

**PUDUMJEE
PULP & PAPER MILLS
LIMITED**



PUDUMJEE

**Annual Report
2011 – 2012**



Shri. Mahabir Prasad Jatia
(1931-2012)

Lives in our hearts Forever.....

PUDUMJEE PULP & PAPER MILLS LIMITED

DIRECTORS:

M.P. JATIA Chairman & Managing Director (Expired on 25.05.2012)
V.O. SOMANI
O.P. GUPTA (Resigned w.e.f. 31.10.2011)
R.N. SETHNA
A.K. JATIA
V.P. LEEKHA
S.K. BANSAL
B.C. DALAL
V.K. BESWAL (Appointed w.e.f. 01.12.2011)

BANKERS:

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

SOLICITORS:

KANGA & COMPANY

AUDITORS:

KHARE & COMPANY

REGISTERED OFFICE:

THERGAON, PUNE 411 033.

REGISTRAR & TRANSFER AGENTS:

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

DEMAT STOCK CODE:

INE606A01024

EQUITY SHARES ARE LISTED AT:

MUMBAI, PUNE & NATIONAL STOCK EXCHANGES.

PUDUMJEE PULP & PAPER MILLS LIMITED

NOTICE

The Forty Seventh 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 25th day of August, 2012 at 9.00 a.m. (ST) to transact the following business:

1. To receive and adopt the audited Balance Sheet as on 31st March, 2012, the Profit and Loss Account and the Cash Flow statement for the year ended on that date together with the Reports of the Directors and the Auditors.
2. To declare a dividend for the year 2011-2012.
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.V.P. Leekha who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. S.K. Bansal 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 BUSINESS

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

"RESOLVED THAT the number of Directors for the time being in office be increased from Seven to Eight".

8. To appoint a Director in place of Mr.Vinod Kumar Beswal who was appointed as additional Director of the Company pursuant to Article 126 of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provisions of Section 260 of the Companies Act, 1956 and being eligible, offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of a Director in accordance with the provisions of Section 257 of the Companies Act, 1956 and, if thought fit, to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr.Vinod Kumar Beswal be and is hereby appointed as a Director of the Company".

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956 and subject to such approvals, sanctions as may be necessary, and in partial modification of the resolution passed by the Shareholders at their Annual General Meeting held on 29th August, 2009, consent of the Company be and is hereby accorded to the remuneration at ₹ 1,75,000/- per month including Dearness Allowance to Mr.S.K. Bansal, the Whole-time Director under clause (b) of the Resolution dated 29th August, 2009 with effect from 1st April, 2012 for the remaining period of his appointment i.e. upto 31.03.2014, the other provisions of the said resolution remaining unaltered".

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

The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the above mentioned items 7 to 9 are annexed hereto.

The Register of members and Share Transfer Books of the Company will remain closed from Friday, the 10th day of August, 2012 to Saturday, the 25th day of August, 2012, both days inclusive.

The Dividend, when sanctioned, will be paid on and from 3rd September, 2012 to those shareholders whose names stand on the Company's Register of members as holders of the shares on 25th August, 2012. 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 9th August, 2012 as per the details furnished by the Depositories for this purpose. The payment of Dividend will be subject to the provisions of Section 206A of the Companies Act, 1956.

ANNUAL REPORT 2011-2012

Messrs. R.N. Sethna, V.P. Leekha and S.K. Bansal whose appointments are to be considered by the Annual General Meeting as mentioned above hold 5,120, Nil and 20 equity shares of ₹ 2/- each of the Company respectively.

Shareholders of the Company are informed that pursuant to the provisions of Section 205C of the Companies Act, 1956, the amount of dividend which remains unclaimed/unpaid for a period of 7 years would be transferred to the Investor Education & Protection Fund (IEPF) constituted by the Central Government and the Shareholders would not be able to claim any amount of the dividend so transferred to the Fund. As such, shareholders who have so far not encashed the dividend warrants of earlier years are requested to immediately return the outdated warrants to the Company or write to us to enable the Company to issue duplicate warrants/Demand Drafts in lieu thereof.

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

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

Registered Office:
Thergaon, Pune 411 033.
Dated : 29th May, 2012.

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 Karvy Computershare Private Limited.

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

Subsidiary Accounts:

2. As a measure of economy and in accordance with the Circular of 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 subsidiary, Pudumjee Investment & Finance Co.Ltd., and the related detailed information shall be supplied to the shareholders of the Company on a requisition made in this regard. The Annual Accounts of the subsidiary are open for inspection by shareholders at the Registered Office during office hours.

- 3 Cost Auditor Details:

M/s Y.R. Doshi & Co., Cost Accountants, Mumbai, are Cost Auditors who have filed the Cost Audit Report for the Financial Year 2010-2011 on 20th September, 2011 (Due Date: 30th September, 2011).

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 items of business as mentioned in Serial Nos. 7 to 9 under Special Business in the accompanying Notice dated 29th May, 2012 convening the Annual General Meeting.

RESOLUTION NO.7

Section 258 of the Companies Act, 1956 requires the sanction of the members by an Ordinary Resolution for increasing the number of Directors within the limit fixed by the Company's Articles of Association. It is therefore necessary to pass a formal resolution increasing the number of Directors for the time being in office from seven to eight.

The Resolution is commended for your approval.

RESOLUTION NO.8

Mr.Vinod Kumar Beswal was appointed as additional Director of the Company under Article 126 of the Articles of Association with effect from 1st December, 2011. Under the provisions of Section 260 of the Companies Act, 1956 and the provisions of the said Article he holds office only upto the date of the ensuing Annual General Meeting. Mr.Beswal is B.Com., FCA., and has vast and varied experience in Tax and Financial matters. A notice proposing Mr.Beswal for appointment to the office of Director at the ensuing Annual General Meeting together with a deposit of Rs.500 has been received by the Company as required by Section 257 of the Companies Act, 1956. The Ordinary Resolution in this behalf is, therefore, commended for the approval of the members.

Except Mr. Vinod Kumar Beswal no other Director is interested in this resolution.

RESOLUTION NO.9

Mr. S.K. Bansal was appointed as Whole-time Director of the Company with effect from 1st February, 2005 and was last appointed for a period of 5 years with effect from 01.04.2009 and the remuneration and other benefits were fixed for a period of 3 years from that date. The Management proposes to extend the validity of remuneration and other benefits with effect from 01.04.2012 for the remaining period of his tenure at the same level. Mr.S.K. Bansal is a Bachelor of Commerce, Associate member of the Institute of Chartered Accounts of India and of the Institute of Company Secretaries of India and has been associated with the Company since 1984. He has a wide and varied experience in finance, accounts and taxation matters. The Board of Directors and its Remuneration Committee at their meetings held on 29th May, 2012 has recommended to continue the payment of remuneration and other benefits as aforesaid.

The Directors commend the resolution for your approval.

Except Mr. Surendra Kumar Bansal, no other Director is interested in the proposed resolution.

The Company's Memorandum and Articles of Association are open for inspection at the Company's Registered Office on any working day, except Saturday, between the office hours of 2.30 p.m. and 4.30 p.m.

By Order of the Board of Directors,

S.K. BANSAL
SECRETARY.

Registered Office:
Thergaon, Pune 411 033.
Dated : 29th May, 2012.

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

PARTICULARS	₹ IN LACS										
	As At 31st March										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Shareholder's Funds	14266	13095	14685	14069	13929	13040	12518	12169	11828	11714	11857
Borrowed Funds	15000	8486	6823	5206	8218	6803	7038	4244	5206	6815	6576
TOTAL	29266	21581	21508	19275	22147	19843	19556	16413	17034	18529	18433
Net Fixed Assets	16476	9617	11082	11998	12727	12656	11783	10517	10620	11572	12373
Investments	1195	2115	2049	1006	967	896	829	819	811	818	440
Working Capital	11595	9849	8377	6271	8453	6291	6944	5077	5603	6139	5620
TOTAL	29266	21581	21508	19275	22147	19843	19556	16413	17034	18529	18433
Book value of Equity per share (₹)	35*	32*	36*	172	170	159	153	148	144	143	145
Earning per share (₹)	2.71*	1.80*	2.69*	4.42	6.43	5.61	5.88	7.48	2.27	0.8	6.33
Dividend per share (₹)	0.30*	0.30*	0.30*	0.25*	1.2	1.2	1.2	1.2	1.00	1.00	1.50

* ₹ 2/- per share

PUDUMJEE PULP & PAPER MILLS LIMITED

DIRECTORS' REPORT TO THE MEMBERS.

The Directors present the 47th Annual Report on the working of the Company for the year ended 31st March, 2012 together with the statement of Accounts for that year.

FINANCIAL RESULTS

	2011-2012 ₹ In Lacs	Previous Year ₹ In Lacs
The gross profit before interest and		
Depreciation is	2526.83	2332.51
Reducing therefrom Finance cost of	441.61	452.29
and Depreciation of	782.64	867.10
The net profit comes to	1302.58	1013.12
and the balance of Profit brought forward		
from last year of	1464.04	2484.49
the total comes to	2766.62	3497.61
Adjusting against this amount the Following, namely:		
Provision for Current Taxation of	118.00	329.00
Provision/(Saving) for Deferred Taxation of	58.00	(-) 127.00
Prior period expenses	—	629.36
Provision for Impairment of Assets	—	1397.26
Deferred Tax Saving on Impairment	—	(438.00)
Dividend on Equity Shares of	123.00	123.00
Tax on Dividend of	19.95	19.95
And Transfer to General Reserve of	100.00	100.00
Totalling to	418.95	2033.57
There remains a balance of	2347.67	1464.04
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 in the preparation of the annual accounts, the applicable accounting standards have been followed and there has not been any material departure;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year on 31st March, 2012 and of the profit of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

DIVIDEND

The Directors recommend for your consideration the payment of Dividend for the year ended 31st March, 2012 at the rate of Re.0.30 per share. If approved, the Equity Dividend will, subject to the provisions of Section 206A of the Companies Act, 1956, be paid to those shareholders whose names stand on the Register of Members on 25th day of August, 2012. The Dividend in respect of shares held in the electronic form will be paid to the beneficial owners of the shares at the close of business hours on 9th August, 2012 as per the details furnished by the Depositories for this purpose.