

PUDUMJEE PULP & PAPER MILLS LIMITED



PUDUMJEE

Annual Report 2013 - 2014

PUDUMJEE PULP & PAPER MILLS LIMITED

DIRECTORS :

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

BANKERS :

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

SOLICITORS :

KANGA & COMPANY

AUDITORS :

KHARE & COMPANY

REGISTERED OFFICE :

THERGAON, PUNE 411 033.

REGISTRAR & TRANSFER AGENTS :

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

DEMAT STOCK CODE :

INE606A01024

EQUITY SHARES ARE LISTED AT :

MUMBAI, PUNE & NATIONAL STOCK EXCHANGES.

NOTICE

The Forty Ninth Annual General Meeting of the Shareholders of Pudumjee Pulp & Paper Mills Limited will be held at the Registered Office of the Company at Thergaon, Pune 411 033 on Saturday, the 13th day of September, 2014 at 12.00 noon (ST) to transact the following business:

1. To receive and adopt the audited Balance Sheet as on 31st March, 2014, the Profit and Loss Account and the Cash Flow statement for the year ended on that date together with the Reports of the Directors and the Auditors.
2. To declare a dividend for the year 2013-2014 at ₹ 0.30 per Equity share.
3. To appoint a Director in place of Mr. Arun Kumar Jatia, who retires by rotation and being eligible offers himself of re-appointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Dividend, when sanctioned, will be paid on and from 19th September, 2014 to those shareholders whose names stand on the Company's Register of members as holders of the shares on 13th September, 2014. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of the shares as at the close of business hours on 1st September, 2014 as per the details furnished by the Depositories for this purpose. The payment of Dividend will be subject to the provisions of Section 126 of the Companies Act, 2013.

Shareholders of the Company are informed that pursuant to the provisions of Section 205C of the Companies Act, 1956/Section 125 of the Companies Act, 2013, the amount of dividend which remains unclaimed/unpaid for a period of 7 years would be transferred to the Investor Education & Protection Fund (IEPF) constituted by the Central Government and the Shareholders would not be able to claim any amount of the dividend so transferred to the Fund. As such, shareholders who have so far not encashed the dividend warrants of earlier years are requested to immediately return the outdated warrants to the Company or write to us to enable the Company to issue duplicate warrants/ Demand Drafts in lieu thereof.

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

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

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

The instructions for e-voting are as under :

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

- i. Open the e-mail and also open PDF file namely "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 PDF file attached with the e-mail as initial password.
- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.

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

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

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

C. Other Instructions :

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

By Order of the Board of Directors,

R.M. KULKARNI
COMPANY SECRETARY

Registered Office :
Thergaon, Pune 411 033.
Dated : 26th July, 2014.