

PUDUMJEE INDUSTRIES LIMITED



PUDUMJEE

**Annual Report
2012 - 2013**

PUDUMJEE INDUSTRIES LIMITED

DIRECTORS :

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

BANKERS :

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

SOLICITORS :

KANGA & COMPANY

AUDITORS :

KHARE & COMPANY

REGISTERED OFFICE :

THERGAON, PUNE – 411 033

REGISTRAR & TRANSFER AGENTS :

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

Demat Stock code : INE105C01023

EQUITY SHARES ARE LISTED AT :

BOMBAY STOCK EXCHANGE AND
NATIONAL STOCK EXCHANGE, MUMBAI.

NOTICE

The Forty Eighth Annual General Meeting of the shareholders of **Pudumjee Industries Limited** will be held at the Registered Office of the Company at Thergaon, Pune - 411 033 on Monday, the 26th day of August, 2013 at 9.00 a.m. (ST) to transact the following business:

1. To receive and adopt the audited Balance Sheet as on 31st March, 2013, the Profit & Loss Account and Cash Flow Statement for the year ended on that date, together with the Reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. A. S. Dayal, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. R. P. Shroff, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

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

The Register of Members and share Transfer Books of the Company will be closed from Tuesday, the 20th day of August, 2013 to Monday, the 26th day of August, 2013, both days inclusive.

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

Mr. A. S. Dayal and Mr. R. P. Shroff, whose appointment is to be considered by Annual General Meeting as mentioned above do not hold any shares in the Company.

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

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

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

By Order of the Board of Directors,

J. W. Patil
Asst. Company Secretary

Registered Office:
Thergaon, Pune – 411 033
Dated: 23rd May, 2013

PUDUMJEE INDUSTRIES LIMITED

Communication to Members

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

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

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

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

3. Mr. Y. R. Doshi & Co., Cost Accountants, are cost auditors, who have filed the cost audit report for the financial year 2011-12 in XBRL format on 22.02.2013 (Due date 28.02.2013)

DIRECTORS' REPORT

The Directors present the Forty Eighth Annual report on the working of the Company for the year ended 31st March, 2013, together with the Statement of Accounts for that year.

FINANCIAL RESULTS

	<u>2012-2013</u> ₹ In Lacs	Previous Year ₹ In Lacs
Gross profit before interest and depreciation	813.40	521.48
Adjusting therefrom interest of	560.47	377.79
And Depreciation of	166.72	166.57
The net profit/(Loss) comes to	86.21	(22.88)
Adding thereto income for earlier year of	0.58	7.55
The balance of profit brought forward from last year of	1,055.19	1,070.02
The total comes to	<u>1,141.98</u>	<u>1,054.69</u>
Adjusting against this amount the following namely:		
Provision for current Taxation of	16.00	0.50
Provision for deferred tax expense/(saving) of	—	(1.00)
Totalling to	<u>16.00</u>	<u>(0.50)</u>
There remains a balance of	<u>1,125.98</u>	<u>1,055.19</u>

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

CONSOLIDATED FINANCIAL STATEMENTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:-

- i. in the preparation of annual accounts, the applicable accounting standards have been followed and there have not been any material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year on 31st March, 2013 and of the profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
- iv. the directors have prepared the annual accounts on a going concern basis.

PUDUMJEE INDUSTRIES LIMITED

OPERATIONS

The Company was able to achieve better margins on its products during the year despite the ongoing slow down and recessionary conditions in the Country. The Management continues to concentrate its efforts to improve these margins further by higher capacity utilization and cost reduction wherever possible.

With regard to Company's Real Estate business in Partnership, the inventory is expected to be liquidated in normal course.

Pudumjee Hygiene Products Limited, the Company's wholly-owned subsidiary has been reducing its exposure to retail market segment and instead is concentrating on institutional business to improve the margins which are currently under pressure. It is also attempting to indigenize certain products by having them locally manufactured, to improve the margins further.

Pudumjee Holdings Limited, the Company's wholly owned subsidiary incorporated last year would be engaged in the activities relating to investment and finance, in due course.

The labour relations in the Company continue to remain cordial.

DIRECTORS

Messrs A. S. Dayal and R. P. Shroff will retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

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

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

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

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

REPORT ON CORPORATE GOVERNANCE

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

On behalf of the Board of Directors,

Place : Mumbai

Dated : 23rd May, 2013

SHYAM M. JATIA

Chairman

ANNEXURE “A” TO DIRECTORS’ REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors’ Report for the year ended 31st March, 2013.

I CONSERVATION OF ENERGY:**(a) Measures taken:**

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

Provision of blowers to avoid usage of compressed air.

Optimization of refiners.

(b) Proposals:

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

Replacement of old motors with energy efficient motors.

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

Impact of measures at (a) and (b) above would result in savings of about Rs. 19 Lacs per annum

(d) Power and Fuel Consumption:

	2012-13	Previous Year
i) Electricity :		
Purchased		
- Units (KWH in Lacs)	203.58	214.30
- Total Amount (₹ In Lacs)	1582.19	1429.41
- Average Rate/KWH (₹)	7.77	6.67
ii) Steam Coal used in Boiler		
(Grade 'C' or Grade 'D' whichever is available)		
Quantity (MT)	15536	16837
Total Cost (₹ In lacs)	755.31	849.15
Average Rate/MT (₹)	4862	5043
iii) Fuel Oil		
- Quantity (KL)	—	2
- Total Amount (₹ In Lacs)	—	0.52
- Average Rate (₹ per KL)	—	26000
iv) Consumption per tonne of paper produced:		
- Electricity (KWH)	998	1030
- Fuel Oil (K. Ltrs)	—	—
- Steam Coal (MT)	0.761	0.809

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

PUDUMJEE INDUSTRIES LIMITED

II RESEARCH AND DEVELOPMENT:

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

III TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

- | | |
|--|---|
| (a) Efforts in brief made towards Technology absorption, adaptation and innovation | (a) Installation of canister system at centri-cleaner.
(b) Hard metal coating & grinding for Yankee surface.
(c) Installation of QCS & of VFD for Holi Roll. |
| (b) Benefits derived as a result of the above efforts | (a) Quality Improvement and saving in chemicals.
(b) Recovery of useful fibre.
(c) Sheet formation & paper strength Improved.
(d) Yankee surface wear avoided & shell thickness protected. |
| (c) No new technology was imported in last five years. | |

IV FOREIGN EXCHANGE EARNINGS AND OUTGO:

- 1 During the year the Company has exported 1750 MT of paper valued at ₹ 1065.05 lacs compared to 1762 MT of paper valued at ₹ 988.71 lacs during 2011-12. There are good prospects for export of paper. The efforts are continuing.
- 2 Foreign Exchange earned and used were ₹ 1065.05 lacs and ₹ 4880.85 lacs, respectively.

On Behalf of the Board of Directors,

SHYAM M JATIA
Chairman

Mumbai,
Dated : 23rd May, 2013.