

# **PUDUMJEE INDUSTRIES LIMITED**



**PUDUMJEE**

**Annual Report  
2010 – 2011**



## **PUDUMJEE INDUSTRIES LIMITED**

### **DIRECTORS :**

SHYAM M. JATIA (Chairman & Managing Director)  
A. S. DAYAL  
R. C. SARAF  
A. K. SOMANY  
G. N. JAJODIYA  
S. C. KEDIA (Up to 03.05.2011)  
R. P. SHROFF (Appointed w.e.f. 05.05.2011)

### **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.

**PUDUMJEE INDUSTRIES LIMITED**

**NOTICE**

The Forty Sixth 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 29<sup>th</sup> day of August, 2011 at 9.00 a.m. (ST) to transact the following business:

1. To receive and adopt the audited Balance Sheet as on 31<sup>st</sup> March, 2011, 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. R. C. Saraf, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. A. S. Dayal, 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.

**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 the number of Directors for the time being in office be increased from five to six".

6. To appoint a director in place of Mr. Rushabh P Shroff, who was appointed as Additional Director of the Company pursuant to Article 126 of the Articles of Association and hold 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. Rushabh P. Shroff be and is hereby appointed as Director of the Company".

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 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.

The Explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of above mentioned item Nos. 5 & 6 is annexed hereto.

The Register of Members and share Transfer Books of the Company will be closed from Friday, the 19<sup>th</sup> day of August, 2011 to Monday, the 29<sup>th</sup> day of August, 2011, both days inclusive.

Mr. R. C. Saraf and Mr. A. S. Dayal, 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: 26<sup>th</sup> May, 2011

**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 No. 5 & 6 of the Special Business mentioned in the accompanying Notice dated 26<sup>th</sup> May, 2011 convening the 46<sup>th</sup> Annual General Meeting.

**RESOLUTION NO. 5**

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

**RESOLUTION NO. 6**

Mr. Rushabh P. Shroff was appointed as additional director of the Company under Article 126 of the Articles of Association with effect from 5<sup>th</sup> May, 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 this Annual General Meeting. Mr. Shroff is Master in Commerce and Master in Software Application Computer Programming. A notice proposing Mr. Rushabh P. Shroff for appointment to the office of Director at the Annual General Meeting, together with a deposit of ₹ 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. Rushabh P Shroff, no other director is interested in this resolution.

By Order of the Board of Directors,

**J. W. Patil**

Asst. Company Secretary

Registered Office:

Thergaon, Pune – 411 033

Dated: 26<sup>th</sup> May, 2011

**Important Communication to Members**

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 Ltd.

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:**

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 Hygiene Products Limited, 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.

## PUDUMJEE INDUSTRIES LIMITED

### DIRECTORS' REPORT

The Directors present the Forty Sixth Annual report on the working of the Company for the year ended 31<sup>st</sup> March, 2011, together with the Statement of Accounts for that year.

#### FINANCIAL RESULTS

	<u>2010-2011</u>	<u>Previous Year</u>
	<u>₹ In Lacs</u>	<u>₹ In Lacs</u>
Gross profit before interest and depreciation	298.37	679.72
Adjusting therefrom interest of	393.87	300.20
And Depreciation of	166.31	114.07
The net profit/(Loss) comes to	(261.81)	265.45
The balance of profit brought forward from last year of	1,226.33	1,092.86
The total comes to	<u>964.52</u>	<u>1,358.31</u>
Adjusting against this amount the following namely:		
Provision for Taxation of	0.50	45.00
Provision for deferred tax expense/(saving) of	(106.00)	45.00
Divident on Equity Share of	-	36.00
Add : Tax on Divident of	-	5.98
Totalling to	<u>(105.50)</u>	<u>131.98</u>
There remains a balance of	<u>1,070.02</u>	1,226.33

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, 2011 and of the loss 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.

**OPERATIONS**

Whilst the Company could achieve significant growth in its turnover during the year under review, the unabated rise in inflationary trend in general and cost of inputs in particular especially raw material and fuel, coupled with frequent shutdowns of the paper making machine to stabilize its working after rebuild has put enormous pressure on Company's operations resulting in loss for the year. The Management is concentrating its efforts to suitably revise the product mix so as to improve the profitability of the Company.

Prime Developers, a firm in which the Company is a partner for Real Estate business, is in the process of winding up the project by selling the inventory of Apartments and constructing remaining Villas on made to order basis. The project is expected to be wound-up by the end of the next year. The Company's interest bearing investment in the firm has, therefore, come down to ₹ 5 crores as at 31<sup>st</sup> March 2011 as against ₹16 crores as at 31<sup>st</sup> March 2010.

The Wholly-owned subsidiary of the Company, namely; Pudumjee Hygiene Products Limited (PHPL) engaged in the business of marketing and distribution of Hygiene and other products, is a market leader in its segment, which was able to achieve a higher turnover of about ₹ 85 crores during the year under review with a marginal loss of about ₹ 61 lacs. The Brand 'Greenlime' under which it markets its products, is well recognized and received in the market. The efforts are continuing to further enhance its presence.

The labour relations in the Company have remained cordial.

**DIRECTORS**

Messrs R. C. Saraf and A. S. Dayal retire by rotation and being eligible, offer themselves for re-appointment.

Mr. Rushabh P. Shroff was appointed as Additional Director with effect from 5<sup>th</sup> May, 2011. According to the provisions of Section 260 of the Companies Act, 1956 he will cease to hold office on the day of the ensuing Annual General Meeting. The Directors commend for your approval the proposed ordinary resolution for his appointment.

Mr. S. C. Kedia has resigned from the Directorship of the Company with effect from 3<sup>rd</sup> May, 2011. The Board wishes to place on record its appreciation of his contribution during his tenure on the Board.

**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 : 26<sup>th</sup> May, 2011

**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 31<sup>st</sup> March, 2011.

**I CONSERVATION OF ENERGY:**

**(a) Measures taken:**

Continuous checking and analysis of energy consumption and operating parameters.

Power reduction on paper making machines refiners by replacing disc pattern.

**(b) Proposals:**

Replacement of old motors with energy efficient motors.

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

**(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 ₹ 20 Lacs per annum

**(d) Power and Fuel Consumption:**

	2010-11	Previous Year
<b>i) Electricity</b>		
<b>(a) Purchased</b>		
- Units (KWH in Lacs)	183.27	137.11
- Total Amount ( ₹ In Lacs)	1010.87	753.64
- Average Rate/KWH (₹)	5.52	5.50
<b>ii) Steam Coal used in Boiler</b>		
(Grade 'C' or Grade 'D' whichever is available)		
Quantity (MT)	14,338	10,621
Total Cost ( ₹ In lacs)	663.60	428.52
Average Rate/MT (₹)	4,628	4,035
<b>iii) Bagasse</b>		
Quantity (MT)	-	-
Total Cost ( ₹ In lacs)	-	-
Average Rate/MT (₹)	-	-
<b>iv) Fuel Oil</b>		
- Quantity (KL)	135	219
- Total Cost ( ₹ In Lacs)	34.82	60.16
- Average Rate/KL (₹)	25,793	27,470
<b>v) Consumption per tonne of paper produced:</b>		
- Electricity (KWH)	990	877
- Fuel Oil (K. Ltrs)	0.007	0.014
- Steam Coal (MT)	0.775	0.679
- Bagasse (MT)	-	-

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.

**II RESEARCH AND DEVELOPMENT:**

- |   |   |  |
|---|---|--|
| 1 | Specific Areas in which R & D carried out by the Company. | (a) Development of new grades of papers like diaper Paper, sanitary napkins, masking tape paper etc.<br>(b) Use of alternate dyes and optimization of chemicals for cost reduction and quality improvement.        |
| 2 | Benefits derived as a result of above R & D               | (a) New products to meet market demand.<br>(b) Cost saving and improved production.  |
| 3 | Future Plan of action                                     | (a) Cost reduction by replacing virgin pulp by using low cost furnish, alternate chemicals for softness, sizing and bulk dyes etc.<br>(b) Development of new value added products for meeting market requirements. |
| 4 | Expenditure on R & D                                      | ₹ in Lacs  |
|   | (a) Capital   | —  |
|   | (b) Recurring   | negligible   |
|   | (c) Total   | —  |
|   | (d) Total R & D expenditure as a per centage of Turnover  | negligible   |

**III TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:**

- |  |  |
|--|--|
| (a) Efforts in brief made towards Technology absorption, adaptation and innovation | Introduction of vacuum control system at low vacuum level in wire section. |
| (b) Benefits derived as a result of the above efforts                              | (a) Improved porosity in paper emd.<br>(b) Improved pulp quality           |
| (c) No new technology was imported in last five years.                             |  |

**IV FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- 1 During the year the Company has exported 1389 MT of paper valued at ₹ 713.38 lacs compared to 43 MT of paper valued at ₹ 21.49 lacs during 2009-10. There are good prospects for export of paper. The efforts are continuing.
- 2 Foreign Exchange earned and used were ₹ 713.38 lacs and ₹ 3,704.26 lacs, respectively.

On Behalf of the Board of Directors,

**SHYAM M JATIA**  
Chairman

Place : Mumbai,  
Dated : 26<sup>th</sup> May, 2011.

## PUDUMJEE INDUSTRIES LIMITED

### ANNEXURE "B" TO DIRECTORS' REPORT CORPORATE GOVERNANCE DISCLOSURES

As required by Clause 49 of the Listing Agreements of the Stock Exchanges and guidelines issued by Securities & Exchange Board of India, the Company has complied with all the requirements of the Code of Corporate Governance.

#### The Company's Philosophy on Code of Governance

Essentially 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 requirements of revised Clause 49. The Code of Conduct is displayed at the Company's website [www.pudumjeeindustries.com](http://www.pudumjeeindustries.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 Chairman and Managing Director to the effect is appended.

#### Board of Directors

The Board has a strength of six directors. The Board consists of eminent persons with considerable professional expertise and experience.

All Directors, except Mr. S. M. Jatia, who is Chairman and Managing Director, are non executive independent directors on the Board.

Name	Category	Number of other Directorships & Committee Memberships/Chairmanships held			Attendance Particulars (No. of Board Meetings held in 2010-11 - 4)	
		Directorships in other companies incorporated in India		Committee Membership		Committee Chairmanships
		Public	Private			
Mr. S. M. Jatia *	CMD/PR	5	5	-	-	4
Mr. A. S. Dayal	NED/IND	3	6	2	-	3
Mr. R. C. Saraf	NED/IND	4	1	2	-	4
Mr. A. K. Somany	NED/IND	1	1	-	-	-
Mr. G. N. Jajodiya	NED/IND	1	1	-	-	4
Mr. S. C. Kedia **	NED/IND	3	2	-	-	4
Mr. R. P. Shroff***	NED/IND	-	-	-	-	-

\* Attended the Annual General Meeting held on 31<sup>st</sup> August, 2010.

CMD: Chairman & Managing Director, NED: Non Executive Director, IND: Independent Director, PR: Promoter Director, WTD: Whole Time Director.

\*\* Resigned w.e.f. 3<sup>rd</sup> May, 2011

\*\*\*Appointed as Additional Director w.e.f. 5<sup>th</sup> May, 2011.

During the year 2010-11, Four Board Meetings were held on 20<sup>th</sup> May, 2010, 3<sup>rd</sup> August, 2010, 1<sup>st</sup> November, 2010 and 10<sup>th</sup> February, 2011.

## ANNUAL REPORT 2010–2011

### Details of Remuneration paid to Directors during the year ended 31<sup>st</sup> March, 2011.

Name	Sitting fees	Salaries	Perquisites	Commission	Amount in ₹ Total
Mr. S. M. Jatia	-	9,00,000	3,27,770	-	12,27,770
Mr. A. S. Dayal	6,000	-	-	-	6,000
Mr. R. C. Saraf	10,000	-	-	-	10,000
Mr. A. K. Somany	-	-	-	-	-
Mr. G. N. Jajodiya	10,000	-	-	-	10,000
Mr. S. C. Kedia Resigned w.e.f. 03.05.2011	4,000	-	-	-	4,000
Mr. R. P. Shroff Appointed w.e.f.5th May, 2011					

Mr. S. M. Jatia is entitled to commission @ 4% of the profits of the Company. Perquisites includes housing with electricity, gas, etc., medical expenses, leave travel assistance, club fees, accident insurance premium, and contribution to provident fund etc., but excludes provision for Gratuity. There are no severance fees, Stock Options and notice period in case of the Managing and Whole Time Director.

Non Executive Directors draw no remuneration except by way of sitting fees for each meeting of Board or Committee thereof attended by them within the limits prescribed by law in this regard.

None of the Directors, except Promoter Director hold any share in the Company.

#### **Appointment of Directors :**

Resolutions have been proposed for re-appointment of Mr. R. C. Saraf and Mr. A. S. Dayal as directors of the Company on their retirement by rotation. Mr. Rushabh P. Shroff was appointed as Additional director with effect from 5<sup>th</sup> May, 2011 and resolution has been proposed for his appointment.

#### **Mr. R. C. Saraf**

Mr. R. C. Saraf was appointed as director in the year 1990 and since then he has been re-appointed from time to time on retirement by rotation. He is a businessman of repute and has experience in business and administration. He does not hold any shares in the Company.

He is a director in other companies, namely- Remi Edelstahl Tubulars Ltd., Remi Process Plant & Machinery Ltd., Remi Elektrotechnik Ltd., Remi Metals Gujarat Ltd. and Calplus Trading Pvt. Ltd.

#### **Mr. A. S. Dayal**

Mr. A. S. Dayal was appointed as director in 1991 and since then he has been re-appointed from time to time by rotation. Mr. Dayal is a practicing Solicitor. He does not hold any share in the Company. He is a member of audit committee of Gammon India Ltd and Reliance Retail Finance Ltd.

He is a director in other companies, namely- Gammon India Ltd., Reliance Retail Finance Ltd., GeneMedix Plc., Goa Publications Pvt. Ltd., SMS Biopharma Pvt. Ltd., Arcadia Estates and Developments Pvt. Ltd., Spectrum Informative Services Pvt. Ltd., Pavana Agro Farms Pvt. Ltd and Prime Tradecom Pvt. Ltd.

## **PUDUMJEE INDUSTRIES LIMITED**

### **Board Procedure :**

Four Board Meetings were held during the 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 Board.

### **Management Discussion and Analysis :**

The Company is engaged in the business of manufacture of Crepe Tissues for the Hygiene industry and other specialty products like Packaging Tissue, Carbon Base Paper etc. Though of late, there has been a growing and intense competition, its products are well received in the market and continue to command premium. The Company continues to lay its stress on quality coupled with cost reduction and product mix.

The residential project of Real Estate Business in Tirupur, being carried out in Partnership, is towards the end and is in the process of winding up after constructing remaining Villas. The Company's interest bearing investment in the said project therefore has substantially come down.

Pudumjee Hygiene Products Limited (PHPL), the Wholly-owned subsidiary of the Company, has enlarged its geographical area for distribution of products and 'Greenlime' brand is a registering growing presence in the areas hitherto uncovered.

The existing internal controls of the Company are periodically reviewed by the Audit Committee and are considered to be adequate.

The Company employs about 143 employees and its relations with the labour have been cordial.

### **Committee of Directors :**

The Board has constituted a Committee of Directors under the provisions of Section 292 of the Companies Act, 1956 consisting of Messrs S. M. Jatia, G. N. Jajodiya and S. C. Kedia. Mr. S. C. Kedia has resigned with effect from 3<sup>rd</sup> May, 2011.

### **Audit Committee :**

The Audit Committee comprises of Mr. R. C. Saraf (Chairman), Mr. A. S. Dayal and Mr. G. N. Jajodiya all of whom are non executive independent Directors.

The terms of reference of the Audit Committee include.

- Review of quarterly/half yearly and annual financial statements.
- Review of the Company's financial reporting system.
- Review of the internal control and audit system.
- Review of the Company's financial and risk management policies.
- To consider the matter of appointment/re-appointment etc. of Statutory Auditors and their remuneration.
- Reviewing with the management and external and internal auditors the adequacy of internal audit systems;
- Reviewing of internal audit function.

The Committee had held four meetings during the financial year 2010-2011 viz. the first for consideration of Annual Accounts for the year ending 31<sup>st</sup> March, 2010, the second for consideration for 1st quarter results for the period ending 30<sup>th</sup> June, 2010, the third for considering half yearly/quarterly results for the period ending 30<sup>th</sup> September, 2010 and the fourth to consider quarterly results for the quarter ended 31<sup>st</sup> December, 2010 respectively.

Mr. R. C. Saraf and Mr. G. N. Jajodiya attended all four meetings and A. S. Dayal attended three meetings.

The Statutory and Internal Auditors had invariably attended all the Audit Committee Meetings.

**Shareholders'/Investors' Grievance Committee:**

The committee comprises of Mr. R. C. Saraf (Chairman), Mr. S. M. Jatia, and Mr. G. N. Jajodiya. Its terms of reference include review of complaints of shareholders/investors, 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 investors complaints.

Mr. J. W. Patil, Assistant Company Secretary is the compliance officer.

This committee specially looks into redressing of shareholders' and investors' complaints such as transfer of shares, non receipt of share certificates, non receipt of declared dividends etc.

No complaint was received from investors and also from Stock Exchanges during the year.

As on 31st March, 2011 there were no transfers pending to be executed.

**Remuneration Committee :**

The Committee comprises of Mr. R. C. Saraf, Mr. G. N. Jajodiya and Mr. S. C. Kedia. No meeting was held during 2010-11. Mr. S. C. Kedia has resigned with effect from 3<sup>rd</sup> May, 2011.

**General Body Meetings :**

The last three Annual General Meetings of the Company were held at the Registered Office of the Company at Thergaon, Pune - 411 033 on 1<sup>st</sup> September, 2008, 31<sup>st</sup> August, 2009 and 30<sup>th</sup> August, 2010 at 9.00 a.m. (ST).

No Special Resolution was proposed through Postal Ballot at the Annual General Meetings held on 1<sup>st</sup> September, 2008, 31<sup>st</sup> August, 2009 and 30<sup>th</sup> August, 2010.

No Special Resolution is proposed to be included at the ensuing Annual General Meeting through Postal Ballot.

**Disclosures:**

- a) There were no transactions of material nature with the promoters, the directors or the management, their subsidiaries that had any potential conflict with the interest of the Company at large.
- b) No penalties or strictures were imposed on the Company by any of the Stock Exchanges, Securities & Exchange Board of India or any Statutory Authority on any matter related to capital market, during the last three years.
- c) None of personnel has been denied access to the Audit Committee.
- d) All the mandatory requirements of the revised clause 49 of the Listing Agreement have been complied with as detailed in this annexure "B". Non mandatory requirements have been complied with in so far as they relate to appointment of remuneration committee and having unqualified financial statements.
- e) In terms of listing agreement, 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.

## PUDUMJEE INDUSTRIES LIMITED

### Means of Communication :

- a) The quarterly and half yearly un-audited financial results were published in "Financial Express" and in "Loksatta" (in Marathi Language)
- b) These results are also posted on Company's website [www.pudumjeeindustries.com](http://www.pudumjeeindustries.com) and are also available on SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in)
- c) The Company has created a dedicated e mail for investor's complaints viz. [Inv\\_compl\\_pail@pune.pudumjee.com](mailto:Inv_compl_pail@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.

### General Information for Shareholders:

- a) Annual General Meeting :  
Date & Time : 29<sup>th</sup> day of August, 2011 at 9.00. a.m. (ST)  
Venue : Registered office of the Company at Thergaon, Pune - 411 033
- b) Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March
- c) Financial Calendar:  
(Tentative)  
Date of Book Closure : Friday, the 19<sup>th</sup> August, 2011 to Monday, the 29<sup>th</sup> August, 2011  
Last date for receipt of proxy form : 27<sup>th</sup> August, 2011 (Before 9.00 a.m)  
Board Meeting for consideration of un-audited results for first three quarters : By last week of succeeding month
- Listing on Stock Exchanges :

<u>Name of Stock Exchange</u>	<u>Stock Code</u>
<b>Bombay Stock Exchange Ltd.</b>	516092
Phiroze Jeejeebhoy Towers, 25 <sup>th</sup> Floor, Dalal Street, Mumbai 400 001	
<b>The National Stock Exchange of India Ltd., PDUMJEIND</b>	
Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1. G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	
Listing fees for the year 2011-12 for all above Stock Exchanges have been paid by the Company.	
- Demat : NSDL and CDSL for Equity shares (Stock code INE105C01023)

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d) Market Price Data and Share Price Performance:

Month	National Stock Exchange of India Ltd.		Bombay Stock Exchange Ltd.		BSE 500 Index (Closing)
	High (₹)	Low (₹)	High (₹)	Low (₹)	
April, 2010	20.15	14.25	20.20	15.85	7,042.68
May, 2010	20.85	15.45	21.40	16.00	6,782.37
June, 2010	28.80	16.40	29.50	16.50	7,092.20
July, 2010	32.20	23.55	32.55	23.15	7,205.22
August, 2010	30.90	26.30	31.20	26.00	7,289.74
September, 2010	31.70	26.00	32.25	26.70	7,984.45
October, 2010	29.85	24.50	29.80	24.55	8,036.88
November, 2010	30.80	22.00	31.20	21.75	7,722.05
December, 2010	28.40	20.05	27.00	20.00	7,961.06
January, 2011	23.85	17.50	24.00	17.95	7,128.29
February, 2011	21.00	16.65	21.95	15.30	6,850.40
March, 2011	21.50	16.20	21.90	16.15	7,437.26

- e) Registrar & Share transfer Agents (Share transfer and communication regarding share certificates, dividend and change of address) : Satellite Corporate Services Pvt. Ltd.  
Unit: Pudumjee industries Ltd.  
B-302, Sony Apartment, Opp. St. Jude High School,  
Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai - 400 072  
Tel: 022-28520461/28520462 Fax: 022-28511809  
e-mail: service@satellitecorporate.com  
  
This is a common Agency looking after the work related to Share Registry in terms of both, physical and electronic connectivity (as per directions of SEBI)
- f) Share Transfer System : The share transfers in physical form are presently processed and the share certificates returned within a period of 30 days from the date of receipt subject to the documents being in order in all respects.

**PUDUMJEE INDUSTRIES LIMITED**

g) Shareholding pattern and distribution of shares as on 31<sup>st</sup> March, 2011. Face Value of shares of ₹ 2/- each

SHARE HOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING				
Category	No. of Shares	%	No. of Shares			No. of Shareholders	Shares held in each class
Promoters	1,24,18,662	68.99	1	-	2,500	3,590	17,94,340
Banks/ Institutions	6,500	0.03	2,501	-	5,000	68	2,80,978
Bodies Corporate	22,56,859	12.54	5,001	-	10,000	38	2,75,126
Public	33,17,979	18.44	10,001	-	20,000	19	2,72,736
			20,001	&	Above	42	1,53,76,820
<b>Total</b>	<b>180,00,000</b>	<b>100.00</b>				<b>3,757</b>	<b>180,00,000</b>

- h) Dematerialisation of Shares : 95.63% of the shares were held in dematerialized form as on 31<sup>st</sup> March, 2011.  
The trading in equity shares of the Company by all investors is permitted only in dematerialized form.  
On and from 1<sup>st</sup> February, 2005, for the convenience of the shareholders, the Company is required by SEBI to pay the custody charges to the Depositories viz. NSDL & CDSL and as such the shareholders are requested to take advantage by dematerialising their shares at the earliest.
- i) Details of unclaimed shares as per amended listing Clause 5A II : Company has 1,26,000 equity shares which are unclaimed by 196 shareholders and our Registrar and Share Transfer Agent had sent reminder letters to them at their registered addresses. As per Clause 5A(II) of the Listing Agreement three reminders will be issued. If no reply is received from the shareholder the unclaimed shares will be transferred to "Unclaimed Suspense Account". The voting rights on the shares outstanding in the suspense account as on 31<sup>st</sup> March, 2011 shall remain frozen till the rightful owner of such shares claims the shares.
- j) Liquidity : The total number of shares transferred in the non demat segment during 2010-11 were 8,000.
- k) Plant Location : Thergaon, Pune - 411 033.

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- l) Investors Correspondence
- a) For transfer/dematerialisation and any other enquiry relating to the shares of the Company. : Satellite Corporate Services Pvt. Ltd.  
: Unit: Pudumjee industries Ltd.  
B-302, Sony Apartment, Opp. St. Jude High School,  
Off Andheri Kurla Road, Jarimari, Sakinaka Mumbai - 400 072  
Tel: 022-28520461/28520462 Fax: 022-28511809  
e-mail: service@satellitecorporate.com  
(Note: Shareholders holding shares in Electronic Mode should address all correspondence concerning their holdings or transfers to their respective Depository Participants.)
- b) Any Other Enquiry : The Asst. Company Secretary  
Pudumjee industries Ltd.,  
Thergaon, Pune – 411 033  
Tel: 91-020-30613333 Fax: 91-020-30613388 / 27273294  
e-mail: sk@pune.pudumjee.com  
Dedicated e-mail ID for Investors complaints:  
inv\_compl\_pail@pune.pudumjee.com
- m) Compliance Certificate : The certificate of compliance with the requirements of Corporate Governance by the Company issued by M/s. Khare & Company, the auditors of the Company, is annexed.
- n) Qualifications in Auditors' Report : The Auditors have not expressed any qualification/adverse remark in their Report.
- o) Transfer of unclaimed amounts to Investors' Education and Protection Fund. : During the year there was no amount due to be credited with Investors' Education and Protection Fund.

On behalf of the Board of Directors,

Place : Mumbai  
Dated : 26<sup>th</sup> May, 2011

**SHYAM M. JATIA**  
Chairman

**CORPORATE GOVERNANCE REPORT OF  
PUDUMJEE INDUSTRIES LIMITED**

**Declaration regarding affirmation of Code of Conduct**

In terms of the requirements of amended Clause 49 of the Listing Agreement, Code of Conduct, as approved by the Board of Directors of the Company in its meeting held on 29<sup>th</sup> October, 2005 has been displayed at Company's website [www.pudumjeeindustries.com](http://www.pudumjeeindustries.com) All the members of the Board and the Senior Management personnel have affirmed the compliance with the Code for the year ended 31<sup>st</sup> March, 2011.

Place : Mumbai

Dated : 26<sup>th</sup> day of May, 2011

**SHYAM M. JATIA**

Chairman & Managing Director

**AUDITORS' CERTIFICATE**

The Shareholders of,  
Pudumjee Industries Ltd.,  
Thergaon, Pune 411 033.

We have reviewed the records and documents concerning implementation of Corporate Governance procedure set by the company during the financial year ended 31st March, 2011 and furnished to us for our review.

Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review, and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements entered into, by the company with various Stock Exchange of India.

In our opinion and to the best of our information and according to the explanations given to us we certify that company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For **KHARE & CO.**  
Chartered Accountants  
FRN 105100W

**Y. P. SHUKLA**  
Proprietor.

Place : Mumbai,  
Dated : 26<sup>th</sup> May, 2011.

## PUDUMJEE INDUSTRIES LIMITED

### REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have examined the attached Balance Sheet of **Pudumjee Industries Ltd.**, as at 31st March, 2011 and the Profit and Loss Account and Cash Flow Statements annexed thereto for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c) In our opinion, the said Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards as referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
- d) The said Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- e) On the basis of information and explanations given to us, and representations obtained by the Company and taken on record by the Board of Directors, we report that, there are no directors of the Company who are disqualified under section 274(1) (g) of the Act, from being appointed as directors during the year.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - I. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
  - II. In the case of Profit and Loss Account, of the loss for the year ended on that date; and
  - III. In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and according to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate, we further state that :-

- 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;
- c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year;

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- ii a) It is reported that, the inventories have been physically verified by the management at the end of the year;
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- c) The Company has maintained proper records of inventories and as explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records;
- iii a) The Company has taken unsecured loan aggregating ₹ 3,230.65 lacs during the year from three companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan taken are not prima facie prejudicial to the interest of the Company;
- c) The payment of the principal amount and interest thereon is also regular;
- d) There are no overdue amounts in respect of loans taken by the Company ;
- e) The Company has granted unsecured loan aggregating ₹ 999.69 lacs during the year to two companies, and a firm covered in the register maintained under Section 301 of the Companies Act, 1956.
- f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan taken are not prima facie prejudicial to the interest of the Company;
- g) The payment of the principal amount and interest thereon is also regular;
- h) There are no average amounts in respects of loans given by the Company.
- iv In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and also for the sale of goods and services. There are no continuing failure to correct major weaknesses in the internal control;
- v a) According to the information and explanations given to us, the transactions that need to be entered in the register maintained U/s 301 of the Companies Act, 1956, have been so entered;
- b) According to the information and explanations given to us, these transactions have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available;
- vi The Company has not accepted any deposits from the public;
- vii The Company has appointed independent internal auditors and in our opinion the internal audit system is commensurate with the size and nature of its business ;
- viii We have broadly reviewed the records maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However no detailed examination of such accounts and records have been carried out by us;
- ix a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other outstanding statutory dues have been regularly deposited during the year with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears as on 31st March 2011 for a period of more than six months from the date they became payable;

## PUDUMJEE INDUSTRIES LIMITED

c) The disputed Statutory dues aggregating ₹ 376.91 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 Duty	CESTAT (Departments Appeal)	151.77
2	Service Tax	Commissioner (Service Tax)	0.67
3	Custom Duty	Supreme Court (Department Appeal)	43.47
4	Service Tax	CESTAT	1.69
5	Sales Tax	High Court, M. P.	179.31

- x The Company has no accumulated losses and the Company has incurred cash Loss during the year under report. However, the Company has not incurred cash loss in the immediately preceding financial year;
- xi According to the information and explanations given to us, the Company has not made any default in repayment of dues to financial institutions or banks or debenture holders;
- xii In our opinion and according to the information and explanations given to us, the Company has not granted any loans on the basis of security by way of pledge of shares debentures and other securities;
- xiii The Company is not a nidhi, mutual benefit fund or a society;
- xiv The Company is not dealing or trading in shares securities, debentures and other investments;
- xv The Company has given guarantees for loans and other credit facilities taken by its subsidiary from banks and according to the information and explanations given to us, the terms and conditions of such guarantees are not prejudicial to the interest of the Company;
- xvi According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained;
- xvii In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, We report that no funds raised on short term basis have been used for long term investment;
- xviii According to the information and explanations given to us, during the year under report the Company has not made any preferential allotment of shares to any person;

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- xix According to the information and explanations given to us the Company has not issued any debentures and hence the question of creating security or charge therefore does not arise;
- xx During the year under report, no public issue has been made by the Company;
- xxi To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Mumbai,  
Dated : 26<sup>th</sup> May, 2011.

For **KHARE & CO.**  
Chartered Accountants  
FRN 105100W

**Y. P. SHUKLA**  
Proprietor  
Membership No. 16203

**PUDUMJEE INDUSTRIES LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	As at 31.03.2011 (₹ in lacs)	As at 31.03.2010 (₹ in lacs)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	A	360.00	360.00
Reserves & Surplus	B	<u>3,668.04</u>	<u>3,829.59</u>
		<b>4,028.04</b>	4,189.59
<b>LOAN FUNDS</b>			
Secured Loans	C	961.10	1,675.41
Unsecured Loans	D	<u>3,137.53</u>	<u>4,598.79</u>
		<b>4,098.63</b>	6,274.20
<b>PROVISION FOR DEFERRED TAX</b>		<b>74.00</b>	180.00
		<u><b>8,200.67</b></u>	<u>10,643.79</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	E	4,030.09	3,994.75
Less: Provision for Depreciation		<u>1,666.79</u>	<u>1,500.48</u>
Net Block		<u>2,363.30</u>	<u>2,494.27</u>
Capital Work in Progress		<u>16.28</u>	<u>9.79</u>
		<b>2,379.58</b>	2,504.06
<b>INVESTMENTS</b>		<b>1,768.16</b>	1,268.16
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories		2,118.55	2,140.57
Sundry Debtors		1,603.36	1,572.81
Cash & Bank Balances		32.33	137.41
Loans & Advances		<u>1,678.80</u>	<u>4,065.18</u>
		<u>5,433.04</u>	<u>7,915.97</u>
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Liabilities		1,269.78	884.62
Provisions		<u>110.33</u>	<u>159.78</u>
		<u>1,380.11</u>	<u>1,044.40</u>
<b>NET CURRENT ASSETS</b>		<b>4,052.93</b>	6,871.57
		<u><b>8,200.67</b></u>	<u>10,643.79</u>

NOTES AS PER SCHEDULE "M"

As per our Report of date attached

On behalf of the Board,

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

**SHYAM M. JATIA**  
Chairman & Managing Director

**Y. P. SHUKLA**  
Proprietor

**J. W. PATIL**  
Assistant Company Secretary

**R. C. SARAF**  
Director

Mumbai, Dated : 26<sup>th</sup> May, 2011

Mumbai, Dated : 26<sup>th</sup> May, 2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	2010-2011 ( ₹ in lacs)	2009-2010 ( ₹ in lacs)
<b>INCOME</b>			
Sales & Income from Operation	I	10,942.23	7,587.32
Less: Excise Duty		367.82	249.15
VAT/Sales Tax & Service Tax		714.31	311.23
		<u>9,860.10</u>	<u>7,026.94</u>
Other Income	J	516.27	462.35
		<b>10,376.37</b>	7,489.29
<b>EXPENDITURE</b>			
Manufacturing & Other Expenses	K	9,961.12	7,347.24
Trade Purchases		832.36	182.17
Depreciation		166.31	114.07
		<u>10,959.79</u>	<u>7,643.48</u>
		(583.42)	(154.19)
<b>INCREASE / (DECREASE) IN STOCK</b>			
Stock at Commencement	L	548.54	128.90
Stock at Close		<u>870.15</u>	<u>548.54</u>
		<u>321.61</u>	<u>419.64</u>
<b>PROFIT / (LOSS) FOR THE YEAR BEFORE TAX</b>			
		(261.81)	265.45
Less: Provision for Current Taxation		0.50	45.00
Less:/Add Provision for Deferred Tax Expenses/(Saving)		<u>(106.00)</u>	<u>45.00</u>
		<u>(105.50)</u>	<u>90.00</u>
<b>PROFIT / (LOSS) FOR THE YEAR AFTER DEFERRED AND CURRENT TAX</b>			
		(156.31)	175.45
Balance of profit brought forward from last year		<u>1,226.33</u>	<u>1,092.86</u>
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>			
		<u>1,070.02</u>	<u>1,268.31</u>
<b>APPROPRIATIONS:</b>			
Proposed Dividend on Equity Shares (Free of Tax)		-	36.00
Tax on Proposed Dividend		-	5.98
		-	<u>41.98</u>
<b>BALANCE CARRIED FORWARD TO NEXT YEAR</b>			
		<u>1,070.02</u>	<u>1,226.33</u>
<b>Earning Per Share-After Current &amp; Deferred Tax</b>			
		₹	₹
Basic & Diluted.		(0.87)	0.97
(See note No.4 of Schedule 'M')			

NOTES AS PER SCHEDULE "M"

As per our Report of date attached

On behalf of the Board,

For **KHARE & CO.**,  
Chartered Accountants**SHYAM M. JATIA**  
Chairman & Managing Director**Y. P. SHUKLA**  
Proprietor**J. W. PATIL**  
Assistant Company Secretary**R. C. SARAF**  
DirectorMumbai, Dated : 26<sup>th</sup> May, 2011Mumbai, Dated : 26<sup>th</sup> May, 2011

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011**

<b>SCHEDULE 'A' - SHARE CAPITAL</b>	<b>AS AT 31.03.2011</b>	<b>AS AT 31.03.2010</b>
	<b>( ₹ in lacs)</b>	<b>( ₹ in lacs)</b>
<b>AUTHORISED</b>		
12,50,00,000 Equity Shares of ₹ 2 each	<b>2,500.00</b>	2,500.00
<b>ISSUED, SUBSCRIBED AND PAIDUP</b>		
180,00,000 Equity Shares of ₹ 2 each	<b>360.00</b>	360.00

Of the above 8,135 Equity Shares were allotted as fully paid up for consideration other than cash and 61,20,575 Equity shares were allotted as fully paid up Bonus Shares issued by way of capitalisation of Reserves.

<b>SCHEDULE 'B' - RESERVES &amp; SURPLUS</b>	<b>AS AT 31.03.2011</b>	<b>AS AT 31.03.2010</b>
	<b>( ₹ in lacs)</b>	<b>( ₹ in lacs)</b>
<b>GENERAL RESERVE</b>		
As per last Balance Sheet	<b>1,360.00</b>	1,360.00
<b>SHARE PREMIUM ACCOUNT</b>		
As per last Balance sheet	<b>1,197.48</b>	1,197.48
<b>CAPITAL RESERVE</b>		
As per last Balance sheet	<b>0.44</b>	0.44
<b>CAPITAL SUBSIDY RESERVE</b>		
As per last Balance Sheet	<b>40.00</b>	40.00
<b>RESERVE FOR DOUBTFUL DEBTS</b>		
(see Schedule H)	<b>0.10</b>	5.34
<b>SURPLUS</b>		
Balance in Profit & Loss Account	<b>1,070.02</b>	1,226.33
	<b>3,668.04</b>	3,829.59

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011 (Contd.)**

	<u>AS AT</u> <u>31.03.2011</u> ( ₹ in lacs)	<u>AS AT</u> <u>31.03.2010</u> ( ₹ in lacs)
<b>SCHEDULE 'C' - SECURED LOANS</b>		
From Banks:		
Against hypothecation of stocks, Stores & book debts		
Cash Credit:	290.71*	901.69*
Against first charge on Fixed Assets of the company. Term Loan	670.39	773.72
	<u>961.10</u>	<u>1,675.41</u>

Note: \* Also Secured by a second charge on fixed assets of the company, ranking pari passu among the consortium banks.

	<u>AS AT</u> <u>31.03.2011</u> ( ₹ in lacs)	<u>AS AT</u> <u>31.03.2010</u> ( ₹ in lacs)
<b>SCHEDULE 'D' - UNSECURED LOANS</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
From Bank	-	-
From Others	3,137.53	4,598.79
	<u>3,137.53</u>	<u>4,598.79</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 (Contd.)**

**SCHEDULE 'E' - FIXED ASSETS (At cost)**

(₹ in lacs)

TYPE OF ASSETS	Cost upto 31.3.2010	Additions/ Transfers during the year	Deductions/ Transfers during the year	Balance Cost upto 31-3-2011	Depreciation upto 31.3.2010	Depreciation for the year	Depreciation on sold Assets and on deductions written back	Depreciation balance as on 31-3-2011	Net Book Value as on 31-3-2011	Net Book value as on 31.3.2010
Land	7.10	-	-	7.10	-	-	-	-	7.10	7.10
Building	251.70	-	-	251.70	153.26	7.74	-	161.00	90.70	98.44
Machinery	3,595.32	33.36	-	3,628.68	1,281.45	143.63	-	1,425.08	2,203.60	2,313.87
Furniture & Fixtures	113.46	1.98	-	115.44	59.93	9.41	-	69.34	46.10	53.53
Vehicles	27.17	-	-	27.17	5.84	5.53	-	11.37	15.80	21.33
<b>Total</b>	<b>3,994.75</b>	<b>35.34</b>	<b>-</b>	<b>4,030.09</b>	<b>1,500.48</b>	<b>166.31</b>	<b>-</b>	<b>1,666.79</b>	<b>2,363.30</b>	<b>2,494.27</b>
Previous year	2,706.62	1,310.71	22.58	3,994.75	1,389.37	114.07	2.96	1,500.48	2,494.27	1,317.25

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011 (Contd.)**

SCHEDULE 'F' — INVESTMENTS	AS AT	AS AT
	31.03.2011	31.03.2010
	(₹ in lacs)	( ₹ in lacs)
<b>LONGTERM INVESTMENTS (At Cost)</b>		
<b>TRADE INVESTMENT (unquoted)</b>		
150,00,000 (Last year 100,00,000) Equity shares of Subsidiary Company Pudumjee Hygiene Products Ltd of ₹ 10/-each fully paid.	<b>1,500.00</b>	1,000.00
Investment in Capital of Prime Developers, a firm.	<b>1.00</b>	1.00
<b>OTHER INVESTMENTS</b>		
34,12,850 Equity shares of Pudumjee Pulp & Paper Mills Ltd of ₹ 2/-each fully paid(quoted)	<b>267.16</b>	267.16
675,000 Equity shares of Pudumjee Plant Laboratories Ltd. of ₹ 10/- each fully paid(unquoted)	<b>60.00</b>	60.00
	<b>1,828.16</b>	1,328.16
Less : Provision for Diminution in Value of Long Term Investments,deducted per contra	<b>60.00</b>	60.00
	<b>1,768.16</b>	1,268.16
<b>Aggregate amount of unquoted investments (At cost)</b>	<b>1,561.00</b>	1,061.00
<b>Aggregate amount of quoted investments</b>		
Cost	<b>267.16</b>	267.16
Market Value	<b>725.23</b>	648.44

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011 (Contd.)**

SCHEDULE 'G' - CURRENT ASSETS, LOANS & ADVANCES	AS AT 31.03.2011 <u>(₹ in lacs)</u>	AS AT 31.03.2010 <u>(₹ in lacs)</u>
<b>CURRENT ASSETS</b>		
<b>INVENTORIES</b>		
STORES, SPARE PARTS ETC. (At cost)	473.80	457.13
LOOSE TOOLS (At cost)	0.27	0.19
<b>STOCK-IN-TRADE</b>		
Finished Goods (At lower of cost or market value )	746.35	514.65
Work-in-process (At cost)	123.80	33.89
Raw material (At cost)	<u>774.33</u>	<u>1,134.71</u>
	<b>2,118.55</b>	2,140.57
<b>SUNDRY DEBTORS (Unsecured)</b>		
Debts outstanding for a period exceeding six months		
Considered Good	6.58	9.48
Considered Doubtful	<u>74.43</u>	<u>141.99</u>
	81.01	151.47
Other Debts		
Considered Good	<u>1,596.78</u>	<u>1,563.33</u>
	<b>1,677.79</b>	1,714.80
Less : Provision for Doubtful debts deducted per contra	<u>74.43</u>	<u>141.99</u>
	<b>1,603.36</b>	<b>1,572.81</b>
C/O	<b>3,721.91</b>	<b>3,713.38</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011 (Contd.)**

SCHEDULE 'G' - CURRENT ASSETS, LOANS & ADVANCES (Contd.)	AS AT	AS AT
	31.03.2011	31.03.2010
	(₹ in lacs)	(₹ in lacs)
<b>CURRENT ASSETS (contd.)</b>		
B/O	<b>3,721.91</b>	3,713.38
<b>CASH &amp; BANK BALANCES</b>		
On hand as per books	0.86	3.73
On accounts with Scheduled Banks	31.01	120.69
On Deposit accounts (kept with Bank as margin)	-	1.07
Cheques on hand	0.46	11.92
	<u>32.33</u>	<u>137.41</u>
<b>OTHER CURRENT ASSETS</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Prepaid Expenses	7.15	6.88
Advances to employees	6.75	1.49
Deposits	103.13	33.61
Includes ₹20 lacs (Last year ₹20 lacs) with a company in which a Director is interested Maximum during the year ₹20 lacs (Last year ₹20 Lacs)		
Advance Income Tax etc.(Net)	45.74	40.78
Advance to / balance in current account with a firm in which the company is a partner	604.21	1,707.47
Advances recoverable in cash or in kind		
Considered good	911.82	2,274.95
Considered doubtful	3.79	2.66
	<u>1,682.59</u>	<u>4,067.84</u>
Less : Provision for Doubtful Advances deducted per contra	<u>3.79</u>	<u>2.66</u>
	<u>1,678.80</u>	4,065.18
	<u>5,433.04</u>	<u>7,915.97</u>

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011 (Contd.)**

SCHEDULE 'H' - CURRENT LIABILITIES & PROVISIONS	AS AT 31.03.2011 (₹ in lacs)	AS AT 31.03.2010 (₹ in lacs)
<b>CURRENT LIABILITIES</b>		
Acceptances	831.56	359.96
Sundry Creditors	437.40	524.22
Interest accrued but not due on Loans	0.03	0.44
Unclaimed Dividend	0.79	-
	<b>1,269.78</b>	884.62
<b>PROVISIONS</b>		
Provision for Doubtful Debts & Advances	149.99	149.99
Less : Written Back	71.67	-
Less : Deducted per contra	78.22	144.65
	0.10	5.34
Less : Surplus Provision shown under Reserves & Surplus	0.10	5.34
	-	-
Provision for Diminution in Value of Long Term Investments.		
As per last Balance Sheet	60.00	60.00
Less : Deducted per contra From Investments	60.00	60.00
	-	-
Provision for Gratuity & Leave Encashment	110.33	123.78
Proposed Dividend	-	36.00
	<b>110.33</b>	159.78
	<b>1,380.11</b>	<b>1,044.40</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS  
ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

<b>SCHEDULE 'I' - SALES &amp; INCOME FROM OPERATIONS</b>	<b>2010-2011</b>	<b>2009-2010</b>
	<b>(₹ in lacs)</b>	<b>(₹ in lacs)</b>
Paper	10,019.72	7,365.20
Less : Excise Duty	367.77	249.05
VAT/Sales Tax	<u>672.02</u>	<u>309.30</u>
	<b>8,979.93</b>	6,806.85
Trade Sales		
Pulp	701.95	-
Less : VAT/Sales Tax	<u>33.43</u>	<u>-</u>
	<b>668.52</b>	-
Others	194.22	186.62
Less : VAT/Sales Tax	<u>7.58</u>	<u>0.17</u>
	<b>186.64</b>	186.45
Grinding Charges	0.58	1.16
Less : Service Tax	<u>0.05</u>	<u>0.11</u>
	<b>0.53</b>	1.05
Miscellaneous Sales	25.76	34.34
Less : Excise Duty	0.05	0.10
VAT/Sales Tax	<u>1.23</u>	<u>1.65</u>
	<b>24.48</b>	32.59
	<b>9,860.10</b>	<b>7,026.94</b>
<hr/>		
<b>SCHEDULE 'J' - OTHER INCOME</b>	<b>2010-2011</b>	<b>2009-2010</b>
	<b>(₹ in lacs)</b>	<b>(₹ in lacs)</b>
<b>INTEREST</b>		
On Long Term Investments	-	-
Others	<u>344.45</u>	<u>406.63</u>
	<b>344.45</b>	406.63
<b>DIVIDENDS</b>		
From Long Term Investments	10.24	8.53
<b>INCOME FROM SHARE OF A PARTNERSHIP FIRM</b>	1.49	0.20
<b>NET FOREIGN EXCHANGE GAIN</b>	18.93	34.49
<b>PROVISION FOR GRATUITY WRITTEN BACK</b>	13.72	-
<b>PROVISION FOR DOUBTFUL DEBTS WRITTEN BACK</b>	71.67	-
<b>MISCELLANEOUS INCOME</b>	55.77	12.50
	<u>516.27</u>	<u>462.35</u>

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)**

<b>SCHEDULE 'K' - MANUFACTURING &amp; OTHER EXPENSES</b>	<b>2010-2011</b> <b>(₹ in lacs)</b>	<b>2009-2010</b> <b>(₹ in lacs)</b>
<b>CONSUMPTION OF RAW MATERIALS</b>	<b>5,572.62</b>	<b>4,155.01</b>
<b>CONSUMPTION OF STORES, COLOURS,CHEMICALS etc.</b>	<b>846.62</b>	<b>575.49</b>
<b>SALARIES,WAGES,BONUS etc.</b>		
Salaries,Wages,gratuity & Bonus	<b>383.03</b>	378.53
Contribution to Provident & Other Funds(Including Administrative Charges)	<b>34.29</b>	28.65
Employees State Insurance	<b>1.98</b>	0.80
Workmen & Staff Welfare Expenses	<b>15.30</b>	10.14
	<b>434.60</b>	418.12
<b>FUEL,POWER &amp; WATER</b>	<b>1,862.37</b>	<b>1,365.01</b>
<b>RENT,RATES &amp; TAXES</b>	<b>16.61</b>	<b>14.52</b>
Includes Rent paid ₹5.00 lacs (Last year ₹4.97 lacs)		
<b>REPAIRS &amp; MAINTENANCE</b>		
Machinery	<b>361.57</b>	231.21
Buildings	<b>5.35</b>	6.52
Others	<b>1.36</b>	0.55
	<b>368.28</b>	238.28
<b>INSURANCE</b>	<b>4.05</b>	<b>2.59</b>
<b>PACKING,CARTAGE,CUTTING, BALING,FREIGHT ETC.</b>	<b>261.15</b>	<b>134.33</b>
<b>COMMISSION ON SALES</b>	<b>21.19</b>	<b>3.30</b>
<b>INTEREST &amp; FINANCIAL CHARGES</b>	<b>439.67</b>	<b>325.33</b>
Less:Interest received on Trade Debts	<b>45.80</b>	25.13
	<b>393.87</b>	300.20
<b>DIRECTORS' FEES &amp; ALLOWANCES</b>	<b>0.30</b>	<b>0.30</b>
<b>DIRECTORS' REMUNERATION</b>	<b>11.88</b>	<b>13.98</b>
<b>DEVELOPMENT &amp; RESEARCH EXPENSES</b>	<b>5.20</b>	<b>5.68</b>
<b>BAD DEBTS &amp; ADVANCES WRITTEN OFF</b>	<b>72.80</b>	<b>0.79</b>
<b>LOSS ON SALE/DISCARD OF ASSETS (Net)</b>	<b>-</b>	<b>19.27</b>
<b>OFFICE &amp; MISCELLANEOUS EXPENSES</b>	<b>89.58</b>	<b>100.37</b>
	<b>9,961.12</b>	<b>7,347.24</b>

**SCHEDULE OF NOTES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2011**

<b>SCHEDULE 'L' - INCREASE/(DECREASE) IN STOCK</b>	<b>2010-2011</b>	<b>2009-2010</b>
	<b>(₹ in lacs)</b>	<b>(₹ in lacs)</b>
<b>STOCK AT COMMENCEMENT</b>		
Finished Paper	514.65	119.52
Work-in-Process	<u>33.89</u>	<u>9.38</u>
	<b>548.54</b>	128.90
<b>STOCK AT CLOSE</b>		
Finished Paper	746.35	514.65
Work-in-Process	<u>123.80</u>	<u>33.89</u>
	<b>870.15</b>	548.54
	<b>321.61</b>	<b>419.64</b>

**SCHEDULE 'M'**

<b>1. Information required under Schedule VI</b>	<b>AS AT</b>	<b>AS AT</b>
<b>Quantitative Information</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>(M.T.)</b>	<b>(M.T.)</b>
Licensed Capacity (Per annum)	<b>Not Applicable</b>	Not Applicable
	<b>(Delicensed)</b>	(Delicensed)
Installed Capacity (Per annum)	<b>22,500</b>	22,500

**Opening & Closing Stocks of goods produced, Actual Production & Sale**

<b>Paper</b>	<b>Opening stock</b>	<b>Production</b>	<b>Sale</b>	<b>Closing Stock</b>
	<b>M.T.</b>	<b>M.T.</b>	<b>M.T.</b>	<b>M.T.</b>
Current Year	1,125	18,510	18,196	1,439
Previous Year	265	15,636	14,776	1,125

**Details in respects of Trade purchases:**

	<b>Opening stock</b>		<b>Purchases</b>		<b>Sale</b>	<b>Closing Stock</b>	
	<b>Qty</b>	<b>₹in</b>	<b>Qty</b>	<b>₹in</b>	<b>Qty</b>	<b>Qty</b>	<b>₹in</b>
	<b>M.T.</b>	<b>lacs</b>	<b>M.T.</b>	<b>lacs</b>	<b>M.T.</b>	<b>M.T.</b>	<b>lacs</b>
<b>Pulp</b>							
Current year	—	—	1,870	648.75	1,870	—	—
Previous year	—	—	—	—	—	—	—
<b>Others</b>							
Current year	—	—	—	183.61	—	—	—
Previous year	—	—	—	182.17	—	—	—

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULE 'M' - (Contd.)**

**1. Information required under schedule VI (Contd.)**

**Quantitative Information:**

The Value of Raw Materials consumed & Quantities thereof:

	2010-2011		2009-2010	
	Quantity M.T.	Value ₹ in lacs	Quantity M.T.	Value ₹ in lacs
Pulp	5,265	1,540.09	6,242	1,698.91
Waste paper	20,904	4,032.53	15,253	2,456.10
		<u>5,572.62</u>		<u>4,155.01</u>

	2010-2011	2009-2010
	(₹ In lacs)	(₹ In lacs)
Value of Direct imports calculated on CIF Basis during the Financial Year:		
Raw Material	2,867.11	2,992.78
Components & Spare Parts	217.81	192.78
Capital Goods	2.25	441.24
Trade Goods	599.62	177.69
Expenditure in foreign Currency during Financial Year such as royalty, knowhow, travelling etc.	17.47	59.65

	2010-2011	2009-2010
Amount Remitted during the year in foreign currencies on account of Dividend	2.95	-
The amount of dividend for the year 2009-10 remitted in Rupees in to NRE account of 19 NRI shareholders holding 1477311 shares of ₹2/-each		

	2010-2011		2009-2010	
	Value (₹ in lacs)	%	Value (₹ in lacs)	%
Value of raw materials, spares parts and components consumed during the financial year and the percentage thereof				
Raw Materials :				
Direct Imports	4,489.64	80.57	3,766.37	90.65
Others	1,082.98	19.43	388.64	9.35
Total	<u>5,572.62</u>	<u>100.00</u>	<u>4,155.01</u>	<u>100.00</u>
Spare Parts & Components:				
Direct Imports	240.03	20.91	168.54	21.77
Others	907.95	79.09	605.59	78.23
Total	<u>1,147.98</u>	<u>100.00</u>	<u>774.13</u>	<u>100.00</u>

	2010-2011	2009-2010
	(₹ In lacs)	(₹ In lacs)
The amount remitted during the financial year in foreign currencies on account of dividends	Nil	Nil
Export of goods calculated on FOB basis (Earning in Foreign Exchange)	713.38	21.49
Royalty, know-how, Professional and consultation fees interest and dividend etc. (Earning in Foreign Exchange)	Nil	Nil

## SCHEDULE 'M' - (Contd.)

	2010-2011	2009-2010
	(₹ In lacs)	(₹ In lacs)
2(a) Director's Remuneration consists of the following :		
Managerial remuneration	9.00	9.00
Commission on Net Profit	—	2.10
Company's contribution to provident Fund.	1.08	1.08
Perquisites	0.31	0.28
Provision for Gratuity	1.49	1.52
	<u>11.88</u>	<u>13.98</u>

## 2(b) Computation of net profit as per section 349 read with section 309 of the Companies Act, 1956.

	(₹ In lacs)
Profit as per Profit & Loss Account	265.45
Add :	
Directors Remuneration	13.98
Directors Fees & Allowances	<u>0.30</u>
Profit available for Managerial Communication	14.28
Commission on net profit to Managing Director @ 4%, restricted to :	2.10

} Not Applicable

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

- a) Investments are classified into current and long term investments. Current Investments are stated at lower of cost and fair value.  
Long Term Investments are stated at cost, less provision for permanent diminution in value, if any.
- b) Finished goods are valued at lower of cost or market value. All other inventories are valued at cost based on First In, First Out method.
- c) Fixed Assets are valued at cost.
- d) Borrowing costs comprising interest etc. relating to project are capitalised up to the date of its completion and other borrowing costs are charged to profit and loss account in the year of their accrual.
- e) Depreciation on Machinery & Building has been provided on Straight Line Method and that on the other Assets on written Down Value method in accordance with Schedule XIV of the Companies Act, 1956 as in force as on the date of Balance Sheet.
- 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 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) Revenue recognition is postponed to a later year only when it is not possible to estimate it with reasonable accuracy.
- h) Foreign currency transactions are recorded at the then prevailing rate. Closing balances of assets and 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 and Loss account.
- i) 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 INDUSTRIES LIMITED

### SCHEDULE 'M' - (Contd.)

	<u>AS AT</u> <u>31.03.2011</u>	<u>AS AT</u> <u>31.03.2010</u>
4 Basic & Diluted EPS :		
(a) Net Profit after tax as per Profit & Loss Account:		
After current and deferred Tax	₹ (156.31) lacs	₹ 175.45 lacs
(b) Number of Equity Shares outstanding during the year	<b>180 lacs</b>	180 lacs
(c) Basic & Diluted EPS After current and deferred Tax (a / b)	₹ (0.87)	₹ 0.97

5. (a) Break up of Deferred Tax Liabilities/ (deferred Tax Assets ) into major components is as under :

	<u>AS AT</u> <u>31.03.2011</u>	<u>AS AT</u> <u>31.03.2010</u>
	(₹in lacs)	(₹in lacs)
In respect of Depreciation	<b>287</b>	284
In respect of allowances and disallowances under various provisions of Income Tax Act.	<b>(213)</b>	(104)
Net Deferred Tax Liability	<u><b>74</b></u>	<u>180</u>

(b) The deferred Tax Asset in respect of carry forward of losses 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, 2011.

6 Related Party Disclosures (Accounting Standard 18)

**a) Subsidiary Company**

Pudumjee Hygiene Products Ltd.

**b) Associate Companies / Firms**

Pudumjee Pulp & Paper Mills Ltd.

Pudumjee Plant Laboratories Ltd.

Pudumjee Investments and Finance Co.Ltd.

Prime Developers

Pudumjee-G. Corp.Developers

**c) Key Management Personnel**

Mr. S. M.Jatia

Managing Director

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<b>d) Transactions with related Parties</b>		(₹ in lacs)			
	2010-2011 (2009-2010)	2010-2011 (2009-2010)	2010-2011 (2009-2010)	2010-2011 (2009-2010)	
	Subsidiary Company	Associate Companies/ Firms	Maximum during the year	Key Management personnel	
a) i) Interest bearing Inter Corporate Deposits etc.obtained during the year		<b>2,235.85</b> (6,097.00)			
ii) Interest bearing Inter Corporate Deposits etc.given during the year	<b>75.00</b> (1,855.00)	<b>924.69</b> (952.54)			
b) i) Interest paid during the year		<b>285.18</b> (244.63)			
ii) Interest charged during the year	<b>100.92</b> (87.65)	<b>240.60</b> (300.01)			
c) Inter Corporate Deposits obtained outstanding including interest Pudumjee Pulp and Paper Mills Ltd.		<b>2,995.06</b> (4,527.25)			
Pudumjee Plant Laboratories Ltd.		-			
		(8.12)			
d) Intercorporate Deposits Given outstanding including interest. Prime Developers		<b>494.87</b> (1,599.63)	<b>1,645.78</b> (1,792.12)		
Pudumjee Hygiene Products Ltd.	<b>593.83</b> (1,738.88)		<b>1,738.88</b> (1,738.88)		
Pudumjee Plant Laboratories Ltd.		<b>16.75</b> (-)	<b>700.00</b> (-)		
e) Sales made during the year	-	<b>886.11</b> (180.22)			
f) Purchases/Processing Charges of goods made during the year	-	<b>913.58</b> (770.88)			
g) Reimbursement of common services and purchase of utilities during the year.		<b>317.94</b> (187.00)			
h) Remuneration paid	-	-		<b>11.88</b> (13.98)	
i) Outstanding as creditor		<b>90.77</b> (73.83)			
Prime Developers (Partner's current A/c)		<b>109.34</b> (107.84)	<b>109.34</b> (107.84)		
j) Counter Guarantee given to banks for loans to	<b>170.27</b> (157.44)	-	-		
k) Share of Profit from firm		<b>1.49</b> (0.20)			

## PUDUMJEE INDUSTRIES LIMITED

### SCHEDULE 'M' - (Contd.)

- 7 There is no amount outstanding as on 31st March, 2011 which is to be credited to the Investor Education and Protection Fund.
- 8 Income Tax deducted at source on interest received is ₹ 34.33 lacs (Last year ₹ 58.13 lacs) and on other income is ₹ 0.81 lac (Last year ₹ 1.11 lacs.)
- 9 Sales Include Excise Duty, VAT, Sales Tax & Service Tax collected. Miscellaneous sales have been stated net of stocks.
- 10 Expenses amounting to ₹ 21.62 lacs (last year ₹ 49.30 lacs) relating to the project have been capitalised.
- 11 Interest Paid as shown in (Schedule 'K') includes interest on fixed term loans ₹ 388.98 lacs. (last year ₹ 264.22 lacs)
- 12 Office & Miscellaneous expenses includes remuneration of auditors.

	<u>2010-2011</u> (₹ In lacs)	<u>2009-2010</u> (₹ In lacs)
Audit fees	1.50	1.50
Taxation matters	0.60	0.60
Management & Other Services	1.85	1.85
	<u>3.95</u>	<u>3.95</u>

- 13 Estimate of contracts remaining to be executed on capital account and not provided for amounted to ₹ 29.96 lacs (Last year ₹ Nil)
- 14 Land admeasuring about 1,400 Sq.Meters has been acquired by Municipal Corporation for Road widening purpose in earlier year, the company is entitled to TDR with an outside chance of cash compensation, which is yet to be determined and as such this will be included when finally decided since the relevent documentation is to be finalised and executed.
- 15 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.
- 16 Long term investments in the share capital of companies have been shown at cost although there has been diminution in their value. In view of the long term prospects of these companies no permanent diminution in value is envisaged by the management except to the extent provided for.
- 17 The Company operates in only one reportable segment viz. Paper, during the year.

## SCHEDULE 'M' - (Contd.)

18 (a) Contingent Liabilities not provided for in respect of:

	AS AT 31.03.2011 (₹ In lacs)	AS AT 31.03.2010 (₹ In lacs)
(i) Letters of Credit and bank Guarantees in favour of Govt. Authorities and suppliers of raw materials, spares etc.*	270.73	223.33
(ii) Guarantees for loans granted to companies.	170.27	157.44
(iii) Claims against the Company not acknowledged as debts for excise duty, Income tax, commercial claims etc. (Including demands contested in appeals)**	477.09	473.00

\* Will not effect the future profitability.

\*\* May affect the future profitability to the extent indicated if such liabilities crystallize.

19 The details of the firm 'Prime Developers' in which the Company has invested are as under:

Name of the Partners	Capital ₹ in lacs	Sharing Ratio	
		Profit	Loss
Prime Textiles Ltd.	1.00	50.00%	66.66%
Pudumjee Industries Ltd.	1.00	12.50%	16.67%
Aristo Reality Developers .Ltd.	—	25.00%	—
Suma Commercial Pvt.Ltd.	—	12.50%	16.67%
Share of Profit / Loss during the year		₹ 1.49 Lacs (last year ₹ 0.20 Lac)	Nil

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

- An amount of ₹ 28.68 lacs (last year ₹ 27.28 lacs) has been recognized as an expenses for defined contribution plans by way of Company's contribution to Provident Funds & Super annuation Fund.
- The defined benefits plans comprise of Gratuity Plan and Leave Encashment Plan. The Gratuity Plan is partly funded with Life Insurance Corporation of India.
- Expenses recognized during the year and reconciliation of the Assets & Liabilities recognized in Balance Sheet as at 31.03.2011:

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULE 'M' - (Contd.)**

	2010-2011		2009-2010	
	Gratuity (Partly funded) (₹in lacs)	Leave Encashment (Unfunded) (₹in lacs)	Gratuity (Partly funded) (₹in lacs)	Leave Encashment (Unfunded) (₹in lacs)
i) The present value of defined benefit obligations at the commencement of the Year	<b>211.02</b>	<b>14.91</b>	169.55	13.11
ii) Current Service cost	<b>8.25</b>	<b>1.72</b>	9.33	0.39
iii) Interest cost	<b>17.41</b>	<b>1.23</b>	13.56	1.05
iv) Actuarial (Gain)/Loss	<b>(18.92)</b>	<b>(0.88)</b>	32.66	1.42
v) Benefits (Paid)	<b>(14.00)</b>	<b>(1.82)</b>	(14.08)	(1.06)
vi) Past Service Cost	-	-	-	-
vii) The present value of defined benefit obligations at the close of the Year	<b>203.76</b>	<b>15.16</b>	211.02	14.91
viii) The fair value of plan assets at the close of the year	<b>108.60</b>	-	102.14	-
ix) The Past service cost not yet recognized	-	-	-	-
x) Expected Return on Plan Assets	<b>(9.02)</b>	-	(7.79)	-
xi) Written back in Profit & Loss Account	<b>13.72</b>	-	-	-

Expenses aggregating ₹11.69 lacs(last year ₹49.56 lacs) under items (ii),(iii),(iv),(v),(x) and (xi) above have been debited to the Profit & Loss Account to the extent of ₹10.20 lacs(last year ₹48.04 lacs) under the Head "Salaries,Wages, Bonus etc. (Schedule "K") and ₹1.49 lacs (last year ₹1.52 lacs) under the head " Directors' remuneration"(Schedule "K")

**d) Actuarial assumptions**

	2010-2011		2009-2010	
i) Rate of interest ( per annum)	<b>8.25%</b>	<b>8.25%</b>	8.25%	8.25%
ii) Salary growth ( per annum)	<b>5.50%</b>	<b>5.50%</b>	5.50%	5.50%
iii) Withdrawal rate ( Per annum)	<b>1.00%</b>	<b>1.00%</b>	1.00%	1.00%
iv) Expected return on Plan Assets	<b>9.00%</b>	-	9.00%	-
v) Mortality rates [LIC(1994.96) ultimate ]	-	-	-	-

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

**SCHEDULE 'M' - (Contd.)**

22 Balance Sheet Abstract and Company's General Business Profile

**I. Registration Details**

Registration No. 

1	3	3	9	4
---	---	---	---	---

 State Code 

1	1
---	---

  
Balance Sheet Date 

3	1		0	3		2	0	1	1
---	---	--	---	---	--	---	---	---	---

**II. Capital raised during the year (Amount in ₹ thousands)**

Public Issue <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Right Issue <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L					
N	I	L					
Bonus Issue <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Private Placement <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L					
N	I	L					

**III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)**

Total Liabilities <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>8</td><td>2</td><td>0</td><td>0</td><td>6</td><td>7</td></tr></table>		8	2	0	0	6	7	Total Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>8</td><td>2</td><td>0</td><td>0</td><td>6</td><td>7</td></tr></table>		8	2	0	0	6	7
	8	2	0	0	6	7									
	8	2	0	0	6	7									
<b>Sources of Funds</b>															
Paid-up Capital <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>6</td><td>0</td><td>0</td><td>0</td></tr></table>	3	6	0	0	0	Reserves & Surplus <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>6</td><td>6</td><td>8</td><td>0</td><td>4</td></tr></table>	3	6	6	8	0	4			
3	6	0	0	0											
3	6	6	8	0	4										
Secured Loans <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>9</td><td>6</td><td>1</td><td>1</td><td>0</td></tr></table>		9	6	1	1	0	Unsecured Loans <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>1</td><td>3</td><td>7</td><td>5</td><td>3</td></tr></table>	3	1	3	7	5	3		
	9	6	1	1	0										
3	1	3	7	5	3										
Provision for deferred Tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>7</td><td>4</td><td>0</td><td>0</td></tr></table>		7	4	0	0										
	7	4	0	0											
<b>Application of Funds</b>															
Net Fixed Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>3</td><td>7</td><td>9</td><td>5</td><td>8</td></tr></table>	2	3	7	9	5	8	Investments <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>7</td><td>6</td><td>8</td><td>1</td><td>6</td></tr></table>	1	7	6	8	1	6		
2	3	7	9	5	8										
1	7	6	8	1	6										
Net Current Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>0</td><td>5</td><td>2</td><td>9</td><td>3</td></tr></table>	4	0	5	2	9	3	Misc. Expenditure <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-					
4	0	5	2	9	3										
-	-	-													
Accumulated Loss <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L												
N	I	L													

**IV. Performance of Company (Amount in ₹ Thousands)**

Turnover <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>9</td><td>8</td><td>6</td><td>0</td><td>1</td><td>0</td></tr></table>	9	8	6	0	1	0	Total Expenditure <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>0</td><td>6</td><td>3</td><td>8</td><td>1</td><td>8</td></tr></table>	1	0	6	3	8	1	8	
9	8	6	0	1	0										
1	0	6	3	8	1	8									
Profit/Loss before tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>+</td><td>-</td><td>2</td><td>6</td><td>1</td><td>8</td><td>1</td></tr></table>	+	-	2	6	1	8	1	Profit/Loss after tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>+</td><td>-</td><td>1</td><td>5</td><td>6</td><td>3</td><td>1</td></tr></table>	+	-	1	5	6	3	1
+	-	2	6	1	8	1									
+	-	1	5	6	3	1									
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>✓</td></tr></table>		✓	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>✓</td></tr></table>		✓										
	✓														
	✓														

(Please tick appropriate box + for profit, - for Loss)

Earnings per Share in ₹ 

(0.87)
--------

 Dividend rate % 

--

**V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)**

Item Code No. (ITC Code) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>8</td><td>0</td><td>3</td><td>0</td><td>0</td><td>.</td><td>0</td><td>0</td></tr></table>	4	8	0	3	0	0	.	0	0									
4	8	0	3	0	0	.	0	0										
Product Description <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>C</td><td>R</td><td>E</td><td>P</td><td>E</td><td></td><td>T</td><td>I</td><td>S</td><td>S</td><td>U</td><td>E</td></tr></table> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>P</td><td>A</td><td>P</td><td>E</td><td>R</td></tr></table>	C	R	E	P	E		T	I	S	S	U	E	P	A	P	E	R	
C	R	E	P	E		T	I	S	S	U	E							
P	A	P	E	R														
Item Code No. (ITC Code) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>8</td><td>0</td><td>2</td><td>5</td><td>1</td><td>.</td><td>0</td><td>5</td></tr></table>	4	8	0	2	5	1	.	0	5									
4	8	0	2	5	1	.	0	5										
Product Description <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>M</td><td>G</td><td>T</td><td>I</td><td>S</td><td>S</td><td>U</td><td>E</td></tr></table> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>P</td><td>A</td><td>P</td><td>E</td><td>R</td></tr></table>	M	G	T	I	S	S	U	E	P	A	P	E	R					
M	G	T	I	S	S	U	E											
P	A	P	E	R														
Item Code No. (ITC Code) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>8</td><td>0</td><td>2</td><td>6</td><td>0</td><td>.</td><td>0</td><td>2</td></tr></table>	4	8	0	2	6	0	.	0	2									
4	8	0	2	6	0	.	0	2										
Product Description <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>M</td><td>G</td><td>P</td><td>O</td><td>S</td><td>T</td><td>E</td><td>R</td></tr></table> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>P</td><td>A</td><td>P</td><td>E</td><td>R</td></tr></table>	M	G	P	O	S	T	E	R	P	A	P	E	R					
M	G	P	O	S	T	E	R											
P	A	P	E	R														

SIGNATURES TO SCHEDULES 'A' TO 'M'

As per our report of date attached

For **KHARE & CO.**  
Chartered Accountants

**Y. P. SHUKLA**  
Proprietor

Mumbai, Dated : 26<sup>th</sup> May, 2011

**J. W. PATIL**  
Assistant Company Secretary

On behalf of the Board,

**SHYAM M. JATIA**  
Chairman & Managing Director

**R. C. SARAF**  
Director

Mumbai, Dated : 26<sup>th</sup> May, 2011

**PUDUMJEE INDUSTRIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2011**

(Pursuant to clause 32 of the listing agreements with Stock Exchanges)

	(₹ in Lacs)	
	<u>2010-2011</u>	<u>2009-2010</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit / (Loss) before Taxation &amp; Extraordinary items</b>	<b>(261.81)</b>	265.45
Adjustments For :		
Depreciation	166.31	114.07
Interest and Financial Charges	393.87	300.20
Loss on Sale of Asset	-	19.27
Provision for Doubtful debts written Back	(71.67)	-
Other Income	(356.18)	(415.36)
	<u>132.33</u>	<u>18.18</u>
	<b>(129.48)</b>	283.63
<b>Operating Profit before Working Capital Changes</b>		
(Increase )/Decrease in Inventory	22.02	(1,148.29)
(Increase )/Decrease in Debtors	37.01	(303.47)
(Increase )/Decrease in Advances	2,390.21	(910.99)
(Increase )/Decrease in Miscellaneous Expenditure	-	-
Increase /(Decrease) in Liabilities	372.12	(350.29)
	<u>2,821.36</u>	<u>(2,713.04)</u>
<b>Cash(Used in) Generated from operations</b>	<b>2,691.88</b>	<u>(2,429.41)</u>
Income Tax (paid) / Refund Received (Net)	29.68	(13.78)
<b>Net Cash(used in)/from Operating Activities</b>	<u>2,721.56</u>	<u>(2,443.19)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase Of Fixed Assets	(41.83)	(1,209.91)
Sale Proceeds Of Fixed Assets	-	0.35
Investments in Shares	(500.00)	-
Interest Received	355.11	373.63
Dividend Received	10.24	8.53
Share of Partnership Firm	1.49	0.20
<b>Net Cash(used in)/from Investing Activities</b>	<u>(174.99)</u>	<u>(827.20)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	3,573.81	7,429.20
Repayment of borrowings	(5,749.38)	(3,884.70)
Payment of Interest	(440.08)	(325.07)
Dividend paid	(36.00)	-
<b>Net Cash(used in)/from Financing Activities</b>	<u>(2,651.65)</u>	<u>3,219.43</u>
<b>Net change in cash &amp; Cash Equivalents (A+B+C)</b>	<b>(105.08)</b>	(50.96)
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>137.41</b>	188.37
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<u>32.33</u>	<u>137.41</u>

Note: Figures in brackets represent Cash Outflows.

NOTES AS PER SCHEDULE 'M'

As per our report of date attached

For **KHARE & CO.**  
Chartered Accountants

**Y. P. SHUKLA**  
Proprietor

Mumbai, Dated : 26<sup>th</sup> May, 2011

On behalf of the Board,

**SHYAM M. JATIA**  
Chairman & Managing Director

**R. C. SARAF**  
Director

Mumbai, Dated : 26<sup>th</sup> May, 2011

**STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956.**

1. The Company held 100% of the Paid up Equity Capital of ₹ 15 Crores in Pudumjee Hygiene Products Ltd. (PHPL), a subsidiary of this Company as on 31<sup>st</sup> March, 2011 which is the financial year end of both the Companies.
2. No part of the net loss of ₹ 60.83 lacs for the current financial year ended 31<sup>st</sup> March, 2011 and no part of net loss of ₹ 1,300.95 lacs for the previous financial year of PHPL, since it became a subsidiary of this Company, have been dealt with in the Company's accounts for the year ended 31<sup>st</sup> March, 2011.

On behalf of the Board,

**SHYAM M. JATIA**  
Chairman & Managing Director

**R. C. SARAF**  
Director

**J. W. PATIL**  
Assistant Company Secretary

Mumbai, Dated : 26<sup>th</sup> May, 2011



**AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To,

THE BOARD OF DIRECTORS,  
PUDUMJEE INDUSTRIES LTD.

We have audited the attached Consolidated Balance Sheet of PUDUMJEE INDUSTRIES LIMITED ("the Company") and its subsidiary as at 31st March, 2011, and the Consolidated Profit and Loss Account for the year then ended annexed thereto and the consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 1,946.63 lacs as at 31st March, 2011. These financial statements have been audited by other auditors whose report have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, and read together with Accounting Standard (AS) 23, Accounting for investments in Associates in consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiary, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiary as at 31st March, 2011; and
- b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiary for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiary for the year ended on that date.

**For KHARE & CO.,**  
Chartered Accountants,  
FRN 105100W

**Y.P.SHUKLA**  
Proprietor.  
Membership No. 16203

Place : Mumbai,  
Date : 26th May, 2011.

**PUDUMJEE INDUSTRIES LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	AS AT 31.03.2011 (₹ in lacs)	AS AT 31.03.2010 (₹ in lacs)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	A	360.00	360.00
Reserves & Surplus	B	<u>2,306.26</u>	<u>2,528.64</u>
		2,666.26	2,888.64
<b>LOAN FUNDS</b>			
Secured Loans	C	1,131.36	1,832.85
Unsecured Loans	D	<u>3,193.35</u>	<u>4,617.11</u>
		4,324.71	6,449.96
<b>PROVISION FOR DEFERRED TAX</b>			
		<u>74.00</u>	<u>180.00</u>
		<u>7,064.97</u>	<u>9,518.60</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
	E		
Gross Block		4,414.54	4,334.73
Less : Provision for Depreciation		<u>1,767.60</u>	<u>1,564.93</u>
Net Block		2,646.94	2,769.80
Capital Work in Progress		<u>19.06</u>	<u>12.66</u>
		2,666.00	2,782.46
<b>INVESTMENTS</b>			
	F	268.16	268.16
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
	G		
Inventories		2,804.59	2,725.03
Sundry Debtors		2,342.62	2,415.83
Cash & Bank Balances		40.87	143.87
Loans & Advances		<u>1,311.34</u>	<u>2,518.06</u>
		<u>6,499.42</u>	<u>7,802.79</u>
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS</b>			
	H		
Liabilities		2,249.29	1,164.86
Provisions		<u>119.32</u>	<u>169.95</u>
		<u>2,368.61</u>	<u>1,334.81</u>
<b>NET CURRENT ASSETS</b>			
		4,130.81	6,467.98
		<u>7,064.97</u>	<u>9,518.60</u>

NOTES AS PER SCHEDULE 'M'

As per our report of date attached

For **KHARE & CO.**  
Chartered Accountants

**Y. P. SHUKLA**  
Proprietor

Mumbai, Dated : 26th May, 2011

On behalf of the Board,

**SHYAM M. JATIA**  
Chairman & Managing Director

**R. C. SARAF**  
Director

Mumbai, Dated : 26th May, 2011

**ANNUAL REPORT 2010-2011**

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE  
YEAR ENDED 31ST MARCH, 2011**

	Schedule	2010-2011 (₹ in lacs)	2009-2010 (₹ in lacs)
<b>INCOME</b>			
Sales & Income from Operation	I	19,463.67	13,980.11
Less : Excise Duty		367.82	249.15
Less : VAT / Sales Tax & Service Tax		<u>1,106.32</u>	487.40
		17,989.53	13,243.56
Other Income	J	<u>429.64</u>	420.08
		18,419.17	13,663.64
<b>EXPENDITURE</b>			
Manufacturing & Other Expenses	K	10,670.10	7,937.39
Trade Purchases		8,292.20	5,929.81
Depreciation		<u>202.70</u>	128.90
		19,165.00	13,996.10
		(745.83)	(332.46)
<b>INCREASE/(DECREASE) IN STOCK</b>			
Stock at Commencement	L	1,133.00	480.54
Stock at Close		<u>1,556.19</u>	1,133.00
		423.19	652.46
<b>PROFIT /(LOSS) FOR THE YEAR BEFORE TAX</b>			
		(322.64)	320.00
Less : Provision for Current Taxation		0.50	45.00
Less/(Add) Provision for Deferred Tax Expenses/(Saving)		<u>(106.00)</u>	45.00
		(105.50)	90.00
<b>PROFIT/(LOSS) FOR THE YEAR AFTER TAX</b>			
		(217.14)	230.00
Income/(Expenditure) for earlier years.		—	(0.74)
Balance of profit/(loss) brought forward from last year		<u>(74.62)</u>	(261.90)
		(74.62)	(262.64)
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>			
		(291.76)	(32.64)
<b>APPROPRIATIONS:</b>			
Proposed Dividend on Equity Shares(Free of Tax)		—	36.00
Tax on Proposed Dividend		—	5.98
		—	41.98
<b>BALANCE OF PROFIT/(LOSS)CARRIED FORWARD TO NEXT YEAR</b>			
		<u>(291.76)</u>	<u>(74.62)</u>
<b>Earning Per Share-After Current &amp; Deferred Tax</b>			
		₹	₹
Basic & Diluted.		(1.21)	1.28
(See note No.3 of Schedule 'M')			

NOTES AS PER SCHEDULE 'M'

As per our report of date attached

For **KHARE & CO.**  
Chartered Accountants

**Y. P. SHUKLA**  
Proprietor

Mumbai, Dated : 26th May, 2011

On behalf of the Board,

**SHYAM M. JATIA**  
Chairman & Managing Director

**R. C. SARAF**  
Director

Mumbai, Dated : 26th May, 2011

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AS AT 31ST MARCH, 2011**

SCHEDULE 'A' - SHARE CAPITAL.	AS AT 31.03.2011 (₹ in lacs)	AS AT 31.03.2010 (₹ in lacs)
<b>AUTHORISED</b>		
1250,00,000 Equity Shares of ₹ 2/- Each*	<u>2,500.00</u>	<u>2,500.00</u>
<b>ISSUED, SUBSCRIBED AND PAIDUP</b>		
180,00,000 Equity Shares of ₹ 2/- each*	<u>360.00</u>	<u>360.00</u>

Of the above 8,135 Equity Shares were allotted as fully paid up for consideration other than cash and 61,20,575 Equity Shares were allotted as fully paid up Bonus Shares issued by way of capitalisation of Reserves.

SCHEDULE 'B' - RESERVES & SURPLUS	AS AT 31.03.2011 (₹ in lacs)	AS AT 31.03.2010 (₹ in lacs)
<b>GENERAL RESERVE</b>		
As per last Balance Sheet	1,360.00	1,360.00
Less : Debit Balance in Profit & Loss Account	<u>291.76</u>	<u>74.62</u>
	1,068.24	1,285.38
<b>SHARE PREMIUM ACCOUNT</b>		
As per last Balance Sheet	1,197.48	1,197.48
<b>CAPITAL RESERVE</b>		
As per last Balance Sheet	0.44	0.44
<b>CAPITAL SUBSIDY RESERVE</b>		
As per last Balance Sheet	40.00	40.00
<b>RESERVE FOR DOUBTFUL DEBTS</b>		
(see Schedule H)	0.10	5.34
	<u>2,306.26</u>	<u>2,528.64</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AS AT 31ST MARCH, 2011 (Contd.)**

<b>SCHEDULE 'C' - SECURED LOANS</b>	<b>AS AT 31.03.2011 (₹ in lacs)</b>	<b>AS AT 31.03.2010 (₹ in lacs)</b>
From Banks:		
Against hypothecation of Stocks, Stores & Book Debts		
Cash Credit:	<b>460.97*</b>	1,059.13*
Against first charge on Fixed Asset of the parent company.		
Term Loan	<b>670.39</b>	773.72
	<b><u>1,131.36</u></b>	<b><u>1,832.85</u></b>

Note: \* Also secured by a second charge on fixed assets of the parent company, ranking pari passu among the consortium banks.

<b>SCHEDULE 'D' - UNSECURED LOANS</b>	<b>AS AT 31.03.2011 (₹ in lacs)</b>	<b>AS AT 31.03.2010 (₹ in lacs)</b>
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
From Bank	—	—
From Others	<b>3,193.35</b>	4,617.11
	<b><u>3,193.35</u></b>	<b><u>4,617.11</u></b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011 (Contd.)**  
(₹ in lacs)

**SCHEDULE—'E'—FIXED ASSETS (At cost)**

TYPE OF ASSETS	Cost upto 31.3.2010	Additions/ Transfers during the year	Deductions/ Transfers during the year	Balance Cost upto 31.3.2011	Depreciation upto 31.3.2010	Depreciation for the year	Depreciation on sold Assets and on deductions written back	Depreciation balance as on 31.3.2011	Net Book Value as on 31.3.2011	Net Book Value as on 31.3.2010
Land	7.10	—	—	7.10	—	—	—	—	7.10	7.10
Building	256.97	—	—	256.97	153.62	7.83	—	161.45	95.52	103.35
Machinery	3,706.54	66.01	—	3,772.55	1,321.17	156.19	—	1,477.36	2,295.19	2,385.37
Trade Mark	0.92	8.82	—	9.74	—	0.97	—	0.97	8.77	0.92
Product Branding	179.75	—	—	179.75	—	17.98	—	17.98	161.77	179.75
Furniture & Fixtures	156.28	5.01	0.03	161.26	84.30	14.20	0.03	98.47	62.79	71.98
Vehicles	27.17	—	—	27.17	5.84	5.53	—	11.37	15.80	21.33
<b>Total</b>	<b>4,334.73</b>	<b>79.84</b>	<b>0.03</b>	<b>4,414.54</b>	<b>1,564.93</b>	<b>202.70</b>	<b>0.03</b>	<b>1,767.60</b>	<b>2,646.94</b>	<b>2,769.80</b>
Previous Year	3,025.37	1,333.01	23.65	4,334.73	1,439.39	128.90	3.36	1,564.93	2,769.80	1,585.98

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AS AT 31ST MARCH, 2011 (Contd.)**

SCHEDULE 'F' - INVESTMENTS	AS AT 31.03.2011 <u>(₹in lacs)</u>	AS AT 31.03.2010 <u>(₹in lacs)</u>
<b>LONG TERM INVESTMENTS (At Cost)</b>		
<b>TRADE INVESTMENT (unquoted)</b>		
Investment in Capital of Prime Developers, a firm.	1.00	1.00
<b>OTHER INVESTMENTS</b>		
34,12,850 Equity shares of Pudumjee Pulp & Paper Mills Ltd of ₹2/- each fully paid (quoted)	267.16	267.16
675,000 Equity shares of Pudumjee Plant Laboratories Ltd. of ₹10/- each fully paid (unquoted)	60.00	60.00
	<u>328.16</u>	<u>328.16</u>
Less : Provision for Diminution in Value of Long Term Investments, deducted per contra	60.00	60.00
	<u>268.16</u>	<u>268.16</u>
<b>Aggregate amount of unquoted investments (At cost)</b>	61.00	61.00
<b>Aggregate amount of quoted investments</b>		
Cost	267.16	267.16
Market Value	725.23	648.44

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AS AT 31ST MARCH, 2011 (Contd.)**

<b>SCHEDULE 'G' - CURRENT ASSETS, LOANS &amp; ADVANCES</b>	<b>AS AT 31.03.2011 (₹ in lacs)</b>	<b>AS AT 31.03.2010 (₹ in lacs)</b>
<b>CURRENT ASSETS</b> (As certified by a Director)		
<b>INVENTORIES</b>		
<b>STORES, SPARE PARTS ETC. (At cost)</b>	<b>473.80</b>	457.13
<b>LOOSE TOOLS (At cost)</b>	<b>0.27</b>	0.19
<b>STOCK-IN-TRADE</b>		
Finished Goods (At lower of cost or market value)	<b>746.35</b>	514.65
Work-in-process (At cost)	<b>123.80</b>	33.89
Raw material (At cost)	<b>774.33</b>	1,134.71
Trade Goods (At cost)	<b>686.04</b>	584.46
	<b>2,804.59</b>	2,725.03
<b>SUNDRY DEBTORS (Unsecured)</b>		
Debts outstanding for a period exceeding six months		
Considered Good	<b>185.80</b>	174.95
Considered Doubtful	<b>84.43</b>	151.99
	<b>270.23</b>	326.94
Other Debts		
Considered Good	<b>2,156.82</b>	2,240.88
	<b>2,427.05</b>	2,567.82
Less : Provision for Doubtful debts deducted per contra	<b>84.43</b>	151.99
	<b>2,342.62</b>	2,415.83
C/O	<b>5,147.21</b>	5,140.86

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AS AT 31ST MARCH, 2011 (Contd.)**

SCHEDULE 'G' - CURRENT ASSETS, LOANS & ADVANCES (Contd.)	AS AT 31.03.2011 (₹ in lacs)	AS AT 31.03.2010 (₹ in lacs)
CURRENT ASSETS (Contd.)		
B/O	5,147.21	5,140.86
<b>CASH &amp; BANK BALANCES</b>		
On hand as per books	1.01	4.07
On accounts with Scheduled Banks	34.44	124.26
On Deposit account (kept with Bank as margin)	4.96	3.62
Cheques on hand	<u>0.46</u>	<u>11.92</u>
	40.87	143.87
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Prepaid Expenses	28.41	29.34
Advances to employees	6.75	1.49
Deposits	141.84	71.05
Includes ₹ 20 lacs (Last year ₹ 20 lacs) with a company in which a Director is interested Maximum during the year ₹ 20 lacs (Last year ₹ 20 Lacs)		
Advance Income Tax (less provision)	51.26	46.12
Advance to / balance in current account with a firm in which the company is a partner	604.21	1,707.47
Advances recoverable in cash or in kind		
Considered good	478.87	662.59
Considered doubtful	<u>3.79</u>	<u>2.66</u>
	1,315.13	2,520.72
Less : Provision for Doubtful		
Advances deducted per contra	<u>3.79</u>	<u>2.66</u>
	1,311.34	2,518.06
	<u><u>6,499.42</u></u>	<u><u>7,802.79</u></u>

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AS AT 31ST MARCH, 2011 (Contd.)**

<b>SCHEDULE 'H' - CURRENT LIABILITIES &amp; PROVISIONS</b>	<b>AS AT 31.03.2011 (₹ in lacs)</b>	<b>AS AT 31.03.2010 (₹ in lacs)</b>
<b>CURRENT LIABILITIES</b>		
Acceptances	831.56	359.96
Sundry Creditors	1,416.91	804.46
Interest accrued but not due on Loans	0.03	0.44
Unclaimed Dividend	<u>0.79</u>	<u>—</u>
	<b>2,249.29</b>	<b>1,164.86</b>
<b>PROVISIONS</b>		
Provision for Doubtful Debts & Advances	159.99	170.01
Less : Provision Written Back	71.67	10.02
Less : Deducted per contra	<u>88.22</u>	<u>154.65</u>
	0.10	5.34
Less : Surplus Provision shown under Reserve & Surplus	<u>0.10</u>	<u>5.34</u>
	<u>—</u>	<u>—</u>
Provision for Diminution in Value of Long Term Investments		
As per last Balance Sheet	60.00	60.00
Less : Deducted per contra from Investments	<u>60.00</u>	<u>60.00</u>
	<u>—</u>	<u>—</u>
Provision for Gratuity & Leave Encashment	119.32	133.95
Proposed Dividend	<u>—</u>	<u>36.00</u>
	<b>119.32</b>	<b>169.95</b>
	<b><u>2,368.61</u></b>	<b><u>1,334.81</u></b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

<b>SCHEDULE 'I' - SALES &amp; INCOME FROM OPERATIONS.</b>	<b>2010-11</b>	<b>2009-10</b>
	<b>(₹ in lacs)</b>	<b>(₹ in lacs)</b>
Paper	10,019.72	7,365.20
Less : Excise Duty	367.77	249.05
Less : VAT / Sales Tax	672.02	309.30
	<b>8,979.93</b>	6,806.85
Trade Sales		
Tissue and Other Products.	8,521.44	6,392.79
Less : VAT / Sales Tax	392.01	176.17
	<b>8,129.43</b>	6,216.62
Pulp	701.95	—
Less : VAT / Sales Tax	33.43	—
	<b>668.52</b>	—
Others	194.22	186.62
Less : VAT / Sales Tax	7.58	0.17
	<b>186.64</b>	186.45
Grinding charges	0.58	1.16
Less : Service Tax	0.05	0.11
	<b>0.53</b>	1.05
Miscellaneous Sales	25.76	34.34
Less : Excise Duty	0.05	0.10
Less : VAT / SAles Tax	1.23	1.65
	<b>24.48</b>	32.59
	<b>17,989.53</b>	13,243.56
<b>SCHEDULE 'J' - OTHER INCOME</b>	<b>2010-11</b>	<b>2009-10</b>
	<b>(₹ in lacs)</b>	<b>(₹ in lacs)</b>
<b>INTEREST</b>		
On Long Term Investments	—	—
Others	243.74	319.98
	<b>243.74</b>	319.98
<b>DIVIDENDS</b>		
From Long Term Investments	10.24	8.53
<b>LEASE RENT</b>	16.82	12.50
<b>NET FOREIGN EXCHANGE GAIN</b>	18.93	53.69
<b>PROFIT ON SALE OF FIXED ASSET</b>	0.03	—
<b>INCOME FROM SHARE OF A PARTNERSHIP FIRM</b>	1.49	0.20
<b>SUNDRY CREDIT BALANCES WRITTEN BACK</b>	6.42	17.56
<b>PROVISION FOR GRATUITY WRITTEN BACK</b>	13.72	—
<b>PROVISION FOR DOUBTFULDEBTS WRITTEN BACK</b>	71.67	—
<b>MISCELLANEOUS INCOME</b>	46.58	7.62
	<b>429.64</b>	420.08
<b>SCHEDULE 'K' - MANUFACTURING &amp; OTHER EXPENSES</b>	<b>2010-11</b>	<b>2009-10</b>
	<b>(₹ in lacs)</b>	<b>(₹ in lacs)</b>
<b>CONSUMPTION OF RAW MATERIALS</b>	5,572.62	4,154.01
<b>CONSUMPTION OF STORES, COLOURS, CHEMICALS etc.</b>	846.62	575.49
	<b>6419.24</b>	4729.50

C/O

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)**

SCHEDULE 'K' - MANUFACTURING & OTHER EXPENSES	2010-11 (₹ in lacs)	2009-10 (₹ in lacs)
B/O	6419.24	4729.50
<b>SALARIES, WAGES, BONUS etc.</b>		
Salaries, Wages, gratuity & Bonus	594.13	602.58
Contribution to Provident & Other Funds (Including Administrative Charges)	34.29	28.65
Employees State Insurance	1.98	0.80
Workmen & Staff Welfare Expenses	15.30	10.14
	<u>645.70</u>	642.17
<b>FUEL, POWER &amp; WATER</b>	1,862.37	1,365.01
<b>RENT, RATES &amp; TAXES</b>	65.59	62.92
Includes Rent paid ₹53.98 lacs. (Last year ₹53.37 lacs)		
<b>REPAIRS &amp; MAINTENANCE</b>		
Machinery	361.57	231.21
Buildings	5.35	6.52
Others	3.78	1.34
	<u>370.70</u>	239.07
<b>INSURANCE</b>	6.95	4.51
<b>PACKING, CARTAGE, CUTTING, BALING, FREIGHT ETC.</b>	413.54	179.10
<b>COMMISSION ON SALES</b>	92.87	27.26
<b>INTEREST &amp; FINANCIAL CHARGES</b>	466.96	344.96
Less: Interest received on Trade Debts	79.59	25.13
	<u>387.37</u>	319.83
<b>DIRECTOR'S FEES &amp; ALLOWANCES</b>	0.30	0.30
<b>DIRECTOR'S REMUNERATION</b>	11.88	13.98
<b>DEVELOPMENT &amp; RESEARCH EXPENSES</b>	5.20	5.68
<b>SALES PROMOTION EXPENSES</b>	53.29	72.24
<b>BAD DEBTS &amp; ADVANCES WRITTEN OFF</b>	81.93	4.20
<b>PROFESSIONAL FEES</b>	87.06	87.45
<b>LOSS ON SALE / DISCARD OF ASSETS (Net)</b>	—	19.57
<b>PRELIMINARY EXPENSES WRITTEN OFF</b>	—	0.19
<b>OFFICE &amp; MISCELLANEOUS EXPENSES</b>	166.11	164.41
	<u>10,670.10</u>	<u>7,937.39</u>
<b>SCHEDULE 'L' - INCREASE/ (DECREASE) IN STOCK</b>	2010-11 (₹ in lacs)	2009-10 (₹ in lacs)
<b>STOCK AT COMMENCEMENT</b>		
Finished Paper	514.65	119.52
Work-in-Process	33.89	9.38
Trade Goods	584.46	351.64
	<u>1,133.00</u>	480.54
<b>STOCK AT CLOSE</b>		
Finished Paper	746.35	514.65
Work-in-Process	123.80	33.89
Trade Goods	686.04	584.46
	<u>1,556.19</u>	1,133.00
	<u>423.19</u>	<u>652.46</u>

**SCHEDULE OF 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, 2011**

<b>SCHEDULE 'M'</b>		<u>2010-2011</u>	<u>2009-2010</u>
		<u>(₹ In lacs)</u>	<u>(₹ In lacs)</u>
1	Director's Remuneration consists of the following:		
	Managerial remuneration	9.00	9.00
	Commission on net Profit	—	2.10
	Company's contribution to Provident Fund	1.08	1.08
	Perquisites	0.31	0.28
	Provision/Premium for Gratuity	1.49	1.52
		<u>11.88</u>	<u>13.98</u>
2	Following significant accounting policies have been adopted in preparation and presentation of the financial statements :		
	a) Investments are classified into current and long term investments. Current Investments are stated at lower of cost and fair value. Long Term Investments are stated at cost, less provision for permanent diminution in value, if any.		
	b) Finished goods are valued at lower of cost or market value. All other inventories are valued at cost based on First In,First Out method.		
	c) Fixed Assets are valued at cost.		
	d) Borrowing costs comprising interest etc. relating to project are capitalised up to the date of its completion and other borrowing costs are charged to profit and loss account in the year of their accrual.		
	e) Depreciation on Machinery & Building has been provided on Straight Line Method and that on the other Assets on written Down Value method in accordance with Schedule XIV of the Companies Act, 1956 as in force as on the date of Balance Sheet.Depreciation/Amortisation is charged @10% on Trade Mark and Product Branding.		
	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 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) Revenue recognition is postponed to a later year only when it is not possible to estimate it with reasonable accuracy.		
	h) Foreign currency transactions are recorded at the then prevailing rate. Closing balances of assets and 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 and Loss Account of the year.		
	i) Factors giving rise to any indication of any impairment of the carrying amount of the 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 INDUSTRIES LIMITED**

**SCHEDULE 'M' (Contd.)**

	<u>AS AT</u> <u>31.03.2011</u>	<u>AS AT</u> <u>31.03.2010</u>
3 Basic & Diluted EPS:		
a) Net Profit /(Loss) after tax as per Profit & Loss Account :		
(ii) After current and deferred Tax	₹ (217.14) Lacs	₹ 230.00 lacs
b) Number of Equity Shares outstanding during the year	180 Lacs	180 lacs
c) Basic & Diluted EPS:		
(i) After current Tax (a / b )	₹ (1.21)	₹ 1.28
4 a) Break up of Deferred Tax Liabilities / (deferred Tax Assets ) into major components is as under:		
	<u>AS AT</u> <u>31.03.2011</u>	<u>AS AT</u> <u>31.03.2010</u>
	(₹ in lacs)	(₹ in lacs)
In respect of Depreciation	287	284
In respect of allowances and disallowances under various provisions of Income Tax Act.	(213)	(104)
Net Deferred Tax Liability	<u>74</u>	<u>180</u>
b) The deferred Tax Asset in respect of carry forward of losses 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, 2011.		
c) No deferred tax asset has been recognised in respect of losses of subsidiary company in view of prevailing circumstances.		
5 Related Party Disclosures (Accounting Standard 18)		
a) <b>Associate Companies / Firm</b>		
Pudumjee Pulp & Paper Mills Ltd.		
Pudumjee Plant Laboratories Ltd.		
Pudumjee Investments and Finance Co.Ltd.		
Prime Developers		
Pudumjee - G. Crop. Developers		
b) <b>Key Management Personnel</b>		
Mr. S. M. Jatia		
Managing Director		

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**SCHEDULE 'M' (Contd.)**

c) Transactions with related Parties	<b>2010-2011</b>	<b>(₹ in lacs)</b>	
	(2009-10)	<b>Maximum during the year</b>	<b>Key Management personnel</b>
	<b>Associate Companies/Firms</b>		
a) i) Interest bearing Inter Corporate Deposits etc.obtained during the year	<b>2,235.85</b> (6,097.00)		
ii) Interest bearing Inter Corporate Deposits etc.given during the year	<b>924.69</b> (952.54)		
b) i) Interest paid during the year	<b>285.18</b> (244.63)		
ii) Interest charged during the year	<b>240.60</b> (300.01)		
c) Inter corporate deposits etc.receivable/payable including interest.			
Pudumjee Pulp & Paper Mills Ltd.(payable)	<b>2,995.06</b> (4,527.25)		
Pudumjee Plant Laboratories Ltd.(payable)	— (8.12)		
Prime Developers	<b>494.87</b> (1,599.63)	<b>1,645.78</b> (1,792.12)	
Pudumjee Plant Laboratories Ltd.	<b>16.75</b> (—)	<b>700.00</b> (—)	
d) Sales made during the year	<b>886.11</b> (1,196.06)		
e) Purchases/Processing charges of goods made during the year	<b>913.58</b> (770.98)		
f) Reimbursement of common services and purchase of utilities during the year.	<b>317.94</b> (187.00)		
g) Remuneration paid	— —		<b>11.88</b> (13.98)
h) Outstanding as Creditor	<b>90.77</b>		
Pudumjee Pulp and Paper Mills Ltd.	(72.68)		
i) Amount Receivable-			
Prime Developers	<b>109.34</b>	<b>109.34</b>	
(Partners current A/c.)	(107.84)	(107.84)	
j) Guarantee given to bank	— —		
k) Share of Profit from Firm	<b>1.49</b> (0.20)		

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULE 'M' - (Contd.)**

6. Segment Reporting (Accounting Standard 17)	31.03.2011		
	(31.03.2010)		(₹ in Lacs)
Information about business segments.	Paper	Hygiene & Other Products	Total
<b>SEGMENT REVENUE</b>			
From External Customers	<b>10,942.23</b>	<b>8,521.44</b>	<b>19,463.67</b>
	(7,587.32)	(6,392.79)	(13,980.11)
From Inter Segments	—	—	—
	(—)	(—)	(—)
Total Revenue	<b>10,942.23</b>	<b>8,521.44</b>	<b>19,463.67</b>
	(7,587.32)	(6,392.79)	(13,980.11)
<b>SEGMENT RESULTS</b>			
	<b>-242.32</b>	<b>30.75</b>	<b>-211.57</b>
	(129.75)	(156.60)	(286.35)
Unallocated corporated expenses			<b>12.18</b>
			(14.28)
Operating Profit/(Loss)			<b>-223.75</b>
			(272.07)
Interest Expenses			<b>433.95</b>
			(305.82)
Interest Income & Dividend Income			<b>333.57</b>
			(353.55)
Income from Partnership firm (engaged in Real Estate Activity)			<b>1.49</b>
			(0.20)
Expenditure in respect of Investments			—
			(—)
Income Taxes including Deferred Tax			<b>-105.50</b>
			(90.00)
Profit/(Loss) from ordinary activities			<b>-217.14</b>
			(230.00)
Extra ordinary Income/(Expenditure)			—
			(—)
Net Profit/(Loss) as per Profit & Loss Account			<b>-217.14</b>
			(230.00)
<b>OTHER INFORMATION</b>			
Total carrying amount of Segment Assets	<b>6,660.64</b>	<b>1,952.15</b>	<b>8,612.79</b>
	(6,906.20)	(1,909.44)	(8,815.64)
Add : Unallocated Corporate Assets			<b>820.79</b>
			(2,037.77)
Total Assets as per Balance Sheet			<b>9,433.58</b>
			(10,853.41)
Total carrying amount of Segment Liabilities	<b>1,380.05</b>	<b>1,044.32</b>	<b>2,424.37</b>
	(1,044.40)	(290.41)	(1,334.81)
Add : Unallocated Corporate Liabilities			<b>7,009.21</b>
			(9,518.60)
Total Liabilities as per Balance Sheet			<b>9,433.58</b>
			(10,853.41)

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**SCHEDULE 'M' - (Contd.)**

6. Segment Reporting (Accounting Standard 17)	<b>31.03.2011</b>		
	(31.03.2010)		(₹ in Lacs)
Information about business segments.	Paper	Hygiene & Other Products	Total
Capital expenditure incurred during the year	<b>41.83</b> (1,076.22)	<b>44.41</b> (8.52)	<b>86.24</b> (1,084.74)
Depreciation for the year	<b>166.31</b> (114.07)	<b>36.39</b> (14.83)	<b>202.70</b> (128.90)
<b>Other Non cash Expenditure</b>	— (—)	— (—)	— (—)
<b>Sales Revenue by geographical Segments</b>			
INDIA	<b>10,228.85</b> (7,565.42)	<b>8,521.44</b> (6,392.79)	<b>18,750.29</b> (13,958.21)
OUTSIDE INDIA	<b>713.38</b> (21.90)	— (—)	<b>713.38</b> (21.90)
	<b>10,942.23</b> (7,587.32)	<b>8,521.44</b> (6,392.79)	<b>19,463.67</b> (13,980.11)

- (i) The Paper segment relates to manufacture & marketing of Pulp & Paper, Hygiene segment relates to Marketing and distribution of Hygiene & other Products.
- (ii) Figures in bracket relate to previous year.

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULE 'M' (Contd.)**

7. Following are the disclosures required under revised Accounting Standards (AS) 19 in respect of Operating Lease :-

- a** 1. The Company had entered into lease agreements for commercial as well as for residential premises on usual terms and conditions for period ranging from 11 months to 10 years by placing refundable deposits. One of the lease agreements provide for non cancellable lease upto 30th September, 2012 though the tenure, without renewal, expires on 30th September, 2015. In respect of this agreement the future minimum lease payment is as under :

Particulars	Warehouse & Administrative	
	31/03/2011	31/03/2010
i) not later than one year	<b>₹42.89 lacs</b>	₹40.85 lacs
ii) later than one year and not later than five years	<b>₹161.77 lacs</b>	₹179.95 lacs
iii) later than five years	<b>NIL</b>	₹24.72 lacs

2. All such lease payments are recognized in Profit & Loss Account as rent paid.

- b** 1. The Company has entered into lease agreement in terms of which it has given plant and machinery on lease on the usual terms and conditions and such payments received have been recognized in the Profit & Loss Account ₹7.63 lacs (Last year ₹7.62 lacs) and included in lease rent under Other Income
2. The details of such assets as at the balance sheet dates are as under :

	31/03/2011	31/03/2010
Gross carrying cost	<b>8,256,910</b>	8,256,910
Accumulated Depreciation	<b>3,018,004</b>	2,405,341
Depreciation recognized in Profit & Loss A/c	<b>612,663</b>	612,663

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**SCHEDULE 'M' (Contd.)**

- 8 There is no amount outstanding as on 31st March, 2011 which is to be credited to the Investor Education and Protection Fund.
- 9 Income Tax deducted at source on interest received ₹ 34.51 Lacs (Last year ₹ 58.13 lacs) and on other income ₹ 0.80 lac. (Last year ₹ 1.71 Lacs.)
- 10 Sales Include Excise Duty VAT, Sales Tax & Service Tax Collected. Miscellaneous sales have been stated net of stocks.
- 11 Interest Paid as shown in (Schedule 'K') includes interest on fixed term loans ₹ 388.98 lacs (Last year ₹ 264.22 lacs.)
- 12 Office & Miscellaneous expenses includes remuneration of all statutory auditors.

	<u>2010-2011</u>	<u>2009-2010</u>
	<u>(₹In lacs)</u>	<u>(₹In lacs)</u>
Audit fees	<b>1.88</b>	1.88
Taxation matters	<b>0.70</b>	0.70
Management & Other Services	<b>1.93</b>	1.93
	<u><b>4.51</b></u>	<u>4.51</u>

- 13 Estimate of contracts remaining to be executed on capital account and not provided for amounted to ₹ 29.96 (Last year ₹ Nil)
- 14 Land admeasuring about 1,400sq. Meters has been acquired by Municipal Corporation for Road Widening purpose in the earlier years. The Parent Company is entitled to TDR with an outside chance of cash compensation, which is yet to be determined and as such this will be included when finally decided since the relevent documentation is yet to be finalised and executed.
- 15 The details of the firm 'Prime Developers' in which the parent Company has invested are as under:

Name of the Partners	Capital	Sharing Ratio	
	(₹ in lacs)	Profit	Loss
Prime Textiles Ltd.	<b>1.00</b>	<b>50.00%</b>	<b>66.66%</b>
Pudumjee Industries Ltd.	<b>1.00</b>	<b>12.50%</b>	<b>16.67%</b>
Aristo Realty Developers Ltd.	—	<b>25.00%</b>	—
Suma Commercial Pvt.Ltd.	—	<b>12.50%</b>	<b>16.67%</b>
Share of Profit during the year		<b>₹1.49 Lacs</b>	<b>Nil</b>
		(last year ₹0.20 Lac)	

- 16 The investment in Pudumjee Pulp & Paper Mills Ltd. is accounted for in accordance with AS-13 and not under equity method under AS 23 in view of extent and nature of holding.

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULE - 'M' (Contd.)**

17 a Details of Subsidiary / Associate Companies:

Name of the Company	Country of Incorporation	Proportion of Ownership interest	Minority Interest	Financial Accounting Year ended
<b>I) Subsidiary Company</b>				
a) Pudumjee Hygiene Products Ltd.	India	100 %	Nil	31.03.2011
<b>II) Associate Companies / Firms</b>				
a) Pudumjee Pulp & Paper Mills Ltd.	India	8.32 %	N.A.	31.03.2011
b) Pudumjee Plant Laboratories Ltd.	India	27.11 %	N.A.	31.03.2011
c) Pudumjee Investments and Finance Co.Ltd.	India	Nil	N.A.	31.03.2011
d) Prime Developers (Firm)	India	50 %	N.A.	31.03.2011
e) Pudumjee - G.Corp.Developers.	India	Nil	N.A.	31.03.2011

b During the year Pudumjee Hygiene Products Ltd. subsidiary of the parent company Pudumjee Industries Ltd, has incurred a loss of ₹ 60.83 lacs for the year ending 31st March 2011, which has been appropriately dealt with in these consolidated financial statements.

c Financial information of Pudumjee Hygiene Products Ltd.subsidiary of the parent company .

	<b>31.3.2011</b>	31.3.2010
	<b>( ₹ in lacs)</b>	( ₹ in lacs)
i) Share Capital	<b>1,500.00</b>	1,000.00
ii) Reserves	—	—
iii) Total Assets	<b>2,319.91</b>	2,914.64
iv) Total Liabilities	<b>2,319.91</b>	2,914.64
v) Investments	—	—
vi) Turnover	<b>8,129.43</b>	6,350.86
vii) Profit / (Loss) Before Taxation	<b>(60.83)</b>	53.81
viii) Provision for Taxation	—	—
ix) Profit / (Loss) After Taxation	<b>(60.83)</b>	53.81
x) Proposed Dividend	—	—

18. Contingent Liabilities not provided for in respect of :

	<b>AS AT</b>	AS AT
	<b>31.03.2011</b>	31.03.2010
	<b>( ₹In lacs)</b>	( ₹In lacs)
(i) Letters of Credit and bank Guarantee in favour of Govt. Authorities and suppliers of raw materials, spares etc. *	<b>270.73</b>	223.33
(ii) Claims against the Companies not acknowledged as debts for excise duty, Income tax, commercial claims etc.(Including demands contested in appeals)**	<b>477.09</b>	473.00

\* Will not affect the future profitability.

\*\* May affect the future profitability to the extent indicated if such liabilities crystallize.

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**SCHEDULE - 'M' (Contd.)**

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

- a) An amount of ₹ 28.68 lacs (last year ₹ 27.28 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 31.03.2011 :

	2010-2011		2009-2010	
	Gratuity (Partly funded) (₹ in lacs)	Leave Encashment (Unfunded) (₹ in lacs)	Gratuity (Partly funded) (₹ in lacs)	Leave Encashment (Unfunded) (₹ in lacs)
i) The present value of defined benefit obligations at the commencement of the Year	<b>221.19</b>	<b>14.91</b>	176.11	13.11
ii) Current Service cost	<b>11.38</b>	<b>1.72</b>	13.13	0.39
iii) Interest cost	<b>18.25</b>	<b>1.23</b>	14.07	1.05
iv) Actuarial (Gain) / Loss	<b>(21.90)</b>	<b>(0.88)</b>	31.96	1.42
v) Benefits Paid	<b>(16.18)</b>	<b>(1.82)</b>	(14.08)	(1.06)
vi) Past Service Cost	—	—	—	—
vii) The present value of defined benefit obligations at the close of the Year	<b>212.74</b>	<b>15.16</b>	221.19	14.91
viii) The fair value of plan assets at the close of the year	<b>108.60</b>	—	102.14	—
ix) The Past service cost not yet recognized	—	—	—	—
x) Expected Return of Plan Assets	<b>(9.02)</b>	—	(7.79)	—
ix) Written back in Profit & Loss Account	<b>13.72</b>	—	—	—

Expenses aggregating ₹ 12.68 lacs (last year ₹ 53.17 lacs) under items (ii), (iii), (iv), (v), (x) and (xi) above have been debited to the Profit and Loss Account to the extent of ₹ 11.19 lacs (last year ₹ 51.65 lacs) under the Head Salaries, Wages, Bonus etc. (Schedule "K") and ₹ 1.49 lacs (last year ₹ 1.52 lacs) under the head "Directors' remuneration" (Schedule "K")

**PUDUMJEE INDUSTRIES LIMITED**

**SCHEDULE - 'M' (Contd.)**

d) Actuarial assumptions

	2010-2011		2009-2010	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
i) Rate of interest (per annum)	8.25%	8.25%	8.25%	8.25%
ii) Salary growth (per annum) Parent Co-	5.50%	5.50%	5.50%	5.50%
Subsidiary Co-	6.00%	—	6.00%	—
iii) Withdrawal rate (Per annum)	1.00%	1.00%	1.00%	1.00%
iv) Expected return on Plan Assets	9.00%	—	9.00%	—
v) Mortality rates [LIC(1994.96) ultimate]	—	—	—	—

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

SIGNATURES TO SCHEDULE 'A' TO 'M'

As per our report of date attached

On behalf of the Board,

For **KHARE & CO.**  
Chartered Accountants

**SHYAM M. JATIA**  
Chairman & Managing Director

**Y. P. SHUKLA**  
Proprietor

**J. W. PATIL**  
Assistant Company Secretary

**R. C. SARAF**  
Director

Mumbai, Dated : 26th May, 2011

Mumbai, Dated : 26th May, 2011

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**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

(Pursuant to clause 32 of the listing agreements with Stock Exchanges)

	<u>2010-2011</u>	<u>2009-2010</u>
	( <u>₹ in Lacs</u> )	( <u>₹ in Lacs</u> )
<b>A Cash Flow from Operating Activities</b>		
<b>Net Profit / (Loss) before Taxation &amp; Extraordinary items</b>	<b>(322.64)</b>	320.00
Adjustments For :		
Depreciation	202.70	128.90
Interest and Financial Charges	387.37	319.83
profit on sale of fixed Assets	(0.03)	19.57
Provision for Doubtful Debts Written Back	(71.67)	—
Other Income	(261.92)	(346.27)
	<u>256.45</u>	<u>122.03</u>
<b>Operating Profit before Working Capital Changes</b>	<b>(66.19)</b>	442.03
(Increase)/Decrease in Inventory	(79.56)	(1,381.11)
(Increase)/Decrease in Debtors	140.77	(403.13)
(Increase)/Decrease in Advances	1,210.73	(187.90)
(Increase)/Decrease in Miscellaneous Expenditure	—	0.19
Increase /(Decrease) in Liabilities	1,076.63	(780.87)
	<u>2,348.57</u>	<u>(2,752.82)</u>
<b>Cash(Used in) Generated from operations</b>	<b>2,282.38</b>	(2,310.79)
Income Tax (paid) / Refund Received (Net)	29.67	(14.83)
	<u>29.67</u>	<u>(14.83)</u>
<b>Cash flow before Extraordinary items</b>	<b>2,312.05</b>	(2,325.62)
(Expenses) /Income of earlier years	—	(0.74)
Net Cash(used in)/from Operating Activities	<u>2,312.05</u>	<u>(2,326.36)</u>
<b>B Cash Flow From Investing Activities</b>		
Purchase Of Fixed Assets	(86.21)	(1,233.93)
Sale Proceeds Of Fixed Assets	0.03	0.72
Interest Received	288.02	286.98
Dividend Received	10.24	8.53
Share of Partnership Firm	1.49	0.20
Net Cash(used in)/from Investing Activities	<u>213.57</u>	<u>(937.50)</u>
<b>C Cash Flow From Financing Activities</b>		
Proceeds from borrowings	3,624.13	7,444.93
Repayment of borrowings	(5,749.38)	(3,884.70)
Dividend Paid	(36.00)	—
Payment of Interest	(467.37)	(344.70)
Net Cash(used in)/from Financing Activities	<u>(2,628.62)</u>	<u>3,215.53</u>
Net change in cash & Cash Equivalents (A+B+C)	<b>(103.00)</b>	(48.33)
Cash & Cash Equivalents (Opening Balance)	143.87	192.20
Cash & Cash Equivalents (Closing Balance)	<u>40.87</u>	<u>143.87</u>

Note: Figures in brackets represent Cash Outflows.

NOTES AS PER SCHEDULE "M"

Compiled from the Audited Accounts of the Company referred to in our Report of date attached

For **KHARE & CO.**  
Chartered Accountants

**Y. P. SHUKLA**  
Proprietor

Mumbai, Dated : 26th May, 2011

**J.W. PATIL**  
Assistant Company Secretary

On behalf of the Board,  
**SHYAM M. JATIA**  
Chairman & Managing Director

**R. C. SARAF**  
Director

Mumbai, Dated : 26th May, 2011

**PROXY FORM**

**PUDUMJEE INDUSTRIES LIMITED**

Registered Office :  
Thergaon, Pune 411 033.

I/We ..... of ..... in the  
district of ..... being a member/members of the above named  
Company hereby appoint ..... of ..... in the  
district of ..... or failing him ..... of .....  
in the district of ..... as my/our proxy to vote for me/us on my/our behalf at the  
Annual General Meeting of the Company to be held on the 29th day of August 2011 and at any adjournment thereof.

Signed at ..... this ..... day of ..... 2011.



Signature .....

-----  
This form must be deposited at the Company's Registered Office not less than 48 hours before the holding of the Meeting.  
Please affix Revenue Stamp of 15 paise.

**PUDUMJEE INDUSTRIES LIMITED**

Registered Office :  
Thergaon, Pune 411 033.

**ATTENDANCE SLIP**

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

I hereby record my presence at the FortySixth Annual General Meeting of the Company at its Registered Office  
at Thergaon, Pune 411 033 at 9.00 a.m. on Monday, the 29th day of August, 2011.

Name of Shareholder .....

Folio No./Depository A/c No. ....

Name of Proxy (If any) .....

No. of Shares held .....

Signature of Member / Proxy .....

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**BOOK-POST**

*If undelivered, please return to :*

**Pudumjee Industries Ltd.,**  
(Formerly known as Pudumjee Agro Industrial Ltd.)  
Thergaon, Pune – 411 033.