

PUDUMJEE PULP & PAPER MILLS LIMITED

MD	✓				BKC	✓
CS	✓				DPV	✓
RC	✓				DIV	✓
TMA	✓				AC	✓
ACM	✓	✓			SH	✓
16	✓	✓	✓	✓		

Report  junction.com



Annual Report
1996 – 1997



PUDUMJEE PULP & PAPER MILLS LIMITED

DIRECTORS :

M. P. JATIA (*Chairman & Managing Director*)

V. O. SOMANI

O. P. GUPTA

V. K. JATIA (*Joint Managing Director*)

J. P. SHAW

K. D. PUDUMJEE

G. BINANI

R. N. SETHNA

K. M. BHOLE

R. R. BHANDARI

BANKERS :

STATE BANK OF INDIA

THE UNITED WESTERN BANK LTD.

CITIBANK N. A.

BANK OF NOVA SCOTIA

ANZ GRINDLAYS BANK plc.

HDFC BANK LTD.

SOLICITORS :

KANGA & COMPANY

AUDITORS :

KHARE & COMPANY

REGISTERED OFFICE :

THERGAON, POONA 411 033

REGISTRAR & TRANSFER AGENT :

TATA CONSULTANCY SERVICES,
UNIT : PUDUMJEE PULP & PAPER MILLS LTD.,
'LOTUS' HOUSE, 6, SIR VITHALDAS THACKERSEY MARG,
BOMBAY - 400 020

PUDUMJEE PULP & PAPER MILLS LIMITED**NOTICE**

The Thirtysecond Annual General Meeting of the Shareholders of **Pudumjee Pulp & Paper Mills Limited** will be held at the Registered Office of the Company at Thergaon, Poona 411 033 on Tuesday, the 26th day of August, 1997 at 9.00 a.m.(ST) to transact the following business :

1. To receive and adopt the Directors' Report for the year 1996-'97 the audited Balance Sheet as on 31st March, 1997 and the Profit and Loss Account for the year ended on that date.
2. To declare the dividend for the year 1996-'97.
3. To appoint a Director in place of Mr.R.N Sethna who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. J. P. Shaw who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. G. Binani who retires by rotation and is eligible for reappointment.
6. To appoint the Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration (Special Resolution).

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Special Resolutions :
 - a. "RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting held on 26th July, 1993 and pursuant to the applicable provisions of the Companies Act, 1956 and subject to such consents and sanctions as may be necessary and subject to such modification(s) as may be required and which Mr. Mahabirprasad Durgadutt Jatia may accept, Mr. Mahabirprasad Durgadutta Jatia be and is hereby reappointed as Managing Director of the Company for a period of five years with effect from 1st April, 1997 AND THAT consent be and is hereby accorded to the following remuneration, payments, benefits and amenities and the terms of the appointment of the said Mr. Mahabirprasad Jatia with power to the Board of Directors to alter and vary from time to time at its discretion the remuneration and other terms so however that they do not exceed the permissible limits laid down under the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force:
 - a) The Managing Director shall, subject to the supervision and control of the Board of Directors, be in overall charge of the Company's activities and in particular attend to all matters concerning production planning, manufacture, finance, marketing and administration and shall perform such other duties and services and exercise such further powers as shall, from time to time, be entrusted to him by the Board of Directors.
 - b) Remuneration at the rate of Rs.65,000/- per month including Dearness Allowance.
 - c) Payment of commission of an amount computed at one percent of the net profits of the Company as determined in accordance with the provisions of Companies Act, 1956 SO HOWEVER THAT the aggregate of such commission, remuneration and the value of perquisites does not exceed the limits prescribed under that Act.
 - d) Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof.
 - e) Expenses on electricity, gas, water and furnishing, of the residential accommodation.
 - f) Actual medical expenses including hospitalisation, nursing home charges, surgical charges and travelling expenses incurred for himself and family.

ANNUAL REPORT 1996-'97

- g) Leave Travel Assistance to cover air or first class airconditioned railway fare for himself, his wife and dependent children once in a year .
- h) Membership including entrance and other fees for any two clubs.
- i) Personal accident insurance premium.
- j) Participation in the Provident Fund and Pension/Superannuation Schemes.
- k) Gratuity as per the Company's rules applicable to its Executive Staff Members.
- l) i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilised leave.
- ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.
- m) Maintenance of telephone at the entire cost of the Company at his place of residence.
- n) Exclusive free use of a motor car for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as Chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.

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

- b. "RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting held on 20th August, 1996 and pursuant to the applicable provisions of the Companies Act, 1956 and subject to such consents and sanctions as may be necessary and subject to such modification(s) as may be required and which Mr. Vijaykumar Mahabirprasad Jatia may accept, Mr. Vijaykumar Mahabirprasad Jatia be and is hereby reappointed as Joint Managing Director of the Company for a period of five years with effect from 1st April, 1997 AND THAT consent be and is hereby accorded to the following remuneration, payments, benefits and amenities and the terms of the appointment of the said Mr. Vijaykumar Jatia with power to the Board of Directors to alter and vary from time to time at its discretion the remuneration and other terms so however that they do not exceed the permissible limits laid down under the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force:
 - a) The Joint Managing Director shall, subject to the supervision and control of the Board of Directors, be in overall charge of the Company's activities and in particular attend to all matters concerning production planning, manufacture, finance, purchase, marketing and administration and shall perform such other duties and services and exercise such further powers as shall from time to time be entrusted to him by the Managing Director and the Board of Directors.
 - b) Remuneration at the rate of Rs. 65,000/- per month including Dearness Allowance.
 - c) Payment of commission of an amount computed at half percent of the net profits of the Company as determined in accordance with the provisions of Companies Act, 1956 SO HOWEVER THAT the aggregate of such commission, remuneration and the value of perquisites does not exceed the limits prescribed under that Act.
 - d) Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof.
 - e) Expenses on electricity, gas, water and furnishing, of the residential accommodation.

PUDUMJEE PULP & PAPER MILLS LIMITED

- f) Actual medical expenses including hospitalisation, nursing home charges, surgical charges and travelling expenses incurred for himself and family.
- g) Leave Travel Assistance to cover air or first class airconditioned railway fare for himself, his wife and dependent children once in a year.
- h) Membership including entrance and other fees for any two Clubs.
- i) Personal accident insurance premium.
- j) Participation in the Provident Fund and Pension / Superannuation Schemes.
- k) Gratuity as per the Company's rules applicable to its Executive staff members.
- l) i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilised leave.
ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.
- m) Maintenance of telephone at the entire cost of the Company at his place of residence.
- n) Exclusive free use of a motor car for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as Chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.

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

- c. "RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting held on 28th July, 1994 and pursuant to the applicable provisions of the Companies Act, 1956 and subject to such consents and sanctions as may be necessary and subject to such modification(s) as may be required and which Mr. Jamshed Pestonji Shaw may accept, Mr. Jamshed Pestonji Shaw be and is hereby reappointed as Whole-time Director of the Company for a period of five years with effect from 1st April, 1997 AND THAT consent be and is hereby accorded to the following remuneration, payments, benefits and amenities and the terms of the appointment of the said Mr. Jamshed Pestonji Shaw with power to the Board of Directors to alter and vary from time to time at its discretion the remuneration and other terms so however that they do not exceed the permissible limits laid down under the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force:
 - a) He shall, subject to the supervision and control of the Board of Directors, be in charge of finance, legal, commercial and administrative matters and shall perform such other duties and services and exercise such further powers as shall, from time to time, be entrusted to him by the Board of Directors and the Managing Director.
 - b) Remuneration at the rate of Rs. 65,000/- per month including Dearness Allowance.
 - c) Expenses on electricity, gas, water and furnishing, of the residential accommodation.
 - d) Actual medical expenses including hospitalisation, nursing home charges, surgical charges and travelling expenses incurred for himself and family.
 - e) Leave Travel Assistance to cover air or first class airconditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
 - f) Membership including entrance and other fees for any two Clubs.

ANNUAL REPORT 1996-'97

- g) Personal accident insurance premium.
- h) Participation in the Provident Fund and Pension/Superannuation Schemes.
- i) Gratuity as per the Company's rules applicable to its Executive staff members.
- j) i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilised leave.
ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.
- k) Maintenance of telephone at his places of residence at Bombay and Poona at the entire cost of the Company.
- l) Exclusive free use of a motor car for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as Chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.

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

- d. "RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting held on 20th August, 1996 and pursuant to the applicable provisions of the Companies Act, 1956 and subject to such consents and sanctions as may be necessary and subject to such modification(s) as may be required and which Mr. Ranjeet Raj Bhandari may accept, Mr. Ranjeet Raj Bhandari be and is hereby reappointed as Wholetime Director of the Company for a period of five years with effect from 1st April, 1997 AND THAT consent be and is hereby accorded to the following remuneration, payments, benefits and amenities and the terms of the appointment of the said Mr. Ranjeet Raj Bhandari with power to the Board of Directors to alter and vary from time to time at its discretion the remuneration and other terms so however that they do not exceed the permissible limits laid down under the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force:
 - a) He shall, subject to the supervision and control of the Board of Directors, be in charge of all technical matters and shall perform such services and duties as from time to time be entrusted to him by the Managing Director.
 - b) Remuneration at the rate of Rs. 60,000/- per month including Dearness Allowance.
 - c) Expenses on electricity, gas, water and furnishing of the residential accomodation.
 - d) Actual medical expenses including hospitalisation, nursing home charges, surgical charges and travelling expenses incurred for himself, his wife and dependent children.
 - e) Leave Travel Assistance to cover air or first class airconditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
 - f) Membership fees for any two Clubs.
 - g) Personal accident insurance premium upto Rs. 1,000 per annum.
 - h) Participation in the Provident Fund and Pension / Superannuation Schemes.
 - i) Gratuity as per the Company's rules applicable to its Executive staff members.
 - j) i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilised leave.
ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.

PUDUMJEE PULP & PAPER MILLS LIMITED

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

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

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company all the block of assets of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of Bank of India. Bombay branch, to secure Foreign Currency Loans of United States Dollars 9 Million (approximately equivalent to Rs. 3240 lacs) lent and advanced/ agreed to be lent and advanced by Bank of India to the Company together with interest at the respective agreed rate, additional interest, liquidated damages, commitment charge, premium on prepayment or on redemption, cost, charges, expenses and all other monies payable by the Company to Bank of India in terms of the Loan Agreement or any other agreements entered into/ to be entered into by the Company, in respect of the said loan and to the Board of Directors of the Company agreeing with Bank of India to allow any of the terms of the Loan Agreements or any other agreements of terms and conditions to reserve a right to take over the management of business and concern of the Company in certain events.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to finalise with Bank of India the documents for creating aforesaid mortgage and/or charge and for reserving the aforesaid right to do all such acts and things as may be necessary for giving effect to the abovementioned resolution".

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

"RESOLVED THAT pursuant to Section 293 (1) (d) of the Companies Act, 1956 and all other enabling provisions, if any, and in supersession of the resolution passed at the Annual General Meeting held on 16th June, 1992, the Directors of the Company be and are hereby authorised to borrow moneys from time to time from any one or more bodies corporate or financial institutions, or any person or persons by way of credit, advance or other loans or deposits whether unsecured or secured by mortgage, charge, hypothecation or pledge of the fixed assets and properties of the Company whether moveable or immoveable or stock-in-trade including raw materials, stores, spares or components installed or uninstalled or in transit and of goods-in-process and finished goods for the purpose of carrying on the business of the Company notwithstanding that such borrowings, together with moneys already borrowed by the Company (apart from temporary loans obtained if any, from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose for the time being and from time to time but so that the total amount of money so borrowed by the Directors shall not exceed the sum of Rupees Two hundred crores".

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

"RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting held on 30th June, 1987 and pursuant to the provisions of Section 370 and other applicable provisions, if any, of the Companies Act, 1956 or its statutory modification or re-enactment, the Board of Directors of the Company be and is hereby authorised :

ANNUAL REPORT 1996-'97

- a) to give any guarantee or provide any security from time to time in connection with the loan(s) made or, to be made by Banks, Financial Institutions, Bodies Corporate or other persons to any other Person(s)/Firm(s)/Bodies Corporate (whether or not under the same Management as the Company) on such terms and conditions as the Board of Directors may deem fit and expedient, PROVIDED THAT the aggregate of all such guarantees given and/or securities provided by the Company shall not exceed Rs.25 crores (Rupees Twenty five crores only) at any one time; and
- b) to make any loan(s) to or place any deposit(s) with Body/Bodies Corporate (whether or not under the same Management as the Company) on such terms and conditions as the Board of Directors may deem fit and expedient PROVIDED HOWEVER THAT the aggregate of such loans shall not exceed, without the prior approval of the Central Government, 30% of the aggregate of the subscribed capital of the Company and its free reserves or such other percentage(s) as may be prescribed by the Central Government in this regard from time to time.

AND THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and matters as may be necessary or expedient for giving effect to this resolution".

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

The Explanatory statements pursuant to Section 173 of the Companies Act, 1956 in respect of the abovementioned items 7 to 10 are annexed hereto.

The Register of Members and Share Transfer Books of the Company will be closed from Thursday, the 7th day of August, 1997 to Tuesday, the 26th day of August, 1997, both days inclusive.

Dividends that may be declared will be made payable from 10th September, 1997 to those members whose names stand on the Company's Register of members as holders of the shares on 26th August, 1997, subject to provisions of Section 206 A of the Companies Act, 1956.

By order of the Board of Directors

Registered office :
Thergaon, Poona 411 033.
Dated: 27th June, 1997.

S. K. BANSAL
SECRETARY

PUDUMJEE PULP & PAPER MILLS LIMITED**ANNEXURE TO THE NOTICE**

Explanatory Statement under Section 173 of the Companies Act, 1956.

The following Explanatory Statement sets out all the material facts relating to item Nos. 7 to 10 of the Special Business mentioned in the accompanying Notice dated 27th June, 1997 convening the 32nd Annual General Meeting.

RESOLUTION No. 7**a) Mr. M.P. Jatia**

At the Annual General Meeting held on 26th July, 1993, Mr. Mahabiraprasad Durgadutta Jatia was appointed as Managing Director of the Company. The Board of Directors propose to revise the remuneration payable to him in terms of the proposed resolution and reappoint him as the Managing Director for a period of five years from 1st April, 1997. Mr. Jatia has been the Managing Director of the Company since 1984 and has had a long and varied business experience of over 40 years. It is under his capable guidance that the Company has achieved substantial progress. The Board of Directors are of the opinion that it would be in the interest of the Company to reappoint Mr. Jatia as its Managing Director on the revised terms and conditions as mentioned in the accompanying Notice and commend the resolution for your approval. According to Article 142(2) of the Articles of Association of the Company, the Managing Director, while he continues to hold this office, shall not be subject to retirement by rotation.

Except Mr. M.P. Jatia and Mr. V.K. Jatia, who is a relative of Mr. M. P. Jatia, no other Director is interested in this resolution.

b) Mr. V.K. Jatia

Mr. Vijaykumar Mahabiraprasad Jatia was appointed as Joint Managing Director of the Company at the Annual General Meeting held on 20th August, 1996. Although his period of appointment has not expired, it is proposed to reappoint him for a period of five years from 1st April, 1997 on the revised terms and conditions as mentioned in the resolution in the accompanying Notice. Mr. V.K. Jatia has been the Joint Managing Director of the Company since 1991 and is a Bachelor of Commerce with over 20 years of experience in business, finance and administration. The Board of Directors are of the opinion that it would be in the interest of the Company to reappoint Mr. Jatia as the Joint Managing Director and commend the resolution for your approval.

Mr. V.K. Jatia and Mr. M.P. Jatia who is a relative of Mr. V.K. Jatia, may be deemed to be interested in this resolution. No other Director is interested in this resolution.

c) Mr. J.P. Shaw

At the Annual General Meeting of the Company held on 28th July, 1994 Mr. Jamshed Pestonji shaw was appointed as the whole-time Director of the Company. Although his period of appointment has not expired, it is proposed to reappoint him for a period of five years with effect from 1st April, 1997 on the revised terms and conditions as appearing in the resolution contained in the accompanying Notice. Mr. Shaw has been the Whole-time Director of the Company since 1985. Mr. Shaw is a Bachelor of Commerce and an Associate Member of the Institute of Chartered Accountants of India and of the Institute of Company Secretaries of India and has experience of over 45 years in handling matters concerning finance and administration. The Board of Directors are of the opinion that it would be in the interest of the Company to reappoint him as Whole-time Director and commend the resolution for your approval.

Except Mr. J.P. Shaw no other Director is interested in this resolution.