note No 22) does not include a sum of ₹ 22.21 lacs (Last year ₹ 109.15 lacs) transferred to under stock in trade.

25.03 a) Land admeasuring 96111.84 sqft at Thergaon, Pune costing ₹ 0.14 lac, 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 ₹ 34.11 lacs during the year and ₹ 270.92 lacs in the earlier year incurred in this regard is carried forward as a part of stock in trade.

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

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

| 25.04 Payments made to Auditors: | 2015-2016 | 2014-2015 |
|---|--------------------|--------------------|
| | (₹ in Lacs) | (₹ in Lacs) |
| Audit fees | 4.36 | 4.10 |
| Taxation matters | 1.43 | 1.18 |
| Others | 2.21 | 3.51 |
| | 8.00 | 8.79 |

25.05 Corporate Social Responsibility expenses debited to the Profit & Loss account ₹ 40.00 lacs (Last year ₹ 10.20 Lacs) represents amount actually spent during the year on purpose other than construction / acquisition of Assets.

25.06 To the best of knowledge of the company, none of the creditors are 'Small enterprise' within its meaning under clause (m) of section 2 of the Micro,Small and Medium Enterprises Development Act, 2006 & therefore principal amount,interest paid/payable or accrued is NIL.

| 25.07 a) Contingent Liabilities not provided for in respect of : | AS AT | AS AT |
|---|--------------------|--------------------|
| | 31.03.2016 | 31.03.2015 |
| | (₹ in Lacs) | (₹ in Lacs) |
| i) Bank Guarantees and Letters of Credit in favour of suppliers of raw materials, spares etc.* | - | 2,156.79 |
| ii) Guarantee for Firm/Other Companies * | 1,000.00 | 70.85 |
| iii) Claims against the Company not acknowledged as debts for excise duty, property tax and commercial claims etc. ** | 59.49 | 720.72 |
| * 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) Estimates of contracts of Parent company remaining to be executed on capital account | 133.26 | 207.57 |

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NOTE '25' (Contd.)

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

- a) Fixed Assets are valued at cost.
- b) Borrowing costs comprising interest etc. relating to projects are capitalised up to the date of its completion and other borrowing costs are charged to Profit & Loss Account in the year of their accrual .
- c) Depreciation on Machinery & Building has been provided on Straight Line Method and that on the other Assets on Written Down Value method till 31-03-2014. The depreciation is provided on all the assets based on the useful lives of the assets on straight line method w.e.f. 01/04/2014 , in accordance with schedule II of the Companies Act 2013.

Lease hold land is amortised based on period of residual lease. In case of joint venture firm temporary structures are amortized in proportion of properties fully completed.
- d) Finished stock is valued at lower of cost or market value. Land treated as stock in trade duly revalued at fair market value on the date of treatment, is carried at that value together with actual development expenses incurred thereon.

All other inventories are valued at lower of cost on First In First Out Method or realisable value.
- e) Investments are classified into current and long term investments. Current investments are stated at lower of cost or fair value. Long term investments are stated at cost, less provision for permanent diminution in value ,if any.
- f) (i) Contributions to defined contribution schemes, namely, Provident Fund and Superannuation Fund is made at a pre-determined rates and are charged to the Profit & Loss Account.

(ii) Contributions to the defined benefit scheme, namely, Gratuity Fund & provision for the remaining Gratuity, Pension and for Leave encashment are made on the basis of actuarial valuations made in accordance with the revised Accounting Standard (AS) 15 at the end of each Financial Year and are charged to the Profit & Loss Account of the year.

(iii) Actuarial gains & losses are recognized immediately in the Profit & Loss Account.
- g) Foreign Exchange Transactions are recorded at the then prevailing rate. Closing balances of Assets & Liabilities relating to foreign currency transactions are converted into rupees at the rates prevailing on the date of the Balance Sheet.

The difference for transactions are dealt with in the Profit & Loss Account.
- h) Lease arrangement where the risks and rewards to ownership an assets substantially vest with the lessor, are recognized as operating leases, Lease rentals under operating leases are recognized in the statement of Profit & Loss.
- i) 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, till 31.03.2015. However in view of newly introduced tax accounting standards the firm has instead adopted percentage completion method.
- j) Factors giving rise to any indication of any impairment of the carrying amount of the company's assets are appraised at each balance sheet date to determine and provide /revert an impairment loss following accounting standard AS 28 for impairment of assets.

NOTE '25' (Contd.)

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

| | <u>AS AT</u> <u>2015-2016</u> | <u>AS AT</u> <u>2014-2015</u> |
|---|----------------------------------|----------------------------------|
| Basic / Diluted EPS : | | |
| (a) Net Profit after tax as per Profit & Loss Account : | | |
| After current and deferred Tax | ₹ 719.83 lacs | ₹ 2,075.49 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) | ₹ 1.76 | ₹ 5.06 |

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

| | <u>AS AT</u> <u>2015-2016</u> (₹ in Lacs) | <u>AS AT</u> <u>2014-2015</u> (₹ in Lacs) |
|--|---|---|
| In respect of Depreciation | 468.24 | 1,858 |
| In respect of allowances and disallowances under various provisions of Income Tax Act. | <u>(28.97)</u> | <u>(418)</u> |
| Net Deferred Tax Liability | <u>439.27</u> | <u>1,440</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, 2016.
- (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.
- b) Pudumjee Plant Laboratories Limited.
- c) Pudumjee Hygeine Products Limited.
- d) Pudumjee Holding Limited.
- e) Pudumjee Paper Products Limited.

B) Key Management personnel

Shri. Arunkumar M. Jatia
Executive Chairman

Shri. V. P. Leekha
Managing Director

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

Shri. R.M. Kulkarni
Company Secretary

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NOTE '25' (Contd.)

C) Transactions with related Parties

2015-16
(2014-2015)
(₹ in Lacs)

| | <u>Associate Companies</u> | <u>Maximum during the year</u> | <u>Key Management Personnel</u> |
|--|--------------------------------|--|---|
| a) Interest bearing Inter Corporate Deposits lent during the year | 177.36 (5373.00) | | |
| b) Interest charged during the year | 174.26 (649.52) | | |
| c) Inter Corporate Deposits /Advances etc.outstanding receivable as at 31 st March, 2016 including interest Pudumjee Industries Limited | 1,361.20 (6,114.88) | 6427.00 (6201.84) | |
| Pudumjee Paper Products Limited | 775.03 (-) | 775.03 (-) | |
| d) Sale / Processing charges of goods during the year (Including Fixed Assets ₹ Nil previous year ₹ 72.05 lacs) | 158.98 (1,622.49) | | |
| e) Purchases made during the year | - (20.31) | | |
| f) Reimbursement of common services and utilities during the year. | 1.41 (335.84) | | |
| g) Rent received | 17.08 (-) | | |
| h) Remuneration | | | 260.59 (402.16) |
| i) Guarantees outstanding as at 31 st March, 2016 | 1,000.00 (35.00) | | |
| j) Debts outstanding as at 31 st March, 2016 | 166.90 (195.18) | 166.90 (292.61) | |
| k) Dividend to Associates during the year | 10.24 (10.24) | | |

Note : The figures in bracket relates to earlier year.

NOTE '25' (Contd.)

2015-2016
(2014-2015)
(₹ in Lacs)

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

| | Discontinued | | Continuing | | TOTAL |
|---|------------------|------------------------|------------------------|------------------------|--------------------------|
| | Paper-Unit | Real Estate | Investment /Others | Power Generation | |
| SEGMENT REVENUE | – (27,482.13) | 2,557.33 (3,951.07) | 301.32 (1,563.46) | 515.53 (312.41) | 3,374.18 (33,309.07) |
| SEGMENT RESULTS | – (1,348.29) | 1,062.90 (1,718.11) | (186.20) (103.10) | 253.11 (80.25) | 1,129.81 (3,249.75) |
| Unallocated corporate expenses | | | | | 250.54 (394.64) |
| Operating Profit | | | | | 879.27 (2,855.11) |
| Interest Expenses | | | | | – (1,074.00) |
| Interest Income | | | | | 223.41 (863.85) |
| Dividend Income | | | | | 16.10 (40.03) |
| Income in respect of Investments | | | | | – – |
| Income Taxes including Deferred Tax | | | | | 398.95 (608.95) |
| Profit from ordinary activities | | | | | 719.83 (2,076.04) |
| Extra Ordinary Income | | | | | – (–) |
| Minority Interest | | | | | – (0.55) |
| Net Profit after Minority interest as per Profit & Loss Account | | | | | 719.83 (2,075.49) |
| OTHER INFORMATION | | | | | |
| Total carrying amount of Segment Assets | – (23,807.93) | 2,481.77 (3,421.59) | 2,901.09 (1,293.80) | 2,264.56 (2,255.31) | 7,647.42 (30,778.63) |
| Add: Unallocated Corporate Assets | | | | | 4,704.88 (9,038.32) |
| Total Assets as per Balance Sheet | | | | | 12,352.30 (39,816.95) |
| Total carrying amount of Segment Liabilities | – (5,726.56) | 1,324.11 (736.33) | 74.80 (56.18) | 486.28 (74.33) | 1,885.19 (6,593.40) |
| Add: Unallocated Corporate Liabilities | | | | | 10,467.11 (33,223.55) |
| Total Liabilities as per Balance Sheet | | | | | 12,352.30 (39,816.95) |
| Capital Expenditure incurred during the year | – (1,482.86) | 4.31 (18.39) | 26.34 (31.14) | – – | 30.65 (1,532.39) |
| Depreciation for the Year | – (348.56) | 15.63 (16.87) | 57.91 (55.35) | 100.80 (100.80) | 174.34 (521.58) |
| Other Non Cash Expenditure | | – (–) | – (–) | – (–) | – (–) |
| Sales Revenue by Geographical Segments | | | | | |
| WITHIN INDIA | – (27,020.49) | 2,557.33 (3,951.07) | 301.32 (1,563.46) | 515.53 (312.41) | 3,374.18 (32,847.43) |
| OUTSIDE INDIA | – (461.64) | – – | – – | – – | – (461.64) |
| | – (27,482.13) | 2,557.33 (3,951.07) | 301.32 (1,563.46) | 515.53 (312.41) | 3,374.18 (33,309.07) |

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '25' - (Contd.)

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

25.13 The Company had entered into lease/ leave & license agreements (including leave & license agreement pursuant to the scheme) for commercial use on terms and conditions as specified in their agreements for period ranging from 2 years to 5 years. In respect of this agreement the future minimum lease/ rental payments receivable is as under :

(₹ in Lacs)

| Particulars | 31-Mar-16 | 31-Mar-15 | 31-Mar-16 | 31-Mar-15 |
|---|-------------|-----------|-----------|-----------|
| | Receivables | | Payables | |
| i) not later than one year | 57.48 | Nil | 102.27 | Nil |
| ii) later than one year and not later than five years | 195.00 | Nil | 302.79 | Nil |
| iii) later than five years | Nil | Nil | Nil | Nil |

All such lease receipts/payments for the year are recognized in Profit & Loss Account as Miscellaneous Income / Rent Expenses..

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

- a) An amount of ₹ 37.87 lacs (Last year ₹ 169.05 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 31.03.2016 :

| | Gratuity (Partly funded) (₹ in Lacs) | | Leave Encashment (Unfunded) (₹ in Lacs) | |
|---|--|-----------|---|-----------|
| | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
| i) The present value of defined benefit obligations at the commencement of the Year | 959.55 | 895.05 | 157.76 | 126.13 |
| Less - Transferr pursuant to scheme of Demerger | 834.65 | - | 136.93 | - |
| | 124.90 | 895.05 | 20.83 | 126.13 |
| ii) Current Service cost | 8.87 | 55.14 | 4.23 | 19.48 |
| iii) Interest cost | 9.77 | 80.55 | 1.61 | 11.35 |
| iv) Actuarial (Gain)/Loss | 12.59 | 67.39 | 3.14 | 29.64 |
| v) Benefits (Paid) | - | (138.58) | (1.97) | (28.84) |
| vi) Past Service Cost | - | - | - | - |
| vii) The present value of defined benefit obligations at the close of the Year | 156.13 | 959.55 | 27.84 | 157.76 |
| viii) The fair value of plan assets at the close of the year | 91.41 | 259.30 | - | - |
| ix) The Past service cost not yet recognized | - | - | - | - |
| x) Expected return on plan assets | (6.85) | (22.16) | - | - |

NOTE '25' - (Contd.)

| | | | | |
|--|-----------|-----------|-----------|-----------|
| d) Actuarial assumptions | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
| i) Rate of interest (per annum) | 7.75% | 7.75% | 7.75% | 7.75% |
| ii) Salary growth (per annum) | 7.00% | 7.00% | 7.00% | 7.00% |
| iii) Withdrawal rate (Per annum) | 1.00% | 1.00% | 1.00% | 1.00% |
| iv) Expected return on Plan Assets | 8.50% | 9.00% | — | — |
| v) Mortality rates : Indian Assured Lives (2006-08) | Ultimate | Ultimate | Ultimate | Ultimate |

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

| Name of the Company | Country of incorporation | Proportion of Ownership Interest | Minority Interest | Financial Accounting year ended |
|---|-----------------------------|--|----------------------|---------------------------------------|
| I) Subsidiary Companies | | | | |
| a) Pudumjee Investment & Finance Co. Ltd. | India | 100% | Nil | 31.03.2016 |
| II) Joint Venture Firm | | | | |
| a) M/s Pudumjee-G : Corp Developers | India | 60% | 40% | 31.03.2016 |
| III) Associate Companies/ Firm | | | | |
| a) Pudumjee Industries Ltd. | India | 27.24% | N. A. | 31.03.2016 |
| b) Pudumjee Plant Laboratories Ltd. | India | 27.11% | N. A. | 31.03.2016 |
| c) Pudumjee Paper Products Ltd. | India | 2.59% | N. A. | 31.03.2016 |
| d) Pudumjee Hygeine Products Ltd. | India | Nil | N. A. | 31.03.2016 |
| e) Pudumjee Holding Ltd. | India | Nil | N. A. | 31.03.2016 |

b) (i) Pudumjee Investment & Finance Co.Ltd subsidiary of the parent company Pudumjee Pulp and Paper Mills Limited has incurred the loss of ₹ 41.89 Lacs for the year ending 31st March, 2016, 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) Pudumjee Paper Products Ltd. seized to be subsidiary of parent company during the Financial Year 2015-16

d) M/S Pudumjee-G : Corp Developers is engaged in construction and sale of residential flats. It has followed completed building method till 31st March, 2015. However inview of newly introduced tax accounting standards the firm has instead adopted percentage completes method. Consequently the parent company's share of profit included in consolidated financial statement is higher in the year by ₹ 652.20 lacs as compared to previous year.

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

| | Pudumjee Investment & Finance Co.Ltd | | M/S Pudumjee-G : Corp Developers | |
|---------------------------------|---|---------------------|-------------------------------------|---------------------|
| | AS AT 31.03.2016 | AS AT 31.03.2015 | AS AT 31.03.2016 | AS AT 31.03.2015 |
| i) Share Capital | 499.00 | 499.00 | 70.00 | 70.00 |
| ii) Reserves & Surplus | (524.68) | (483.44) | — | — |
| III) Total Assets | 823.95 | 987.21 | 3,634.27 | 5,538.99 |
| iv) Total Liabilities | 823.95 | 987.21 | 3,634.27 | 5,538.99 |
| v) Investment | 573.16 | 673.16 | 1.82 | 234.11 |
| vi) Turnover | 301.32 | 1,563.46 | 4,262.22 | 6,585.12 |
| vii) Profit / (Loss) before Tax | (41.89) | 3.39 | 1,795.21 | 2,683.18 |
| viii) Provision for Tax | (0.65) | 0.65 | 616.00 | 427.82 |
| ix) Profit / (Loss) after Tax | (41.24) | 2.74 | 1,179.21 | 2,255.36 |
| x) Proposed Dividend | — | — | — | — |

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTE '25' - (Contd.)

- f) Companies (A) / Minority Interest (B) in all Subsidiaries, Associates. (Investment as per the equity Method) :-

| Name of the entity in the | Net Assets i.e. total Assets Minus total Liabilities (As per Balance Sheet) | | 2015-2016 (2014-2015) Share in Profit / (Loss) | |
|---|---|--------------------------|---|--------------------------|
| | As % of Consolidated Net Assets | Amount (₹ in Lacs) | As % of Consolidated Profit/(Loss) | Amount (₹ in Lacs) |
| | (A) Companies Interest in all Subsidiaries / Associates/Joint ventures | | | |
| Parent Subsidiaries (Indian) | | | | |
| 1) Pudumjee Investment & Finance Company Ltd. | -0.29% (-.08%) | (25.68) (15.56) | -5.73% (0.13%) | (41.24) (2.74) |
| 2) Pudumjee Paper Products Ltd. | - (0.54%) | - (101.12) | - (0.03%) | - (0.57) |
| Associates | | | | |
| 1) Pudumjee Plant Laboratories Ltd | 1.96% (-1.00%) | 171.38 (-186.21) | -9.13% (-2.45%) | (65.71) (-50.93) |
| 2) Pudumjee Industries Ltd | 39.02% (23.20%) | 3,405.85 (4320.18) | 0.90% (0.43%) | 6.50 (8.82) |
| Joint Ventures (as per Proportionate consolidation) (Indian) | | | | |
| 1) Pudumjee G: Corp Developers | 0.80% (0.38%) | 70.00 (70.00) | 98.29% (65.00%) | 707.52 (1353.21) |
| (B) Minority Interest in consolidated Net Assets/Net Profit | - | - | - | - |

- g) No contingent liability has been incurred by the company in respect of Joint Venture except to the extent of a corporate guarantee of ₹ 1000 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.
- h) No capital commitment has been incurred by the company in respect of the Joint Venture. Its share of aggregate capital commitment is Nil.

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

SIGNATURE TO THE NOTES "1" TO "25"

As per our report of date attached

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

Y. P. SHUKLA
Proprietor

Mumbai, Dated : 28th May, 2016

B.C. DALAL
Director

R. M. KULKARNI
Company Secretary

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

On behalf of the Board,

A. K. JATIA
Executive Chairman

V.P. LEEKHA
Managing Director

Mumbai, Dated : 28th May, 2016

Form AOC-1

Statement containing salient features of financial statements of Subsidiaries /Associate Companies/Joint Ventures
(Pursuant to first proviso to sub-section (3) of section 129 read
with rule 5 of Companies (Accounts) Rules, 2014)

PART- A (Subsidiaries)

| Name of the subsidiary | Pudumjee Investment & Finance Co. Ltd |
|--|---------------------------------------|
| Reporting period for the subsidiary concerned | 01-04-2015 to 31-03-2016 |
| Reporting currency | ₹ in Lacs |
| Share capital | 499.00 |
| Reserves & surplus | (524.68) |
| Total assets | 823.95 |
| Total Liabilities | 823.95 |
| Investments | 573.16 |
| Turnover | 356.51 |
| Profit before taxation | (41.89) |
| Provision for taxation | 0.65 |
| Profit after taxation | (41.24) |
| Proposed Dividend | N.A. |
| % of shareholding | 100% |
| Names of subsidiaries which are yet to commence operations | NA |

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
₹ In Lakhs (Except No. of shares and percentages)

| Name of Associates/ Joint Ventures | Pudumjee Plant Laboratories Ltd. (PPLL) | Pudumjee Industries Ltd. (PIL) | Pudumjee - G:Corp Developers |
|---|--|-----------------------------------|---------------------------------|
| Latest audited Balance Sheet Date | 31 st March, 2016 | 31 st March, 2016 | 31 st March, 2016 |
| Shares of Associate/Joint Ventures held by the company on the year end | | | |
| i) Number of Shares | 675,000 | 4902515* | NA |
| ii) Amount of Investment in Associates/ Joint Venture at cost | 60.00 | 555.39 | 35.00 |
| iii) Extent of Holding % | 27.11% | 27.24%* | 60% |
| Description of how there is significant influence | Note - A | Note - A | Note - A |
| Reason why the associate is not consolidated | The Company has made full provision for its investment in Pudumjee Plant Laboratories Ltd. and the loss suffered has been ignored while consolidating the accounts in accordance with Accounting Standard AS 23. | NA | NA |
| Networth attributable to Shareholding/ Partner as per latest audited Balance Sheet | 46.46 | 373.70 | 42.00 |
| Profit / Loss for the year | | | |
| i) Considered in Consolidation | --- | Profit ₹ 6.50 | Profit ₹ 707.52 |
| ii) Not Considered in Consolidation (Rs. Lakhs) | Net Loss ₹ 242.40 | Net Profit ₹ 23.88 | --- |

Note - A : The Company holds more than 20% shareholding in associated companies directly and through its subsidiaries.
In Pudumjee - G Corp Developers, the Company has 60% of profit sharing.

Including the Shareholding of Pudumjee Investment & Finance Co. Ltd.

As per our report of date attached

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

Y. P. SHUKLA
Proprietor

B.C. DALAL
Director

R. M. KULKARNI
Company Secretary

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

On behalf of the Board,

A. K. JATIA
Executive Chairman

V.P. LEEKHA
Managing Director

Mumbai, Dated : 28th May, 2016

Mumbai, Dated : 28th May, 2016

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FORM NO. MGT-11

Proxy Form

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

Name of the Company : **PUDUMJEE PULP & PAPER MILLS LIMITED - CIN: L21012MH1964PLC013058**
Registered office : **THERGAON, PUNE 411 033.**

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

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

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

as my/ our proxy to attend and vote (on a poll) for me/ us and on our behalf at the 51st Annual General Meeting of the company, to be held on the Saturday, the 17th day of September, 2016 at 11.30 a.m. (ST) at the Registered Office of the Company at Thergaon, Pune 411 033 and at any adjournment thereof in respect of such resolutions as are indicated below :

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

1. Adoption of Accounts & Reports of Directors & Auditors
2. Appointment of Director retiring by rotation.
3. Declaration of Dividend
4. Appointment of Auditors
5. Consent to the subsisting contracts already entered/to be entered into with Related Parties.
6. Approval to the Change of name of the Company.
7. Determination of fees/charges to be charged/recovered from shareholders for service of documents in a particular mode.

Signed this.....day of2016.



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.



PUDUMJEE

PUDUMJEE PULP & PAPER MILLS LIMITED

Registered Office:- Thergaon, Pune - 411 033.

Tel: +91-20-30613333, Fax: +91-20-40773388

CIN:- L21012MH1964PLC013058

Website : www.pudumjeepulp.com, Email : sk@pune.pudumjee.com

ATTENDANCE SLIP

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

1. Name and Registered Address of the sole / first
named Shareholder :
2. Name(s) of the Joint Shareholder(s) if any :
3. Name of Proxy (if any) :
4. Registered Folio No./DPID & Client ID No. :
5. Number of Shares held :

I hereby record my presence at the 51st Annual General Meeting of the Company at its Registered Office at Thergaon, Pune 411 033, at 11.30 a.m. (ST) on Saturday, the 17th day of September, 2016.

Signature of the Member/Proxy

COURIER / REGD. POST

If undelivered, please return to :

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