



PUDUMJEE

PUDUMJEE PAPER PRODUCTS LTD.
Registered Office

VJ:- 2062

19th September, 2016

<p>The Manager, Listing Department, National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), <u>Mumbai - 400 051.</u></p> <p><u>Scrip Code:- PDMJEPAPER</u></p>	<p>The Manager, Corporate Relationship Department, BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, <u>MUMBAI - 400 001.</u></p> <p><u>Scrip Code:- 539785</u></p>
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Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2015-16.

Pursuant to the Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 we have enclosed the Annual Report of the Company for the Financial Year 2015-16 for your information and record.

Thanking you,

Yours Faithfully,
for **Pudumjee Paper Products Limited**

Vinay Jadhav
Company Secretary
Encl:- a/a.

Registered Office:

Thergaon, Chinchwad, Pune-411033 Tel: +91-20-30613333, Fax : +91-20-4077 3388
E-Mail : pune@pudumjee.com, sk@pudumjee.com. CIN: U21098PN2015PLC153717

Corporate Office:

Jatia Chambers, 60, Dr. V.B.Gandhi Marg, Kalaghoda. Mumbai-400001 India.
Tel: +91-22-30213333, 22674485, 66339300, Fax: +91-22-22658316.
E-Mail: pudumjee@pudumjee.com Web Site : www.pudumjee.com.



**PUDUMJEE
PAPER PRODUCTS
LIMITED**



PUDUMJEE

**ANNUAL REPORT
2015 - 2016**

PUDUMJEE PAPER PRODUCTS LIMITED

DIRECTORS :

A. K. JATIA (Chairman)
V. P. LEEKHA (Managing Director)
S. K. BANSAL
V. K. BESWAL
NANDAN DAMANI
MRS. MADHU DUBHASHI
DR. ASHOK KUMAR (Executive Director w.e.f. 28.05.2016)
B. K. KHAITAN

BANKERS :

STATE BANK OF INDIA
IDBI BANK LIMITED
BANK OF INDIA
KOTAK MAHINDRA BANK LIMITED
THE SARASWAT CO-OPERATIVE BANK LIMITED
AXIS BANK LIMITED

AUDITORS :

KHARE & COMPANY

REGISTERED OFFICE :

THERGAON, PUNE 411 033.

REGISTRAR & TRANSFER AGENTS :

KARVY COMPUTERSHARE PVT. LTD.,
UNIT : PUDUMJEE PAPER PRODUCTS LIMITED,
KARVY SELENIUM TOWER B, PLOT NO. 31 & 32,
GACHIBOWLI, FINANCIAL DISTRICT, NANAKRAMGUDA,
SERILINGAMPALLY, **HYDERABAD – 500 032.**

DEMAT STOCK CODE :

INE865T01018

EQUITY SHARES ARE LISTED AT :

BSE LTD. AND NATIONAL STOCK EXCHANGE OF INDIA LTD.

NOTICE

The Second Annual General Meeting of the Shareholders of **Pudumjee Paper Products Limited** will be held at the Registered Office of the Company at Thergaon, Pune 411 033 on Saturday, the 17th day of September, 2016 at 2.30 p.m. (ST) to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016 including the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors, Auditors thereon.
- 2) To appoint a Director in place of Mr. Surendra Kumar Bansal (DIN: 00031115), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To declare a dividend on equity shares of the Company for the year 2015-2016.
- 4) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Messrs. Khare & Co., Chartered Accountants (FRN 105100W), be and are hereby appointed as Auditors of the Company, from the conclusion of this annual general meeting till the conclusion of 06th Annual General meeting of the Company, on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee".

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

"RESOLVED THAT pursuant provision of Section 143 (8) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, Messrs G.N. Angal & Co., Chartered Accountants (FRN 113250W), be and is hereby appointed as the Branch Auditor of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company on such terms and conditions including remuneration payable to them, as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee".

SPECIAL BUSINESS:

- 6) To appoint a Director in place of Mr. Nandan Damani, who was appointed as an Additional Director of the Company with effect from 21st October, 2015 pursuant to Section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provision of Section 161 of the Companies Act, 2013 and being eligible offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Nandan Damani (DIN: 00058396), who submitted a declaration that he meets the criteria for independence as provided

in Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) year from 17th September, 2016 to 16th September, 2021".

- 7) To appoint a Director in place of Mr. Vinod Kumar Beswal, who was appointed as an Additional Director of the Company with effect from 21st October, 2015 pursuant to Section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provision of Section 161 of the Companies Act, 2013 and being eligible offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vinod Kumar Beswal (DIN: 00120095), who submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) year from 17th September, 2016 to 16th September, 2021".

- 8) To appoint a Director in place of Mrs. Madhu Dubhashi who was appointed as an Additional Director of the Company with effect from 14th November, 2015 pursuant to Section 161 of Companies Act, 2013 and applicable provisions of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provisions of Section 161 of the Companies Act, 2013 and being eligible offers herself for reappointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Madhu Dubhashi (DIN: 00036846), who submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) year from 17th September, 2016 to 16th September, 2021".

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (the Act) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modification(s), as may be required and which Mr. Ved Prakash Leekha may accept, the consent be and is hereby accorded to the following remuneration, payments, benefits and amenities, paid/to be paid to Mr. Ved Prakash Leekha, Managing Director of the Company, with effect from 01st February, 2016 till the remainder of his term of appointment i.e. 16th January, 2020, and the terms and conditions of his appointment, with a power to the Board of Directors to alter or vary from time to time at its discretion,

the remuneration and other terms so however that they do not exceed the permissible limits laid down under Schedule V to the Act or any statutory modification(s) or re-enactment thereof for the time being in force, namely:

- (a) The Managing Director shall, subject to the supervision and control of the Board of Directors, be in overall charge of the Company's activities and in particular attend to all matters concerning production planning, manufacture, marketing and administration and shall perform such other duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board of Directors and the Chairman of the Company.
- (b) Remuneration including Dearness Allowance at the rate of ₹ 6,45,000/- per month upto 30th June, 2016 and at the rate of ₹ 6,03,000/- per month thereafter.
- (c) Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof at ₹ 2,30,000/- per month upto 30th June, 2016 and at the rate of ₹ 50,000/- per month thereafter.
- (d) Expenses of electricity, gas and water, furnishing, of the residential accommodation.
- (e) Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges and traveling expenses incurred for himself, his wife and dependent children.
- (f) Leave Travel Assistance to cover air or first class air conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
- (g) Membership fees including entrance and other fees for any two Clubs.
- (h) Personal accident insurance premium.
- (i) (i) Participation in the Provident Fund.
(ii) Gratuity as per the Company's rules applicable to its Executive staff members.
(iii) Pension, by whatever name called, @ ₹ 1,45,000/- per month to Mr. Ved Prakash Leekha during his life time and thereafter to his spouse during her lifetime, from a date next following the date of his leaving the service of the Company.
- (j) (i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave at the end of tenure.
(ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.
- (k) Maintenance of telephone at his place of residence and Mobile phones at the entire cost of the Company.
- (l) Exclusive free use of a motor car for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as Chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.

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

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the

PUDUMJEE PAPER PRODUCTS LIMITED

shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to the undernoted subsisting contracts already entered into or to be entered into and further authorized to deal in related party transaction(s) as under:

Sr. No.	Name of the Related Party	Nature of Transaction	Aggregate Amount of transaction in a year	Duration of Agreement
1	Pudumjee Pulp & Paper Mills Limited	Agreement for Purchase of Wind Power	Aggregate Consideration not exceeding ₹ 800 Lacs for per financial year for supply of Wind Power (tariff rate as reduced by 10%)	3 (three) years commencing from the effective date of the Scheme of Arrangement and Reconstruction (Demerger) (i.e. 1 st February, 2016)
		Leave and License Agreement for accepting portion of office premises located at Mezzanine Floor, 60, Jatia Chambers, Dr. V. B Gandhi Marg, Mumbai - 400 001	License fee of ₹ 50,000/- per month plus service tax	3 (three) years commencing from the effective date of the Scheme of Arrangement and Reconstruction (Demerger) (i.e. 1 st February, 2016)
		Arrangement/ Agreement for Accepting Inter Corporate Deposits	Amount remaining outstanding during any financial year shall not exceed ₹ 6,000 Lacs Rate of Interest : Upto 11.25% p.a. but not less than 10.00% p.a.	Repayable On Demand Continuous Arrangemen
		Arrangement/ Agreement for Sale of tissue papers, Napkins, Towels, etc. at Market based rates	About ₹ 10 lacs for each financial year.	Continuous arrangement.
2	Pudumjee Industries Limited	Arrangement/ Agreement for Accepting Inter Corporate Deposits	Amount remaining outstanding during any financial year shall not exceed ₹2,500 Lacs Rate of Interest: Upto 11.25% p.a. but not less than 10.00% p.a.	Repayable On Demand Continuous Arrangement
3	Thacker And Company Limited	Arrangement/ Agreement for Accepting Inter Corporate Deposits	Amount remaining outstanding during any financial year shall not exceed ₹ 2,500 Lacs Rate of Interest: Upto 11.25% p.a. but not less than 10.00% p.a.	Repayable On Demand Continuous Arrangement
4	Chem Mach Private Limited	Arrangement/ Agreement for Accepting Inter Corporate Deposits	Amount remaining outstanding during any financial year shall not exceed ₹ 2,500 Lacs Rate of Interest: Upto 11.25% p.a. but not less than 10.00% p.a.	Repayable On Demand Continuous Arrangement

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, deem necessary, and to execute all necessary documents".

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time and to time, the Company hereby approves the remuneration of ₹ 2,50,000/- for Messrs. Y. R. Doshi & Co., Cost Accountants in Practice (FRN 000003), who have been appointed by the Board of Directors of the Company as the Cost Auditors of the Company, to conduct the audit of the Cost Records of the Company relating to "PAPER" for the Financial Year ending 31st March, 2017."

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members be and is hereby accorded to alter the Articles of Association of the Company by inserting the following new Clauses in the existing Articles of Association:

23A. DELEGATION OF OPTION OR RIGHT TO CALL OF SHARES

"The option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings."

31A. REFUSAL OF TRANSFER

"The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;"

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and are hereby authorized to do all such acts, deeds and things necessary to give effect to this above resolution."

- 14) To appoint a Director in place of Mr. Basant Kumar Khaitan, who was appointed as an additional director of the Company with effect from 28th May, 2016 pursuant to Section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provision of Section 161 of the Companies Act, 2013 and being eligible offers himself for reappointment and in respect of whom the Company has received a notice in writing from a

member proposing his candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Basant Kumar Khaitan (DIN: 00459514), who submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) year from 17th September, 2016 to 16th September, 2021".

- 15) To appoint a Director in place of Dr. Ashok Kumar, who was appointed as an Additional Director of the Company with effect from 28th May, 2016 pursuant to Section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provision of Section 161 of the Companies Act, 2013 and being eligible and offers himself for reappointment. The Company has received a notice in writing from a member proposing his candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Ashok Kumar (DIN: 07111155) be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (the Act) and subject to such other approvals as may be necessary, Dr. Ashok Kumar (DIN: 07111155) be and is hereby appointed as an Executive Director of the Company for a period of Five (5) years with effect from 28th May, 2016, AND THAT consent of the Company be and is hereby accorded to the following remuneration, payments, benefits and amenities for an initial period of 3 years and the terms of the appointment of Dr. Ashok Kumar, with a power to the Board of Directors to alter or vary from time to time at the discretion of Board of Directors, so however that they do not exceed the permissible limits laid down under Schedule V of the Act or any statutory modification(s) or re-enactment thereof for the time being in force, namely:-

- a. He shall, subject to the supervision and control of Board and of the Managing Director and Chairman of the Company, perform such services and duties and exercise such powers as may from time to time be entrusted to him by the Chairman/Managing Director.
- b. Remuneration at the rate of ₹ 5,20,000/- per month including Dearness Allowance.
- c. Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof at the rate of ₹ 1,65,000/- per month.
- d. Expenses of electricity, gas and water, furnishing, of the residential accommodation.
- e. Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges, and travelling expenses incurred for himself, his wife and dependent children.
- f. Leave Travel Assistance to cover air and first class air conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
- g. Membership fees including entrance and other fees for any two clubs.
- h. Personal accident insurance premium.
- i. Participation in the Provident Fund and Pension/Superannuation Scheme.

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

Minimum Remuneration:- In the event of absence or inadequacy of profits in any year the said remuneration as stated in clause (b) above together with the payments, benefits and amenities shall nevertheless be paid or allowed as minimum remuneration for such year with such approvals as may be necessary."

- 17) To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:
- "RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013, for delivery of any documents through a particular mode of delivery, the fees to be charged to the shareholder(s) who request for such specific delivery be and are hereby fixed at the actual cost of each such delivery or such fees as may be decided by the Board of Directors from time to time."

Notes:

- 1) The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of Items Nos. 6 to 17 is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
- 3) The Register of Members and Transfer Books of the Company will be closed from 6th September, 2016 to 17th September, 2016 (both days inclusive).
- 4) The Dividend, when sanctioned, will be paid on and from 27th September, 2016 to those shareholders whose names stand on the Company's Register of members as holders of the shares on 17th September, 2016. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of the shares whose names are appearing in the Register of Members as Beneficial Owner; at the close of business hours on 5th September, 2016 as per the details furnished by the Depositories for this purpose. The payment of Dividend will be subject to the provisions of Section 126 of the Companies Act, 2013.
- 5) Members are requested to write/intimate to Company's Registrar and Transfer Agents for the purpose of changes, in their registered addresses, profile details for sending future communication(s), any query in connection with claiming the unclaimed and unpaid dividends, etc.
- 6) Documents referred to in the notice and the explanatory statement shall be available for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 2.00 p.m. to 4.00 p.m. except holidays, upto the date of the Meeting of the Company. The Register of Directors and Key Managerial Personnel and their Shareholdings and Register of Shareholders, are available for inspection at the Registered office of the Company.

- 7) As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
- 8) Further pursuant to Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Company needs to send the Notice, Annual Report electronically on the e-mail addresses as obtained from the Company/ Depositories/ Registrar and Share Transfer Agent to the members.

If you are holding the shares of the Company in dematerialized form and already registered your e-mail id, you would be receiving the Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode.

The members who hold shares in physical mode and have not registered their email id can request the Company to receive Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode.

Members are requested to support this Green Initiative by registering/updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with Karvy Computershare Pvt. Ltd., (in case of Shares held in physical form).

- 9) Members/proxies are requested to bring the copies of annual reports to the meeting.
- 10) Voting through electronic means:

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on all resolutions set forth in this Notice through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Computershare Pvt. Ltd., appointed for the purpose by the Company as authorised agency. Remote e-voting is optional.

The detailed instructions for remote E-Voting are as under:

- A. In case a Member receives an e-mail from Karvy (for Members whose e-mail addresses are registered with the Company/Depositories):
- i. Open the e-mail and also open PDF file namely "PPPL E-VOTING PDF"/ "https://www.evoting@karvy.com" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL:https://www.evoting@karvy.com.
 - iii. Click on Shareholder - Login.
 - iv. if you are already registered with Karvy for e-voting then you can use your existing user ID and password.
 - v. if you are logging in for the first time, please enter the user ID and password provided in the e-mail as initial password.

- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- Vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- Viii. Select "EVEN" (E-Voting Event Number) of Karvy Computershare Pvt. Ltd. Now you are ready for e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once the vote on the resolution is cast, the Members shall not be allowed to change it subsequently.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail:- savitajyotiassociates05@gmail.com, with a copy marked to evoting@karvy.com.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.karvy.com.

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

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

C. Other Instructions:

- i. The Remote e-voting period commences on Wednesday, the 14th September, 2016 (9.00 a.m. IST) and ends on Friday, the 16th September, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 10th September, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by Karvy Computershare Pvt. Ltd. for voting thereafter. The Member who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date i.e. 10th September, 2016.
- iii. Mrs. Savita Jyoti, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later

PUDUMJEE PAPER PRODUCTS LIMITED

than three days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

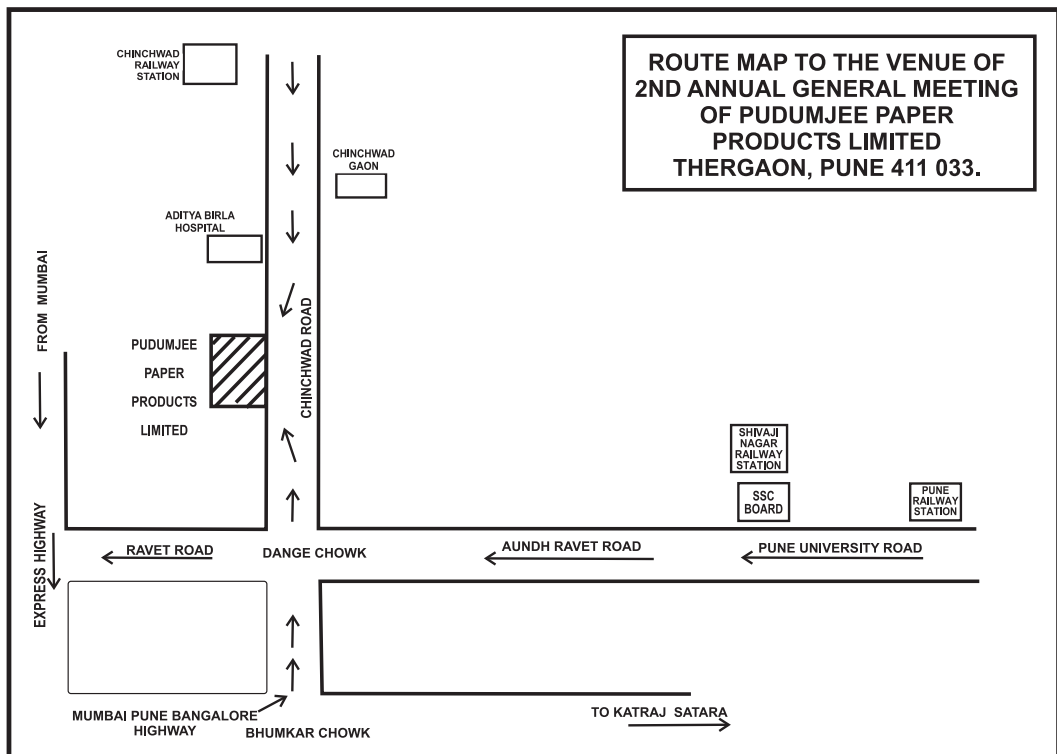
- v. The results declared alongwith the Scrutiniser's Report shall be placed on the Company's website www.pudumjee.com and on the website of Karvy - www.evoting.karvy.com and communicated to the Stock Exchanges.
- vi. Those shareholders who do not have access to remote e-voting facility may write to Registrar and Share Transfer Agent, M/s. Karvy Computershare Pvt. Ltd. or to the Company for Ballot Paper which after filling up should reach to the Scrutinizer's, Mrs. Savita Jyoti c/o M/s. Karvy Computershare Pvt. Ltd. on or before 13th September, 2016.

By Order of the Board,
Pudumjee Paper Products Limited,

Vinay Jadhav
Company Secretary.

Registered Office:

Thergaon, Pune-411033
Tel: +91-20-30613333,
Fax: +91-20-40773388
CIN: U21098PN2015PLC153717
Web Site : www.pudumjee.com.
29th July, 2016



ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

The following Explanatory Statement sets out all the material facts relating to items of business as mentioned in Serial Nos. 6 to 17 under Special Business in the accompanying Notice dated 29th July, 2016 convening the Annual General Meeting.

ITEM NO. 6

During the year, the Board of Directors of the Company has appointed Mr. Nandan Damani as an Additional Director of the Company at its meeting held of 21st October, 2015. He holds office upto the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013.

The Company has received declaration from him that, he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Pursuant to the recommendation of the Nomination and Remuneration Committee at its meeting held on 28th May, 2016 and in the opinion of the Board, he fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent to the management. He does not hold any equity shares in the Company.

The Company has also received notice in writing from a member along with deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Nandan Damani for the office of director of the Company.

In view of above the Board of Directors proposed to appoint Mr. Nandan Damani as an Independent Director of the Company for a term up to 5 (five) consecutive years commencing from the date of the this Annual General Meeting.

Names of Companies in which he holds directorships and memberships /chairmanships of Board Committees, his shareholding in the Company, relationships amongst directors inter-se as stipulated under the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, is provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Nandan Damani is a Bachelor of Science and Chairman and Managing Director of Simplex Reality Limited and possesses wide and varied experience in Business and Finance. He is Director on the board of various Companies and member of their committees. Keeping in view his expertise and knowledge, it will be in the interest of the Company that Mr. Nandan Damani is appointed as an Independent Director. Accordingly, the Board recommends the Ordinary Resolution as set out at Item No. 6 of this Notice for approval of the members.

Except Mr. Nandan Damani, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, in the proposed Ordinary Resolution as set out in Item No. 6 of this Notice.

ITEM NO. 7

During the year, the Board of Directors of the Company has appointed Mr. Vinod Kumar Beswal as an Additional Director of the Company at its meeting held of 21st October, 2015. He holds office upto the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013.

The Company has received declaration from him that, he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Pursuant to the recommendation of the Nomination and Remuneration

Committee at its meeting held on 28th May, 2016 and in the opinion of the Board, he fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and pursuant to Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent to the management. He does not hold any equity shares in the Company.

The Company has also received notice in writing from a member along with deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Vinod Kumar Beswal for the office of director of the Company.

In view of above the Board of Directors proposed to appoint Mr. Vinod Kumar Beswal as an Independent Director of the Company for a term up to 5 (five) consecutive years commencing from the date of the this Annual General Meeting.

Names of companies in which he holds directorships and memberships /chairmanships of Board Committees, his shareholding in the Company, relationships amongst directors inter-se as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Vinod Kumar Beswal is a Bachelor of Commerce and a practicing Chartered Accountant and has a vast and varied experience in Tax and Financial Matters. He is Director on the board of various Companies and member of their committees. Keeping in view his expertise and knowledge, it will be in the interest of the Company that Mr. Vinod Kumar Beswal is appointed as an Independent Director. Accordingly, the Board recommends the Ordinary Resolution as set out at Item No. 7 of this Notice for approval of the members.

Except Mr. Vinod Kumar Beswal, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, in the proposed Ordinary Resolution as set out in Item No. 7 of this Notice.

ITEM NO. 8

During the year, the Board of Directors of the Company has appointed Mrs. Madhu Dubhashi as an Additional Director of the Company at its meeting held of 14th November, 2015. She holds office upto the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013.

The Company has received declaration from her that, she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Pursuant to the recommendation of the Nomination and Remuneration Committee at its meeting held on 28th May, 2016 and in the opinion of the Board, she fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 16(b) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and is independent to the management. She does not hold any equity shares in the Company.

The Company has also received notice in writing from a member along with deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Madhu Dubhashi for the office of director of the Company.

In view of above the Board of Directors proposed to appoint Mrs. Madhu Dubhashi as an Independent Director of the Company for a term up to 5 (five) consecutive years commencing from the date of the this Annual General Meeting.

Names of companies in which she holds directorships and memberships /chairmanships of Board Committees, her shareholding in the Company, relationships amongst directors inter-se as stipulated under the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, is provided in the Corporate Governance Report forming part of the Annual Report.

Mrs. Madhu Dubhashi, has done her graduation in Economics (Honours) from Miranda House, Delhi University and a post graduation in Business Management from the Indian Institute of Management, Ahmadabad. She has experience of more than four decades in the capital market and financial service sectors, which includes Project Appraisal, Financial Structuring, Financial Syndication, Share Valuation, Corporate Restructuring, Merchant Banking and Merger & Acquisition. Keeping in view her expertise and knowledge, it will be in the interest of the Company that Mrs. Madhu Dubhashi is appointed as an Independent Director. Accordingly, the Board recommends the Ordinary Resolution as set out at Item No. 8 of this Notice for approval of the members.

Except Mrs. Madhu Dubhashi, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, in the proposed Ordinary Resolution as set out in Item No. 8 of this Notice.

ITEM NO. 9

Mr. Ved Prakash Leekha, Managing Director, is associated with the Pudumjee Group since last 16 years. Mr. Leekha is a B.E. (Mechanical) and has a wide and varied experience of over four decades in Paper Industry.

The Board of Directors has appointed him as Managing Director of the Company for a period of 5 years with effect from 17th January, 2015 and subsequently shareholders have approved his appointment in 1st Annual General Meeting of the Company held on 18th September, 2015 without remuneration.

Pursuant to the Scheme of Arrangement and Reconstruction (Demerger) erstwhile Paper manufacturing business of the Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited and Trading business of the Pudumjee Hygiene Products Limited alongwith their existing employees stood transferred to the Company on 01st February, 2016 with effect from the appointed date 01st April, 2014.

Accordingly, the remuneration drawn by Mr. Ved Prakash Leekha from Pudumjee Pulp & Paper Mills Limited (PPPML) duly approved by its shareholders immediately preceding the effective date (i.e. 01st April, 2015 to 31st January, 2016) was transferred to this Company and Mr. Ved Prakash Leekha, continued as Managing Director of PPPML without any remuneration from PPPML from 01st February, 2016.

The Nomination and Remuneration Committee and Board of Directors in their meetings held on 22nd January, 2016 allowed the same remuneration to Mr. Ved Prakash Leekha with effect from 01st February, 2016 which he was drawing as aforesaid from PPPML till then.

Further, the Nomination and Remuneration Committee and Board of Directors of the Company at its meetings held on 29th July, 2016, has approved a reduction in his remuneration at the request of Mr. Ved Prakash Leekha, payable with effect from 01st July, 2016 and other terms and conditions remaining unchanged.

Apart from Mr. Ved Prakash Leekha, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the proposed Special Resolution.

The Directors recommends the Resolution at Item No.9 of this Notice as a Special Resolution.

ITEM NO. 10

The provisions of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provide that, all material related party transactions shall require approval of the shareholders.

In compliance with the above provisions the agreements already entered into, the transactions to be continued with the parties as specified in the proposed ordinary resolution and proposed agreements/arrangements to be

PUDUMJEE PAPER PRODUCTS LIMITED

entered, are placed for your approval. It may be noted that, related parties shall abstain from voting on such resolution whether the entity is a related party to the particular transaction or not.

Pudumjee Pulp & Paper Mills Limited (PPPML), Thacker and Co. Limited (TCL), Pudumjee Industries Limited (PIL) and Chem Mach Private Limited (CMPL) are related parties by virtue of below mentioned criteria:

Name of the Company	Interested Director
Pudumjee Pulp & Paper Mills Limited	Mr. A. K. Jatia - Common Directorship and he alongwith his relatives holds more than 2% of paid share capital of the Company Mr. S. K. Bansal - Common Directorship Mr. V. P. Leekha - Common Directorship Dr. Ashok Kumar - Common Directorship
Thacker and Co. Limited	Mr. A. K. Jatia - Common Directorship and he alongwith his relatives holds more than 2% of paid share capital of the Company Mr. S. K. Bansal - Common Directorship
Pudumjee Industries Limited	Mr. A. K. Jatia - He alongwith his relatives holds more than 2% of paid share capital of the Company
Chem Mach Private Limited	Mr. A. K. Jatia - Common Directorship

None of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in proposed special resolution.

The Resolution at Item No. 10 of this Notice is recommended by the Board to be passed as an Ordinary Resolution.

ITEM NO. 11

Pursuant to Scheme of Arrangement and Reconstruction (Demerger) outstanding liability of the Fixed Deposits accepted by Pudumjee Pulp & Paper Mills Limited was transferred alongwith attached obligations to the Company. The Company is discharging all its obligations as transferred to it.

The deposits falling due for payment are being repaid by the Company on their maturity, till the Company is authorized by the annual general meeting to accept/renew the deposits to meet the working capital requirement.

In compliance with the above provisions of the Companies Act, 2013 and the Rules framed thereunder the Company is required to obtain approval of its shareholders for acceptance of Fixed Deposits from the members of the Company and from the public in general, as such, approval of the members by way of Special Resolution is being sought. It may be noted that the deposits to be accepted will be unsecured.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Special Resolution.

The Resolution at Item No. 11 of this Notice is recommended by the Directors to be passed as a Special Resolution.

ITEM NO. 12

The Company is required under Section 148 of the Companies Act, 2013, to have the audit of its cost records relating to "PAPER" conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration of Messrs Y. R. Doshi & Co., the Cost Accountants to conduct audit of cost records of the Company for products covered under the

Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending 31st March, 2017, at a remuneration of ₹ 2,50,000/-.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors needs to be approved by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolution.

The Resolution at Item No. 12 of the Notice is recommended by the Directors to be passed as an Ordinary Resolution.

ITEM NO. 13

The equity Shares of the Company were Listed on BSE Limited and National Stock Exchange of India Limited on 30th March, 2016. As per the requirements of the National Stock Exchange of India Limited, the Company needs to amend its Articles of Associations by inserting the new clauses bearing no. 23A and 31A.

In this connection the Company has given an undertaking while making an application for listing of equity shares to insert the aforementioned Clauses in the existing Articles of Associations. Hence the proposed resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Special Resolution.

The Resolution at Item No. 13 of the Notice is recommended by the Directors to be passed as a Special Resolution.

ITEM NO. 14

During the year, the Board of Directors of the Company has appointed Mr. Basant Kumar Khaitan, as an Additional Director of the Company at its meeting held of 28th May, 2016. He holds office upto the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013.

The Company has received declaration from him that, he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Pursuant to the recommendation of the Nomination and Remuneration Committee at its meeting held on 29th July, 2016 and in the opinion of the Board, he fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent to the management. He does not hold any equity shares in the Company.

The Company has also received notice in writing from a member along with deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Basant Kumar Khaitan for the office of director of the Company.

In view of above the Board of Directors proposed to appoint Mr. Basant Kumar Khaitan as an Independent Director of the Company for a term up to 5 (five) consecutive years commencing from the date of the this Annual General Meeting.

Names of Companies in which he holds directorships and memberships /chairmanships of Board Committees, his shareholding in the Company, relationships amongst directors inter-se as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Basant Kumar Khaitan is a Bachelor of Commerce and a noted Industrialist. He has 45 years of industrial

management experience and also possesses wide and varied experience in the manufacturing and marketing of Paper Machine Clothing used in the Paper industry and has excellent working knowledge of the industry in general. He is well known in the world of Paper machine clothing around the world. He is Director on the board of various Companies including paper companies. Keeping in view his expertise and knowledge, it will be in the interest of the Company that Mr. Basant Kumar Khaitan is appointed as an Independent Director. Accordingly, the Board recommends the Ordinary Resolution as set out at Item No. 14 of this Notice for approval of the members.

Except Mr. Basant Kumar Khaitan, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, in the proposed Ordinary Resolution as set out in Item No. 14 of this Notice.

ITEM NO. 15

Pursuant to the Scheme of Arrangement and Reconstruction (Demerger) erstwhile Paper manufacturing business of the Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited and Trading business of the Pudumjee Hygiene Products Limited stands vested with Pudumjee Paper Products Limited (PPPL) with effect from the Appointed Date, i.e. April 01, 2014. Consequently to supervise and administer the Paper business, it was decided to transfer services of Dr. Ashok Kumar from Pudumjee Pulp & Paper Mills Limited in which he is Director to the Company.

Accordingly pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, has appointed Dr. Ashok Kumar as an Additional Director of the Company with effect from 28th May, 2016. He holds office upto the date of this Annual General Meeting pursuant to section 161 of the Companies Act, 2013. The Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company.

Dr. Ashok Kumar is M.E. (Chemical Engineer) and Ph.D. (Pulp Processing) and has wide and varied experience over three decades in the Paper Industry. He does not hold any Equity Share in the Company. He is Director of Pudumjee Pulp & Paper Mills Limited.

Except for Dr. Ashok Kumar, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, in the proposed Resolution.

The Board recommends the resolution for approval of the members. Members may note Dr. Ashok Kumar is also proposed to be appointed as an Executive Director of the Company as per Resolution set out at Item No. 16 of this Notice.

ITEM NO. 16

Pursuant to sections 196 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act, the appointment and remuneration payable to Dr. Ashok Kumar is proposed at the Annual General Meeting for members approval.

Nomination and Remuneration Committee at its Meeting held on 29th July, 2016 has recommended the appointment of Dr. Ashok Kumar as an Executive Director after satisfying all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment.

Names of Companies in which he holds directorships and memberships /chairmanships of Board Committees, his shareholding in the Company, relationships amongst directors inter-se as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided in the Corporate Governance Report forming part of the Annual Report.

Dr. Ashok Kumar is M.E. (Chemical Engineer) and Ph.D. (Pulp Processing) and has wide and varied experience

over three decades in the Paper Industry. He does not hold any Equity Share in the Company. The Board is of the view that Dr. Ashok Kumar's knowledge and experience will be of immense benefit and value to the Company and, therefore, recommends his appointment to the Members as per Resolution set out at Item No. 16 of the Notice.

Apart from Dr. Ashok Kumar who would be interested in his appointment and remuneration, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the proposed Special Resolution.

The Directors recommend the Resolution at Item No.16 of this Notice as a Special Resolution.

ITEM NO. 17

Pursuant to the Section 20 of the Companies Act, 2013, the Company can decide the fees/charges to be charged to/ recovered from the Shareholders for sending the documents, notices, Annual Reports, correspondence related to Company through a particular mode as may be requested by the Shareholders. The proposed Ordinary Resolution is put up for the approval of Shareholders to enable the Company to charge/recover the costs of sending the documents through a particular mode of delivery requested by any shareholder.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolution.

The Directors recommend the Resolution at Item No.17 of this Notice as an Ordinary Resolution.

By Order of the Board,
Pudumjee Paper Products Limited,

Vinay Jadhav
Company Secretary.

Registered Office:

Thergaon, Pune-411033

Tel : +91-20-30613333,

Fax : +91-20-40773388

CIN : U21098PN2015PLC153717

Web Site : www.pudumjee.com.

29th July, 2016

PUDUMJEE PAPER PRODUCTS LIMITED

Information pursuant to the requirements of paragraph (B) (iv) of Section II of Schedule V to the Companies Act, 2013 concerning remuneration payable to Messrs. Ved Prakash Leekha, Managing Director and Dr. Ashok Kumar, Executive Director is furnished herein below:

I. GENERAL INFORMATION :

Nature of Industry	Paper Manufacturing	
Date or expected date of commencement of commercial production	February, 2016	
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable	
Financial performance based on given indicators	Year ending 31 st March, 2016 (₹ in Lacs)	
	Effective Capital Turnover (Net)	5,050.83
	Profit Before Tax	46,929.20
	Profit after Tax	1,270.96
	Dividend	1,011.96
	Reserves (excluding revaluation reserve)	10%
	Capital Reserve	1,594.50
	(Pursuant to the Scheme, the excess of the aggregate fair value of the shares [as determined by SSPA & Co., Chartered Accountants] over their face value.)	17,945.50
Foreign investments or collaborators, if any.	Not Applicable	

II. INFORMATION ABOUT THE APPOINTEE :

Name of the Appointee	Mr. Ved Prakash Leekha	Dr. Ashok Kumar
Background Details	Mr. Ved Prakash Leekha, Managing Director, is associated with the Pudumjee Group since last 16 years. Mr. Leekha is a B.E. (Mechanical) and has wide and varied experience of over four decades in Paper Industry.	Dr. Ashok Kumar is M.E. (Chemical Engineer) and Ph.D. (Pulp Processing) and has wide and varied experience over three decades in the Paper Industry.
Past / Existing remuneration	N.A. (earlier he was drawing remuneration from Pudumjee Pulp & Paper Mills Limited)	N.A. (Appointed as Executive Director with effect from 28 th May, 2016)
Recognition or Awards	NIL	NIL
Job Profile and his suitability	As a Managing Director, Mr. Leekha, would be subject to supervision and control of the Non Executive Chairman and the Board Of Directors, in overall charge of the Company's activities and in particular attend to all matters concerning production planning, manufacture, marketing and administration and shall perform such other duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board of Directors and the Non Executive Chairman of the Company. Mr. Leekha has a wide and varied experience of over four decades in Paper Industry in various positions. He has successfully carried out many capital expenditure programmes in the Company and in the Industry.	He is responsible for overall day to day operations of the Company under the supervision and control management of the Managing Director, Chairman and Board of Directors of the Company.
Remuneration Proposed	<ul style="list-style-type: none"> ● Remuneration including Dearness Allowance at the rate of ₹ 6,45,000/- per month upto 30th June, 2016 and at the rate of ₹ 6,03,000/- per month thereafter ● Rent free furnished residential accommodation or an allowance in lieu thereof at the rate of ₹ 2,30,000/- per month upto 30th June, 2016 and at the rate of ₹ 50,000/- per month thereafter. <p>Mr. Leekha is also entitled to the benefits of contribution to Provident Fund/ Pension, Gratuity, and perquisites such as gas, electricity, medical expenses, furnishing, LTA, club fees, personal accident insurance, telephone, cars etc.</p>	<ul style="list-style-type: none"> ● Remuneration at the rate of ₹ 5,20,000/- per month including Dearness Allowance and ● Rent free furnished residential accommodation or an allowance in lieu thereof at the rate of ₹ 1,65,000/- per month. <p>Dr. Ashok Kumar is also entitled to the benefits of contribution to Provident Fund/Superannuation Scheme, Gratuity, and perquisites such as gas, electricity, medical expenses, furnishing, LTA, club fees, personal accident insurance, telephone, cars etc.</p>

	Mr. Ved Prakash Leekha	Dr. Ashok Kumar
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	NIL	NIL
III. OTHER INFORMATION :		
Reasons of loss or inadequate profits	The Company was incorporated on 14 th January, 2015 as special purpose vehicle for the Scheme of Arrangement and Reconstruction (Demerger). The Company may have inadequate profit for payment of managerial remuneration owing to competitive pressure. The prevailing economic conditions of slow down and global competition in specialty segment of Paper may be putting considerable pressure on profitability.	
Steps taken or proposed to be taken for improvement	The managements emphasis on cost reduction, appropriate product mix and quality improvement are expected in the long run to neutralize any inadequacy of profits.	
Expected increase in productivity and profits in measurable terms.	With the aforesaid efforts and consequent better capacity utilization, the profits are targeted to be achieve the desired results.	
IV. DISCLOSURES :	As indicated above Under II "INFORMATION ABOUT THE APPOINTEE."	

Except Mr. Ved Prakash Leekha and Dr. Ashok Kumar who holds no shares in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise.

By Order of the Board,
Pudumjee Paper Products Limited,

Vinay Jadhav
Company Secretary.

Registered Office:

Thergaon, Pune-411033
Tel: +91-20-30613333,
Fax: +91-20-40773388
CIN: U21098PN2015PLC153717
Web Site : www.pudumjee.com.
29th July, 2016

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the 2nd Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2016.

FINANCIAL RESULTS:

	2015-2016 (₹ in Lacs)	2014-15 (₹ in Lacs)
The gross profit before interest and Depreciation	3492.53	1.73
Less:		
i) Finance cost	1688.11	0.00
ii) Depreciation	533.46	0.00
The net profit before tax	1270.96	1.73
Add:		
The balance of Profit brought forward from last year	1.12	0.00
Total	1272.08	1.73
Less:		
Provision for Current Taxation	250.00	0.61
Provision/(Saving) for Deferred Taxation	9.00	0.00
Dividend on Equity Shares	94.95	0.00
Tax on Dividend	18.26	0.00
Transfer to General Reserve	200.00	0.00
Total	572.21	0.61
Balance proposed to be carried forward to next year's accounts	699.87	1.12

The summarized results tabulated above for the current year 2015-16 are not comparable with those of previous period for the reasons that (a) the figures for the previous period were since incorporation of the Company on 14th January, 2015; and (b) in the current year, effect has been given to Scheme of Arrangement approved by the Bombay High Court, as stated under "Operations" and (c) the net profit after tax of the demerged undertakings, for the period from the appointed date i.e. 1st April, 2014 to 31st March, 2015 (i.e. last financial year) of ₹ 599.63 lacs has been adjusted in Reserves & Surplus.

DIVIDEND:

The Board of Directors recommends the payment of Dividend for the year ended 31st March, 2016 at the rate of Re. 0.10 per equity share. If approved, the Equity Dividend shall be paid, subject to the provisions of section 126 of the Companies Act, 2013 to those shareholders whose names stand on the Register of Members on 17th September, 2016.

The Dividend in respect of shares held in electronic form, will be paid to all those beneficial owners of the shares as per the details furnished by depositories for the purpose at the close of business hours on 5th September, 2016.

OPERATIONS:

As you may be aware that the Company was incorporated as a Special Purpose Vehicle on 14th January, 2015 for merging into it all paper manufacturing business of Pudumjee Pulp & Paper Mills Ltd., (PPPML) and Pudumjee Industries Ltd. (PIL) and marketing of Hygiene products business of Pudumjee Hygiene Products Ltd. (PHPL) by way of scheme of arrangement between the Company and the aforesaid transferor Companies with effect from Appointed Date, namely 01st April, 2014. The Directors are pleased to inform that the Hon'ble Bombay High Court approved the scheme on 08th January, 2016 and after the requisite compliances, the scheme has become effective on 01st February, 2016. In terms of this scheme, amongst others, all the relevant assets and liabilities of the aforesaid businesses together with employees stood transferred to the Company with effect from the appointed date namely; 01st April, 2014. The businesses being carried onwards by the transferor Companies are deemed to have been carried out by the Company on and from the appointed date 01st April, 2014.

The Company is currently carrying out its manufacturing operations from its Pune plant for which a Leave and License Agreement has been executed by PPPML and PIL for a period of 5 years to enable it to shift and expand its operations at Mahad in due course of time after requisite plans are firmed up and necessary approvals obtained.

The Company's business is manufacturing of specialty papers and marketing of paper and hygiene products. The specialty paper business comes to the Company with over 4 decades of proven expertise and state-of-the-art manufacturing facilities. The Company can manufacture upto 60,000 MT per annum of Specialty Papers on two Fourdrinier Paper Machines and two M.G. Paper Machines along with necessary infrastructure including utilities, water, power and steam systems, waste water treatment and disposal arrangement meeting applicable statutory requirements. The Company has an established marketing setup throughout India for the 'Specialty' and other papers it manufactures and for the hygiene products it markets under the brand name "Greenlime". Small quantities are also exported to Europe and other countries.

PUDUMJEE Group, pioneers in India since about 45 years, have developed requisite technology for a wide range of specialty paper products. The product portfolio ranges from glassine and grease resistance papers, laminating base paper for flexible packaging, packing tissues for precision engineering components and tools etc., Décor paper for furniture and laminates, label release papers, fine papers for printing bible, parchmentine for textile cones, etc. and M.G. papers, Crepe tissues for bathroom, facial and towel applications, etc. More recently products like papers for baking cakes, etc., paper for pharma packaging, saturating paper for application for mosquito repellent, paper for packing surgical instruments, etc. have been successfully developed and marketed.

The hygiene products division of the Company markets the converted tissue products such as bathroom rolls, kitchen towel, facial, napkins, dispensers, etc. under its brand name "GREENLIME" which has a good recall value for luxury hotels, airports, corporate offices, etc.

As would be seen from the accounts, the Company has during the Financial Year 2015-16 registered a turnover of over ₹494.71 crores with net profit before tax of ₹12.71 crores. The Company has manufactured 50,799 MT of papers and is attempting to increase the tonnage and expanding its market share by developing newer grades of paper through continuous focus on Research and Development activity.

With a view to have further cost reduction, achieve growth and to address challenges from Global competition in terms of cost and quality, the Company has acquired 80 acres site at Maharashtra Industrial Development Corporation, Mahad, Maharashtra State where it will be able to take up newer products like Release liner for label application, food packaging papers, etc. The new site shall be developed with utmost consideration for environment protection, technical upgradation, captive co-generation plant to optimize the energy efficiency and minimize cost. The site is also eligible to avail substantial State Government incentives as are granted to Mega Status project.

SCHEME OF ARRANGEMENT AND RECONSTRUCTION (DEMERGER):

During the year under review, approval of the Hon'ble Bombay High Court was received on 08th January, 2016 to the on-going Scheme of Arrangement and Reconstruction (Demerger) between Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited and Pudumjee Hygiene Products Limited and Pudumjee Paper Products

Limited and their respective shareholders and creditors for demerger of the Paper Business of the Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited and Trading Business of the Pudumjee Hygiene Products Limited into the Company with effect from the Appointed date i.e. 01st April, 2014. The said Scheme became effective upon the filing of copy of the order of Hon'ble Bombay High Court with Registrar of Companies, Pune on 01st February, 2016.

CHANGES IN SHARE CAPITAL AND ISSUE OF SHARES:

During the year under review, the Company has increased its Authorised Share Capital from ₹ 5,00,000/- divided into 5,00,000 Equity Shares of ₹1 each to ₹10,00,00,000/- divided into 10,00,00,000 Equity Shares of ₹1 each at the Shareholders meeting held on 08th December, 2015.

Further, pursuant to the Scheme of Arrangement and Reconstruction (Demerger), on 17th February, 2016, the Company has issued and allotted 9,44,50,000 equity shares of ₹ 1/- each fully paid-up to the eligible Shareholders of the Transferor Companies. The equity shares issued and allotted by the Company pursuant to the Scheme got listed with BSE Limited and National Stock Exchange of India Limited on 30th March, 2016.

The above allotment also includes 1847 equity shares, arising out of the consolidation of fractional entitlements, which were allotted to Mr. I. U. Thakur, Practicing Company Secretary, Pune, being the trustee nominated by the each of the Transferor Companies. The Trustee shall sell said shares in the open market at the prevailing market prices and distributing the net proceeds thereof to the Shareholders in proportion to their respective fractional entitlements.

Pursuant to the above, as on 31st March, 2016, the Issued, Subscribed and paid up capital of the Company stands increased to ₹ 9,49,50,000/-.

LISTING OF SHARES:

The Equity shares of the Company are listed on BSE Limited with scrip code No. 539785 and on National Stock Exchange India Limited with scrip symbol PDMJEPAPER. The Company confirms that the annual listing fees to both stock exchanges for the financial year 2016-17 have been paid.

FIXED DEPOSITS:

Pursuant to the 'Scheme' as sanctioned by the Hon'ble Bombay High Court, the "Fixed Deposits Liability" was transferred from Pudumjee Pulp & Paper Mills Limited to the Company. Your Company holds fixed deposits accepted from Public with effect from the effective date of the scheme i.e. 01st February, 2016. The repayments of deposits as and when due are being made and all other obligations are regularly met by the Company.

AUDITORS:**i. STATUTORY AUDITORS:**

M/s. Khare and Company, Chartered Accountants, have been appointed as Statutory Auditors of the Company at the 01st Annual General Meeting to hold office up to the conclusion of 2nd Annual General Meeting. M/s. Khare and Company, have given their consent to act as the Auditors of the Company. The Shareholders will be required to appoint them and fix their remuneration.

The Company has received a Certificate from M/s. Khare and Company, to the effect that their appointment, would be within the prescribed limits under section 141 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for re-appointment.

There is no qualification or adverse remarks in the Statutory Auditor's Report as annexed elsewhere in this Annual Report.

The Auditors have reported that there is no fraud on or by the Company noticed or reported during the year.

ii. SECRETARIAL AUDITOR:

Pursuant to provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, the Board has

appointed Mr. I. U. Thakur, Company Secretary, Pune to conduct Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report for the financial year 2015-16 is annexed hereto as Annexure No. 1.

There is no qualification in the Secretarial Audit Report.

iii. COST AUDITORS:

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s. Y. R. Doshi & Co., Cost Accountants, Mumbai as Cost Auditor to audit the Cost Accounts of the Company for the financial year 2016-17. As required under the Companies Act, 2013, a resolution seeking Member's approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the Annual General Meeting.

iv. INTERNAL AUDITOR:

During the year under review, the Board of Directors has appointed Mr. A. T. Hozdar, a Practicing Chartered Accountant as Internal Auditor of the Company to carry out internal audit of the Company.

DETAILS OF APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

The Board of Directors appointed Mr. Basant Kumar Khaitan as Additional Director (Independent) and Dr. Ashok Kumar as Additional Director and also an Executive Director at its meeting held on 28th May, 2016.

The Board of Directors appointed Mr. Nandan Damani, Mr. Vinod Kumar Beswal and Mrs. Madhu Dubhashi as Additional Directors (all independent) at the meetings held on 21st October, 2015 and 14th November, 2015 respectively.

Mr. Basant Kumar Khaitan, Dr. Ashok Kumar, Mr. Nandan Damani, Mr. Vinod Kumar Beswal and Mrs. Madhu Dubhashi hold their respective office of directorship upto the date of the forthcoming Annual General Meeting. Notice together with deposit has been received from members proposing their candidature for the office of Director of the Company at the forthcoming Annual General Meeting.

In terms of provisions of the Companies Act, 2013 and the Article of Association of the Company, Mr. Surendra Kumar Bansal, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

During the year Mr. Vinay Jadhav was appointed as Company Secretary of the Company with effect from 21st October, 2015 and Mr. Hanuman Prasad Birla was appointed as Chief Financial Officer of the Company with effect from 01st February, 2016.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the applicable provisions of the Companies Act, 2013 and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MEETINGS:

During the year 8 Board Meetings and 2 Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report, and forms part of this Annual Report. The intervening gap between the Meetings was within permissible period prescribed under the Companies Act, 2013 and Listing Regulations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose are provided in Annexure No. 2 to this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

A policy on Related Party Transactions has been adopted by the Board of Directors at its meeting held on 14th November, 2015 for determining the materiality of transactions with related parties and dealings with them. The

said policy is available at the Company's website at www.pudumjee.com. The Audit Committee reviews all related party transactions quarterly and also as and when felt necessary.

Pursuant to Section 134(3), 188(1) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 the particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 in Form AOC -2 are provided as Annexure No. 3.

BOARD EVALUATION:

In accordance with the requirements of the Act, the Company has adopted Policy for evaluation of performance of the Independent Directors, including the Chairman and the Board and the same is available at the Company's website at www.pudumjee.com.

FAMILIARISATION PROGRAMME:

The details of programmes for familiarisation of Independent Directors with the Company is available at the Company's website at www.pudumjee.com.

RISK MANAGEMENT POLICY:

In accordance with the requirements of the Act, the Company has adopted and implemented a Risk Management Policy for identifying risks to the Company, procedures to inform Board members about the risk assessment & minimization procedures, monitoring the risk management plan, etc.

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM:

The Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for Directors and Employees to report their genuine concerns.

Pursuant to Section 177 of the Companies Act, 2013 read with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy "vigil mechanism / Whistle Blower Policy", wherein the Employees/Directors/Stakeholders of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. This mechanism provides safeguards against victimization of Employees, who report under the said mechanism. During the year under review, the Company has not received any complaints under the said mechanism. The said policy is available at the Company's website at www.pudumjee.com.

PARTICULARS OF EMPLOYEES:

As required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the statement giving required details is given in the Annexure No. 4 and 4A to this report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

There was no complaint reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings & outgo is annexed as Annexure No. 5 and forms part of this Report.

REPORT ON CORPORATE GOVERNANCE:

Your Company's philosophy on Corporate Governance, sets the goal of achieving the highest level of transparency with integrity in all its dealings with its stakeholders including shareholders, employees, lenders and others. A report on Corporate Governance along with a Certificate from the practicing Company Secretary regarding the

Compliance of Conditions of Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report as Annexure No. 6.

EXTRACT OF ANNUAL RETURN:

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2016 is annexed herewith as Annexure No. 7 to this report.

REMUNERATION POLICY:

In accordance with the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated remuneration policy which inter alia, includes the criteria for determining qualifications, positive attributes and independence of Directors. The said policy may be referred to, at the Company's website i.e., www.pudumjee.com and is annexed hereto and marked as Annexure No. 8.

SIGNIFICANT AND MATERIAL ORDERS:

There is no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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 the financial year and of the profits of the company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS:

Your Directors would like to express their sincere appreciation of the positive co-operation received from the Bankers, customers, vendors and investors of the Company for their continued support during the year.

The Directors also wish to place on record their deep sense of appreciation for the dedication and contribution made by employees at all levels and look forward to their support in future as well.

On Behalf of the Board of Directors,

Date: 28th May, 2016

Place: Mumbai

A. K. Jatia,
Chairman.

ANNEXURE NO. 1

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2016**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
PUDUMJEE PAPER PRODUCTS LIMITED
Pune

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by PUDUMJEE PAPER PRODUCTS LIMITED (CIN:U21098PN2015PLC153717) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the PUDUMJEE PAPER PRODUCTS LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee stock option scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable to the Company during the Audit Period

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008 - Not applicable to the Company during the Audit Period
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the Audit Period
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 -Not applicable to the Company during the Audit Period

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. On the basis of the information provided by the Company, following laws are also complied with:

A) ENVIRONMENTAL LAWS:

- 1. The Air (Prevention and Control of Pollution) Act, 1981 & The Air (Prevention and Control of Pollution) Rules, 1982
- 2. The Water (Prevention and Control of Pollution) Act, 1974 & The Water (Prevention and Control of Pollution) Rules, 1975
- 3. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

B) LABOUR LAWS:

- 1. The Factories Act, 1948
- 2. The Minimum Wages Act, 1948
- 3. The Payment of Wages Act, 1936
- 4. The Employees Provident Fund and Miscellaneous Provisions Act, 1956 and the schemes made thereunder
- 5. The Payment of Bonus Act, 1965
- 6. The Payment of Gratuity Act, 1972

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at Board Meeting were taken unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Company has listed its equity shares at Bombay Stock Exchange and National Stock Exchange of India Limited on 30th March, 2016 and has complied with The Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further the following event has occurred during the period under review:

- i. During the year, the Board of Directors of the Company approved the Scheme of Arrangement and Reconstruction (Demerger) between Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited, Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective Shareholders and Creditors ('The Scheme') under the sections 391 to 394 of the Companies Act, 1956 and approved by Hon'ble Bombay High court vide its order dated 08.01.2016.

Signature:

I. U. THAKUR

PRACTICING COMPANY SECRETARY

Place : Pune

Date : 28th May, 2016

FCS:2298

C.P. No:1402

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE 'A'

To,

The Members,
Pudumjee Paper Products Limited
Pune

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books'of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

I. U. THAKUR

PRACTICING COMPANY SECRETARY

Place : Pune

Date : 28th May, 2016

FCS:2298

C.P. No:1402

ANNEXURE NO. 2

Particulars of loans given, guarantees/ investments made during the Financial Year 2015-16

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Name of the person or body corporate to whom it is made or given or whose securities have been acquired	Amount of loan /security/ acquisition /guarantee (in ₹)	Rate of interest For loans	For acquisitions			
				Number and kind of securities	Nature of Securities	Cost of acquisition If any (In ₹ Per Share/Units)	Selling price, Per Unit If any (In ₹ Per Share/Units)
ICD's Given (Loan)	Pudumjee Industries Ltd.	8,44,80,793	12.50%	NA	NA	NA	NA
		(2,77,63,672)					
Investments Made	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Guarantee Given	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Figures in bracket indicates balance as on 31st March, 2016

Date: 28th May, 2016

Place: Mumbai

On behalf of the Board of Directors,

A. K. Jatia,

Chairman.

ANNEXURE NO. 3**Particulars of Contracts or Arrangements with Related Parties (FORM AOC 2)**

(Pursuant to clause (h) of Section 134(3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

a)	Name(s) of the related parties and nature of relationships	Pudumjee Pulp & Paper Mills Limited (PPPML) a related party under Section 2(76)(v).
b)	Nature of contracts/arrangements/transaction	Leave and License Agreement to obtain portion of office premises located at Mezzanine Floor, 60, Jatia Chambers, Dr. V. B. Gandhi Marg, Mumbai - 400 001.
c)	Duration of the Contracts/arrangements/transactions	3 (three) years commencing from 1 st February, 2016
d)	Salient terms of contracts or arrangements or transactions including the value if any	1) Monetary value: Consideration:- Not exceed ₹ 50,000 per month plus service tax 2) Nature, material terms and particulars of arrangement: a. Duration of Contracts 3 (three) years commencing from the effective date of the Scheme of Arrangement and Reconstruction (Demerger) (i.e. 1 st February, 2016). b. The licensee shall bear and pay all the maintenance charges and other outgoings including all rates, taxes, levies, assessments, non occupancy charges, electricity bill etc.
e)	Justification for entering into such contracts or arrangements or transactions	a) The spare space available with the PPPML is utilized in mutual interest, by the Company for continuance of the day to day commercial operations of the Company.
f)	Date(s) of approval by the Board	28 th May, 2016
g)	Amount paid as advances if any	NIL
h)	Date on which the special resolution was passed in general meeting as required under first provision to Section 188	The approval of shareholders will be obtained in the 2 nd Annual General Meeting of the Company to be held on 17 th September, 2016

2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

a)	Name(s) of the related parties and nature of relationships	Pudumjee Pulp & Paper Mills Limited (PPPML) a related party under Section 2(76)(v).
b)	Nature of contracts/arrangements/transaction	Sale of tissue papers, Napkins, Towels, etc. at Market based rates
c)	Duration of the Contracts/arrangements/transactions	Continuous arrangement.
d)	Salient terms of contracts or arrangements or transactions including the value if any	Monetary value : About ₹ 10 Lacs in financial year 2016-17.
e)	Date(s) of approval by the Board	28 th May, 2016
f)	Amount paid as advances if any	NIL

On Behalf of the Board of Directors,

Date: 28th May, 2016

Place: Mumbai

A. K. Jatia,
Chairman.

ANNEXURE NO. 4

Information as per Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2016

Name & Age (Years)	Designation/ Nature of duties	Remuneration		Qualification & Experience (Years)	Date of commencement of employment.	Last employed	
		Gross ₹	Net ₹			Name of the organisation	Name of the organisation
Mr. Ved Prakash Leekha (76)	Managing Director	1,16,58,021	80,92,850	B.E. (Mechanical) (53)	07.03.2000*	Pudumjee Pulp & Paper Mills Limited	Managing Director
Dr. Ahok Kumar (60)	Chief Executive Officer (Operations)	97,54,471	70,90,950	M.E. (Chemical) P.hD (36)	06.02.2015*	Pudumjee Pulp & Paper Mills Limited	Director

Notes-

- Gross remuneration as shown above includes salary, bonus, Company's contribution to Provident fund and Value of medical and other facilities but excludes provision for gratuity. Net remuneration is arrived at after deduction of Income Tax.
- The nature and conditions of employment are non contractual. The employee is whole-time director of the Company during the year.
- There is no employee drawing remuneration in excess of the remuneration drawn by the managing director/ whole time director and who holds himself or along with his/her spouse and dependent children not less than two per cent of the equity shares of the Company.
- *Employment transferred to the Company from Pudumjee Pulp & Paper Mills Limited pursuant to the Scheme of Arrangement and Reconstruction (Demerger) approved by the Hon'ble Bombay High Court effective from 01st February, 2016 (Appointed date 01st April, 2014) and accordingly the respective date of appointment in the Demerged Company has been considered.
- None of the above employees is related to each other.
- The statement includes the remuneration drawn by the employees/Directors whose services had been transferred from Pudumjee Pulp & Paper Mills Limited pursuant to Scheme of Demerger.

On Behalf of the Board of Directors,

Date: 28th May, 2016

Place: Mumbai

A. K. Jatia,
Chairman.

ANNEXURE NO. 4A - STATEMENT SHOWING THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND SUCH OTHER DETAILS.

NUMBER OF PERMANENT EMPLOYEES OF THE COMPANY : 650#

Sr. No.	Name of the director	Designation	remuneration of each director	comparison of the remuneration of each director with the remuneration of the Key Managerial Personnel of the Company against the performance of the company;	key parameters for any variable component of remuneration availed by the directors	median remuneration of the employees* in INR)	Ratio for the financial year between D and G	percentage increase in the remuneration of each director, Chief Financial Officer, Executive Officer, Company Secretary in the financial year	percentage increase in the median remuneration of employees in the financial year	average increase in the salaries of employees already made in the financial year other than the managerial personnel	percentile increase in the managerial remuneration	justification to Column 'K' & 'L' in case of exceptional circumstances	ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	market capitalisation of the company INR as on 31-03-2016	Closing Share price as on 31.03.2016	price earnings ratio P/E ratio = Mkt. price per share / earnings per share (EPS) as on 31-03-2015 to 31-03-2016	rate at which the company came out with the last public offer	percentage increase over decrease in comparison to last public offer		
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1	Mr. Ved Prakash Leshta	Managing Director	1,16,58,021	Comparison of remuneration of Key Managerial Personnel with that of performance of the Company cannot be made this year in view of demerger of paper business and Hygiene Products Trading business in the Company.	NIL	3,91,866	29.75	N.A.											Company has not made any Public Issue during the previous year.	NA
2	Mr. Hanuman Prasad Bria &	Chief Financial Officer	4,67,605		NIL		1.19	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1,69,01,10,000	17.80	N.A.	16.64		
3	Mr. Vinay Jadhav	Company Secretary	2,12,051		NIL		0.54	N. A.												

*# Pursuant to the Scheme of Arrangement and Reconstruction (Demerger) approved by the Hon'ble Bombay High Court the employees of the Pudumjee Pulp & Paper Mills Limited, Pudumjee Hygiene Products Limited have been transferred to the Company with effective from 01st February, 2016 (Appointed date 01.04.2014). "g. Appointed on 01.02.2016" Appointed on 21.10.2016"

On Behalf of the Board of Directors,

Date: 28th May, 2016

Place: Mumbai

A. K. Jatia,
Chairman.

ANNEXURE NO. 5

THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as per Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2016.

A CONSERVATION OF ENERGY:**i) Steps taken for utilizing alternate sources of energy:**

- Bilateral Power is being used to save the cost.
- Generating the power from DG set, using Furnace Oil lower price advantage.

ii) Impact of measures taken:

Impact of measures taken above may result in significant savings in power cost depending upon oil prices.

iii) Capital Investment on energy conservation equipments:

- Have planned and undertaken upgradation of power supply from existing 22 KV through 132-100/22 substation at an investment cost of ₹18.50 crores which expected to complete by December, 2016. Estimated payback period 2.5 years.
- Container unloading at Pulp godown, savings in man power, forklift.
- Sheet cutter no. 1 unwind stand brackets and unwind shafts with new design unwind stand brackets and air power chuck to improve productivity and size variation.
- Online, real time effluent and stack emission monitoring as per CPCB/MPCB regulations.
- Replacing Hydro foils of PM 2 wire part from HDPE to ceramic to get consistent paper quality.
- Installed New Pope reel & Hydraulic system in PM 1 to improve quality & reduce the losses.

B TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

i)	Efforts made in brief towards	(a) K-flex with single doctoring developed in house installed at PM 1 cooling cylinder, PM 2 Dandy drop roll and PM 2 center roll. (b) K-flex installed at PM 6 suction press with double doctoring system, developed in house. (c) K-Flex installed at PM 7 suction press with double doctoring system (d) Installation of Refrigeration type Air Dryer to supply dry compressed air for plant instructions. (e) New Energy efficient vacuum pump installed in PM 6.
ii)	Benefits derived as a result of the above results	(a) Uniform loading of doctors (b) Improving paper quality and productivity
iii)	Details of Imported Technology	No new technology was imported.
iv)	Expenditure incurred on Research and Development	₹ 110.07 Lacs

C FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earned and used were ₹ 765.01 lacs and ₹ 50.24 lacs, respectively.

On Behalf of the Board of Directors,

Date: 28th May, 2016

Place: Mumbai

A. K. Jatia,
Chairman.

ANNEXURE NO. 6

REPORT ON CORPORATE GOVERNANCE

The Directors present their Report on Corporate Governance as required by SEBI guidelines and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance envisages transparency with integrity in all its dealings with its stakeholders including shareholders, employees, lenders and others, ensuring a high degree of regulatory compliance.

Code of Conduct:

The Company has adopted a Code of Conduct (the Code) for Directors and Senior Management of the Company in its meeting held on 14th November, 2015 in terms of the requirement of clause 49 of the Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'). The Code of Conduct is available at the Company's website www.pudumjee.com.

The Board members and Senior Management Personnel have affirmed their Compliance with the code. A declaration to this effect signed by the Managing Director of the Company is attached with the Annual Report.

BOARD PROCEDURE:

Board Meetings are held about four-five times a 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 committees and/ Board.

MANAGEMENT DISCUSSION AND ANALYSIS:

Overview

The paper industry, to which the Company belongs, broadly is subdivided into Newsprint, Printing and Writing Paper and other paper and paper Boards. The latter is further, subdivided into specialty paper representing Wrapping and Packaging Paper, Household and Sanitary Paper and other Paper and Paper Boards. The Company operates in specialty paper segment.

The Company, with its four Paper Machines can produce wide range of paper products from 17 gsm to 100 gsm basis weight, with an ability to go even higher. Supported by dedicated team, superior technology, PPPL is able to offer its customers a wide range of tailor made products for various applications such as: 1) Opaque Laminating Base used for Laminating, printing, packaging, Chocolate & Toffee wrapping 2) Glassine for packing of food products soaps etc. 3) Base paper for melamine crockery, Paper for decorative laminates for furniture 4) Bible Printing Paper used in Printing of Bible, Dictionary, Books, pharma leaflets (Insert & Outserts) 5) Vegetable parchment paper for packing of butter, cheese etc. 6) Kraft paper used as release liner for label, Incense stick packaging etc. 7) Tissue paper used as napkins, kitchen towel, Toilet rolls products and several others.

The Hygiene Products Division of the Company markets to institutional buyers, 'away from home' converted tissue products such as bathroom rolls, kitchen towel, napkins, dispensers, etc. under its brand name "GREENLIME" which are well received including those by Luxury Hotels, Airports, Corporate Offices, etc.

Company Performance

During the financial year under review, your Company has achieved turnover of ₹ 49,471.79 Lacs (Previous year ₹ Nil Lacs). The net profit of ₹1011.96 lacs (as against net profit after taxes of ₹ 599.63 lacs earned by all the three demerged undertaking during financial year 2014-15 was directly adjusted in the Reserves and Surplus, since the Scheme of Arrangement had become effective on 01st February, 2016 with effect from the appointed date i.e. 01st April, 2014 in addition to a profit of ₹1.12 lacs (last year) earned by the Company on standalone basis without considering the effect of Scheme.

Human Resources

The Company emulates best human resource practices and standards. The approach includes training, progressive and performance driven remuneration, talent retention and some work-life balance programs. We believe in offering wide ranging opportunities and experiences to our employees, preparing for challenges and their growth.

Pursuant to the Scheme, respective employees of Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited and Pudumjee Hygiene Products Limited related to the Demerged Undertakings, have been transferred to the Company.

The Company employs about 650 employees and the Industrial relations with the employees remained cordial.

Opportunities of the Company

PUDUMJEE Group are pioneers in the specialty paper products in India since about 45 years and have developed requisite technology for a wide range of specialty paper products. The product portfolio ranges from glassine and grease resistance papers, laminating base paper for flexible packaging, packing tissues for precision engineering components and tools etc., Décor paper for furniture and laminates, label release papers, fine papers for printing bible, parchmentine for textile cones, etc. and M.G. papers for industrial and other applications, Crepe tissues for bathroom, facial and towel applications, etc. More recently products like papers for baking cakes, etc., paper for pharma packaging, saturating paper for application for mosquito repellent, paper for packing surgical instruments, etc. have been successfully developed and sold.

The Company has an established market network throughout India for its products. Few Specialty Paper products are also being exported to Europe and other countries and in view of the Company's large range and continuous focus on development of new products, there is a potential to expand into export market in South East Asia and near India markets. The Company's hygiene products have an established brand name "Greenlime" for its away from home products, popular amongst institutional customers including luxury hotels, corporate offices, airports, etc.

Currently, the Company's manufacturing facilities at Pune, have locational advantage for its nearness to the major market at Mumbai in Western India, providing easy access to supply chain management due to nearness of port and availability of skilled manpower. Foreseeing future growth prospects, the Company has acquired an 80 acre developed site at Maharashtra Industrial Development Corporation at Mahad in Maharashtra State. The new site at Mahad is also similarly placed vis-à-vis market in Mumbai and the port facilities to cater to supply of fiber raw materials which are almost entirely imported including coal, etc. The Company has a large pool of experienced and expert workforce that has consistently helped the Company to achieve higher standards of performance.

Competitive strengths of the Company

- Research & Development.
- Extensive distribution network.

- Strong brand recall.
- Relevant expertise, experienced work force and agile management team.
- Cost efficient sourcing and locational advantage.
- Wide range of Product Portfolio.

Business Strategy of the Company

- Continuous strengthening of in-house R & D set up and products innovation.
- Build stronger ties with the users & prospective customers.
- Standardizing products specification.
- Continuous products improvement and quality optimization.
- Cost reduction.
- Relocation of manufacturing facilities with technology upgradation and expanded capacity.

Concerns and threats

The Company's dependence on bought out fiber (imported pulp) including foreign exchange volatility, dependence on bought out energy due to lack of Co-generation facilities remain a challenge. Judicious mix of purchased bilateral power from independent Power Plants, Wind Turbine energy and overall energy management have considerably addressed these concerns. The paper industry faces shortage of talented and experienced workforce due to paucity of good institutes offering technical courses for the pulp and paper industry and general aversion to seeking career in the Industry and working in the shop floor.

Internal Control System and their Adequacy

The Company has in place robust internal control procedures commensurate with its size and operations. The Board of Directors, insofar as the internal control system is concerned, sets the guidelines, verifying its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the safeguard of the Company's assets so that the main company risks (operational, compliance-related, economic and financial) are properly identified and managed over time.

Environment

The Company is ISO 14001 and Forest Stewardship Council (FSC) certified and its tissue converting unit "Green Seal" certified. The Company is fully conscious of its obligations towards environmental protection and energy conservation and sustainable growth manifests itself through use of recycled paper meeting nearly half of its raw material requirement, recycling of process water in the manufacturing process to reduce water consumption and sourcing renewable wind power to meet part requirements.

Utmost care is taken in compliance of the certified requirements.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. The Company's actual results, achievement might differ materially from those projected in any such forward looking statements.

Board of Directors:

The Board of Directors is composed of a 1 Promoter Director, 1 Whole-time Director (Managing Director), 1 Non Executive Non Independent Director and 3 Non Executive Independent Directors. The Non Executive chairman and Managing Director conduct the day to day management of the Company subject to the supervision and control of the Board of Directors.

PUDUMJEE PAPER PRODUCTS LIMITED

The composition of the Board as on 31st March, 2016 is as under:

Directors	Category	Total number of Directorships in Public Companies as on 31 st March, 2016.*	Total number of Membership of Committees as on 31 st March, 2016. +	Total number of Chairmanships of Committees as on 31 st March, 2016. +
Executive Directors				
Mr. Ved Prakash Leekha	Managing Director	3	Nil	Nil
Non- Executive Directors				
Mr. Arunkumar Mahabir Prasad Jatia	Non Executive Chairman	5	5	1
Mr. Surendra Kumar Bansal	Non Independent Director	8	2	Nil
Mr. Nandan Damani	Independent Director	7	5	1
Mr. Vinod Kumar Beswal	Independent Director	4	3	2
Mrs. Madhu Dubhashi	Independent Director	6	5	3

* includes Directorship in other Public Companies and Pudumjee Paper Products Limited.

+ Committees considered are Audit Committee and Stakeholders relationship Committee, including in Pudumjee Paper Products Limited.

+ Total number of committee membership includes the Chairmanship also.

During the year 2015-2016, Eight Board Meetings were held on the following dates :

18-04-2015	30-05-2015	01-08-2015	23-09-2015
21-10-2015	14-11-2015	22-01-2016	20-02-2016

The 1st Annual General Meeting (AGM) of the Company was held on 18th September, 2015. The attendance of the Directors at these Meetings was as under:

Name of the Director	Number of Board Meetings Attended	Attendance at the last AGM
Mr. Arunkumar Mahabir Prasad Jatia	8	Yes
Mr. Ved Prakash Leekha	7	Yes
Mr. Surendra Kumar Bansal	8	Yes
Mr. Nandan Damani*	3	Not Applicable
Mr. Vinod Kumar Beswal*	3	Not Applicable
Mrs. Madhu Dubhashi **	2	Not Applicable

* appointed as Additional Directors w.e.f. 21st October, 2015.

** appointed as Additional Director w.e.f. 14th November, 2015.

Details of Remuneration and sitting fees paid to Directors during the year

(In ₹)

Name of Directors	Sitting fees	Salaries	Perquisites & Benefits	Commission	Total
Mr. Arunkumar Mahabir Prasad Jatia	Nil	Nil	Nil	Nil	Nil
Mr. Ved Prakash Leekha	Nil	77,40,000	39,18,021	Nil	1,16,58,021
Mr. Surendra Kumar Bansal	Nil	Nil	Nil	Nil	Nil
Mr. Nandan Damani	60,000.00	Nil	Nil	Nil	60,000.00
Mr. Vinod Kumar Beswal	60,000.00	Nil	Nil	Nil	60,000.00
Mrs. Madhu Dubhashi	45,000.00	Nil	Nil	Nil	45,000.00

- Perquisites include housing/house rent allowance with electricity, gas, medical expenses, leave travel assistance, club fees, accident insurance, contribution to provident and Superannuation fund etc., but exclude provision for gratuity and pension.
- Severance fees, stock options and notice period are not applicable in case of Executive Directors.
- Non-executive directors' are entitled to regular sitting fees and re-imbursement of expenses incurred for attending each meeting of Board or Committee thereof.
- The details for shares held by directors as on 31-03-2016 are as under:

Except Mr. Arunkumar Mahabir Prasad Jatia who holds 93,47,322* equity shares of ₹ 1/- each of the Company, none of the other directors namely Mr. Ved Prakash Leekha, Mr. Surendra Kumar Bansal, Mr. Nandan Damani, Mr. Vinod Kumar Beswal, Mrs. Madhu Dubhashi hold any equity shares of the Company.

* Out of total shares mentioned above, 9,63,273 equity shares are held as Executor of the will of Late Shri Mahabir Prasad Jatia and 41,77,199 equity shares are held as Executor of the will of Late Smt. Poonam Jatia.

Appointment of Directors:

Pursuant to provision of Section 152(6) of the Companies Act, 2013 Independent Directors are not liable to retire by rotation. Mr. Surendra Kumar Bansal, Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

During the year Mr. Nandan Damani and Mr. Vinod Kumar Beswal were appointed as an Additional Directors at the Board meeting held on 21st October, 2015.

Mrs. Madhu Dubhashi was appointed as an Additional Director of the Company at the meeting of Board of directors held on 14th November, 2015. Dr. Ashok Kumar and Mr. Basant Kumar Khaitan was appointed as an Additional Director of the Company at the Board meeting held on 28th May, 2016. Mr. Nandan Damani, Mr. Vinod Kumar Beswal, Mrs. Madhu Dubhashi, Dr. Ashok Kumar and Mr. Basant Kumar Khaitan hold their respective office of Director upto the date of the forthcoming Annual General Meeting.

PUDUMJEE PAPER PRODUCTS LIMITED

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting:

Name of the Director	Mr. Surendra Kumar Bansal	Mr. Nandan Damani	Mr. Vinod Kumar Beswal	Mrs. Madhu Dubhashi	Dr. Ashok Kumar	Mr. Basant Kumar Khaitan
DIN	00031115	00058396	00120095	00036846	07111155	00459514
Age	56 years	63 years	61 years	65 years	60 years	62 years
Education	B.com, A.C.A., A. C. S.	B.sc	B.com, C.A.	Economics (Honours) (Delhi University), post graduation in Business Management from the IIM, Ahmadabad	M. E. (Chemical) and Ph.D. (Pulp Processing)	B.com
Nature of expertise in specific functional areas;	Mr. Bansal has wide and varied areas; experience in finance, accounts, corporate laws and taxation matters.	Mr. Damani has wide and varied experience in Business and Finance	Mr. Beswal has wide and varied expertise in Taxation, Company Law and Audit.	Mrs. Dubhashi has more than four decades experience in the Capital Market and Financial Service Sectors.	Dr. Ashok Kumar has more than three decade's expertise in the Paper Industry as a technocrat with substantial exposure and a proven track record of improving operations and business performance	Mr. Khaitan has 45 years of industrial management experience and also possesses wide and varied experience in the manufacturing and marketing of Paper Machine Clothing used in the Paper industry. He is well known in the world of Paper machine clothing around the world.
Names of other Listed Companies in which the non-executive / executive director holds the directorship	1. Pudumjee Pulp & Paper Mills Limited 2. Thacker and Company Limited	1. Simplex Realty Limited 2. Graphite India Limited 3. Pudumjee Pulp & Paper Mills Limited	1. Foods and Inns Limited 2. Pudumjee Pulp & Paper Mills Limited 3. Thacker and Company Limited	1. Tube Investments of India Limited 2. Majesco Limited	Pudumjee Pulp & Paper Mills Limited	Thacker and Company Limited
Names of the other Listed Companies membership of Committees of the non-executive / executive Director*	1. Pudumjee Pulp & Paper Mills Limited: Stakeholders Relationship Committee	1. Simplex Realty Limited: Stakeholders Relationship Committee 2. Pudumjee Pulp & Paper Mills Limited: Audit Committee	1. Pudumjee Pulp & Paper Mills Limited: Audit Committee 2. Thacker and Company Limited: Audit Committee	1. Majesco Limited: Audit Committee	Nil	Nil
Shareholding of non-executive / executive Director	Nil	Nil	Nil	Nil	Nil	Nil

* Includes membership of Audit Committee and Stakeholders Relationship Committee only

COMMITTEES OF DIRECTORS:

a) Audit Committee:

The Audit Committee was constituted by the Board of Directors at their meeting held on 14th November, 2015. As on 31st March, 2016, the Audit Committee consists of Four Directors of the Company i.e. three Non Executive Independent Directors and one Non Executive Chairman - Promoter Director, they have vast experience and knowledge of corporate affairs and financial management and possess strong accounting and financial management expertise.

The composition of Committee is as under:

Mr. Vinod Kumar Beswal - Non Executive Independent Director - Chairman

Mr. Arunkumar Mahabirprasad Jatia - Non Executive chairman - Member

Mr. Nandan Damani - Non Executive Independent Director - Member

Mrs. Madhu Dubhashi - Non Executive Independent Director - Member

The Company Secretary acts as a Secretary to the Audit Committee.

Pursuant to provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations, terms of reference of this Committee are as under:

Role of the Audit Committee:

- To recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties, grant omnibus approvals subject to fulfillment of certain conditions;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters;
- To obtain outside legal and other professional advice
- call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Approval or any subsequent modification of transactions of the company with related parties;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

Review of information by the Audit Committee:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations: (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

The Meetings of the Audit Committee are also attended by the Managing Director, Chief Financial Officer, the Statutory Auditors and the Internal Auditors.

Two (2) Meetings of Committee were held during the year 1st April, 2015 to 31st March, 2016 on the following dates:

22-01-2016	20-02-2016
------------	------------

The attendance at the Meetings were as under:

Sr. No.	Name of the Committee Members	Meetings Attended
1	Mr. Vinod Kumar Beswal	2
2	Mr. Arunkumar Mahabir Prasad Jatia	2
3	Mr. Nandan Damani	2
4	Mrs. Madhu Dubhashi	2

b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was constituted by the Board of Directors at their meeting held on 14th November, 2015. As on 31st March, 2016, the Nomination and Remuneration Committee consisted of Three Directors of the Company i.e. Three Non Executive Independent Directors.

Composition:

Mr. Vinod Kumar Beswal, Non Executive Independent Director - Chairman

Mr. Nandan Damani, Non Executive Independent Director - Member

Mrs. Madhu Dubhashi, Non Executive Independent Director - Member

The Company Secretary acts as a Secretary to the Nomination and Remuneration Committee.

The constitution and the terms of reference of the Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

One Committee meetings were held on 22nd January, 2016 during the year 2015-16. The attendances at these meetings was as under:

Sr. No.	Members	Meetings Attended
1.	Mr. Vinod Kumar Beswal	1
2.	Mr. Nandan Damani	1
3.	Mrs. Madhu Dubhashi	1

The detailed policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, of a Director and other matters and policy, relating to the remuneration for the directors, key managerial personnel and other employees is annexed as respective Annexure No. 8 to the Directors' Report in this Annual Report.

c) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee was constituted by the Board of Directors at their meeting held on 14th November, 2015. As on 31st March, 2016, the Stakeholders Relationship Committee consisted of Three Directors of the Company.

Composition:

Mr. Nandan Damani, Non Executive Independent Director - Chairman

Mr. Arunkumar Mahabirprasad Jatia, Non Executive Chairman - Member

Mr. Surendra Kumar Bansal, Non Executive Director - Member

The Company Secretary act as a Secretary to the Committee.

Its terms of reference include review of complaints of shareholders/investors, Fixed deposit holders 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 Investor's Complaints.

During the year 2015-2016, the Company received 7 complaints from investors and No complaints were received through SEBI and No Complaint was received through Stock Exchange. The complaints received have been replied to and resolved. No complaints are pending for resolution.

There are no Committee meetings were held during the year 2015-16.

d) General Body Meetings:**i) Annual General Meetings held during the past three years and the following Special Resolutions were passed:**

Financial Year End	Date of Meeting and Venue	Time	Special Resolutions passed
31 st March, 2015	18 th September, 2015 Thergaon, Pune - 411033	10.00 a.m. (ST)	Approval to appointment of Mr. V. P. Leekha, as Managing Director of the Company for a period of Five years with effect from 17 th January, 2015.

ii) Extra Ordinary General Meeting (EGM):

Date of Meeting and Venue	Time	Resolutions passed
31 st October, 2015 Thergaon, Pune - 411033	5.00 p.m. (ST)	<ul style="list-style-type: none"> To adopt the new set of Article of Association in place of existing Article of Association of the Company. Consent for borrowing powers under Section 180(1)(c) of the Companies Act, 2013. consent of the Board of Directors under Section 180(1)(a) of the Companies Act, 2013 to lease, mortgage and/or charge the whole or substantially the whole of the undertaking(s), immovable and movable properties of the Company for an amount not exceeding ₹ 1,000 Crores. Consent to the Board of Directors under Section 186 of the Companies Act, 2013 to advance loans(s) or to provide security in connection with loan/give guarantee/make investments in excess of sixty percent of its paid up capital, free reserves and security premium account or hundred percent of its free reserves and security premium account, whichever is higher Consent of shareholders for accepting of fixed deposits from the members and from the public in general. Appointment of Branch Auditor
08 th December, 2015 Thergaon, Pune - 411033	2.00 p.m. (ST)	<ul style="list-style-type: none"> Increase of Authorised Share Capital of the Company from ₹ 5,00,000 to ₹ 10,00,00,000. Alteration of clause 5th of the Memorandum of Association of the Company.

iii) Court Convened Meeting:

Date of Meeting and Venue	Time	Resolutions passed
20 th July, 2015 Thergaon, Pune - 411033	9.00 a.m. (ST)	Approval to the Scheme of Arrangement between Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited and Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective shareholders and creditors ("Scheme")

iv) Postal Ballot:

During the year under review, no resolutions were passed through Postal Ballot.

DISCLOSURES:

1. Related Party Transactions:

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on dealing with Related Party Transaction and the same is available at the website of the Company viz. www.pudumjee.com. The Audit Committee has granted from time to time, omnibus approval to related party transactions. A Statement of all the Related Party Transaction entered into by the Company, pursuant to the omnibus approval granted was placed before the meeting of Audit Committee for its review.

2. Details of Non Compliance:

Your company has complied with all the requirements of the regulatory authorities. There were no instances of non compliance by the Company, nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any statutory authority on any matter relating to capital markets during the last year.

3. Whistle Blower Policy / Vigil Mechanism:

The Company has formulated a policy "Whistle Blower Policy / vigil mechanism", wherein the Employees/ Directors/Stakeholders of the Company are free to report any unethical or improper activity, actual or

suspected fraud or violation of the Company's Code of Conduct. This mechanism provides safeguards against victimization of Employees, who report under the said mechanism. We affirm that no director or employee has been denied access to the Audit Committee during financial year 31st March, 2016.

4. **Prevention of Insider Trading:**

The Company has adopted a detailed Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down Guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautions them of the consequences of violations.

5. **Compliance with Mandatory requirements and Adoption of Non-mandatory requirements:**

The Company has fully complied with the all applicable mandatory requirements of the Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time to time.

The Company has complied with corporate governance requirements specified in regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. **Risk Management Disclosure:**

In terms of Listing Regulations, 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.

7. **Company's Policies:**

During the year under review, the Board adopted the following policies/ programme:

- (a) Policy on Related Party Transactions
- (b) Whistle Blower Policy/Vigil Mechanism
- (c) Criteria For Selection Of Candidates For Senior Management And Members On The Board Of Directors
- (d) Code of Practices & Procedures For Fair Disclosure Cum Code of Conduct
- (e) Familiarisation programme for Independent Directors
- (f) Policy on Board's Diversity
- (g) Risk Management Policy
- (h) CSR Policy
- (i) Archival policy
- (j) Policy For Preservation of Documents
- (k) Policy on Determination of Materiality for Disclosure(s)

The disclosure in respect of above policies/ programme is available at the website of the Company viz. www.pudumjee.com.

Means of Communication

The Company has published its quarterly and half yearly results giving the required particulars in the "Financial Express"/"Economic Times" and "Loksatta"/Maharashtra Times (Regional Language). These results are also posted on Company's website www.pudumjee.com.

Management Discussion and Analysis

The Management Discussion and Analysis forms part of the Directors' Report and is appearing else where in the Annual Report.

Market share Price Data*: (In ₹)

Month/Index	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price	Low Price	Close Price	High Price	Low Price	Close Price
March-2016	19.65	17.80	17.80	16.70	15.15	15.15

* The Equity shares of the Company were listed on BSE and NSE on 30th March, 2016 hence market price data prior to listing are not available.

Stock Performance in comparison: to BSE Sensex and to NSE NIFTY

The Equity shares of the Company were listed on BSE and NSE on 30th March, 2016 hence the comparison as required is not provided.

Shareholding pattern and distribution pattern of shares as at 31st March, 2016:

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING		
Category of shareholder	No. of shares	% of shares held	No. of shares	No. of shareholders	No. of Shares held
PROMOTER AND PROMOTER GROUP			1-5000	11,915	99,84,749
Individual /Hindu Undivided Family	1,36,72,051	14.40	5001- 10000	425	31,58,011
Bodies Corporate	4,78,52,962	50.40	10001- 20000	221	32,23,613
Individuals (Non-Resident Individuals / Foreign Individuals)	19,85,000	2.09	20001- 30000	63	15,83,516
PUBLIC SHAREHOLDING			30001- 40000	37	12,95,492
Mutual Funds / UTI	462	0	40001- 50000	15	6,81,431
Financial Institutions/Banks	3331	0	50001- 100000	30	22,01,989
Foreign Portfolio Investors	67,500	0.07			
NBFC Registered with RBI	1	0	100001 & Above	41	7,28,21,199
Insurance Companies	462	0			
Bodies Corporate	66,64,102	7.02			
Individuals	2,38,51,154	25.12			
Non resident Indians	7,98,067	0.84			
Clearing Members	53,061	0.06			
Trust	1847	0.00			
GRAND TOTAL	9,49,50,000	100.00	GRAND TOTAL	12,747	9,49,50,000

Dematerialization of Shares and Liquidity as on 31st March, 2016

Physical Form : 14.04%

Dematerialized Form : 85.96%

Trading in equity shares of the Company is permitted in dematerialized form only as per the notification issued by Securities and Exchange Board of India (SEBI). Non-promoters share holding is 33.11%.

General Shareholders' Information:

i) Date, time and venue of Annual General Meeting	Saturday, 17 th September, 2016 at 02.30 p.m. Registered Office of the Company at Thergaon, Pune 411 033.
ii) Financial Year	1 st April to 31 st March
iii) Date of Book Closure	From Tuesday, 6 th September, 2016 to Saturday, 17 th September, 2016
iv) Dividend Payment Date	27 th September, 2016
v) Board Meeting for Consideration of unaudited results for first three quarters	Within 45 days from the end of the each quarter
vi) Listing on Stock Exchanges and Scrip code/Symbol: a) BSE Ltd. Phiroze Jeejibhoy Towers 25 th Floor, Dalal Street, Mumbai 400 001. b) The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), MUMBAI 400 051.	539785 PDMJEPAPER
vii) NSDL and CDSL Demat stock code	INE865T01018
viii) E-mail ID for Investor Complaints	investors.relations@pudumjee.com
ix) Any other inquiry:	The Company Secretary, Pudumjee Paper products Limited Thergaon, Pune 411 033. Tel. : 91-20-30613333 Fax. : 91-20-40773388 E-mail : vinay.jadhav@pudumjee.com
x) Plant Location	Thergaon, Pune 411 033.
xi) Corporate Identification Number	U21098PN2015PLC153717
xii) Registrars & Share Transfer Agents:	Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032. Tel. : 91-40-44655000 Fax : 91-40-23420814 E-mail: einward.ris@karvy.com This is a Common Agency looking after all the work related to share registry in terms of both physical and electronic connectivity (as per directions of SEBI) the details are as under: The Shareholders/investors can approach M/s Karvy Computer share Pvt. Ltd. at any of its service centres through out the country for any of their queries relating to share transfer, dividend etc. (Note: Shareholders holding shares in Electronic Mode should address all correspondence to their respective Depository Participants).

Listing fees:

Listing fees for the year 2016-2017 have been paid in full to BSE Limited and National Stock Exchange of India Limited.

Share Transfer System:

The Share transfers in physical form are presently processed and the Share Certificates returned within a period of 15 days from the date of receipt subject to the documents being in order in all respects.

Certificate of Compliance:

The Certificate of Compliance with requirements of Corporate Governance by the Company, issued by Mr. I. U. Thakur, Company Secretary is annexed.

On Behalf of the Board of Directors,

Date: 28th May, 2016

Place: Mumbai

A. K. Jatia,
Chairman.

DECLARATION BY THE MANAGING DIRECTOR REGARDING AFFIRMATION OF CODE OF CONDUCT

To

The Members of Pudumjee Paper Products Limited

I, V. P. Leekha, Managing Director of Pudumjee Paper Products Limited, declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Codes of Conduct for the year ended 31st March, 2016.

V. P. LEEKHA,
Managing Director

Date : 28th May, 2016

Place: Mumbai

CORPORATE GOVERNENCE REPORT

To,
The Members of
PUDUMJEE PAPER PRODUCTS LIMITED

We have examined the compliance of conditions of Corporate Governance by PUDUMJEE PAPER PRODUCTS LIMITED, for the year ended on 31st March, 2016, as stipulated under clause 49 of the Listing Agreement of the Company with the Stock Exchanges and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to the review of the procedures and implementations thereof, as adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I U THAKUR
COMPANY SECRETARY
CP-1402: Membership Number-2298

PUNE
DATE: 28th May, 2016

ANNEXURE NO. 7

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	U21098PN2015PLC153717
ii)	Registration Date	14/01/2015
iii)	Name of the Company	Pudumjee Paper Products Limited
iv)	Category / Sub-Category of the Company	Public Company Limited by Shares
v)	Address of the Registered office and contact details	Thergaon, Pune- 411033 Tel.: +91-20-30613333 Fax: +91-20-40773388
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad - 500 032. Tel. : 91-40-44655000 Fax : 91-40-23420814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to Total turnover of the Company
1	Paper	280	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding Subsidiary/ Associate	% of Shares Held	Applicable Section
		Not Applicable			

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year 14-01-2015 (Date of Incorporation)				No. of Shares held at the end of the year 31-03-2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	Indian									
a)	Individual/HUF	0	400	400	0.08	1,36,72,051	400	1,36,72,451	14.40	14.32
b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bodies Corp.	0	4,99,600	4,99,600	99.92	3,68,52,965	1,09,99,597	4,78,52,562	50.40	(49.52)
e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A) (1):-	0	5,00,000	5,00,000	100	5,05,25,016	1,09,99,997	6,15,25,013	64.80	(35.20)
(2)	Foreign									
a)	NRIs - Individuals	0	0	0	0.00	19,85,000	0	19,85,000	2.09	2.09
b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A) (2):-	0	0	0	0.00	19,85,000	0	19,85,000	2.09	2.09
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		0	5,00,000	5,00,000	100	5,25,10,016	1,09,99,997	6,35,10,013	66.89	(33.11)
B	Public Shareholding									
1)	Institutions									
a)	Mutual Funds	0	0	0	0.00	0	462	462	0.00	0.00
b)	Banks / FI	0	0	0	0.00	2,358	973	3,331	0.00	0.00
c)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d)	State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f)	Insurance Companies	0	0	0	0.00	0	462	462	0.00	0.00
g)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
j)	Foreign Portfolio Investors	0	0	0	0.00	67,500	0	67,500	0.07	0.07
	Sub-total (B)(1):-	0	0	0	0.00	69,858	1,897	71,755	0.07	0.07
2)	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	0	0	0	0.00	65,99,038	65064	66,64,102	7.02	7.02
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 lacs.	0	0	0	0.00	1,69,22,728	21,66,611	1,90,89,339	20.10	20.10
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lacs.	0	0	0	0.00	47,61,815	0	47,61,815	5.02	5.02
c)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Non resident Indians	0	0	0	0.00	7,05,106	92,961	7,98,067	0.84	0.84
	Clearing Members	0	0	0	0.00	51,720	1341	53,061	0.06	0.06
	NBFC	0	0	0	0.00	1	0	1	0.00	0.00
	Trust	0	0	0	0.00	0	1847	1847	0.00	0.00
	Sub-total (B)(2):-	0	0	0	0.00	2,90,40,408	23,27,824	3,13,68,232	33.04	33.04
Total Public Shareholding (B)=(B)(1)+(B)(2)		0	0	0	0.00	2,91,10,266	23,29,721	3,14,39,987	33.11	33.11
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0.00	0.00
Grand Total (A+B+C)		0	5,00,000	5,00,000	100.00	8,16,20,282	1,33,29,718	9,49,50,000	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Arunkumar Mahabir Prasad Jatia	0	0	0	9,63,273@	1.01	0	1.01
2.	Arunkumar Mahabir Prasad Jatia	0	0	0	42,06,850	4.43	0	4.43
3.	Arun Kumar Mahabir Prasad Jatia	0	0	0	41,77,199*	4.40	0	4.40
4.	Vrinda Jatia	0	0	0	9,92,500	1.05	0	1.05
5.	Vasudha Jatia	0	0	0	9,92,500	1.05	0	1.05
6.	Yashvardhan Jatia	0	0	0	43,24,729	4.55	0	4.55
7.	Pudumjee Investment & Finance Company Limited	0	0	0	17,75,605	1.87	0	1.87
8.	Thacker And Company Limited	0	0	0	1,29,15,362	13.60	0	13.60
9.	Suma Commercial Private Limited	0	0	0	1,03,09,452	10.86	0	10.86
10.	Fujisan Technologies Limited	0	0	0	3,94,056	0.42	0	0.42
11.	Chem Mach Private Limited	0	0	0	47,14,192	4.96	0	4.96
12.	Pudumjee Industries Limited	0	0	0	1,68,13,769	17.71	0	17.71
13.	Pudumjee Hygiene Products Limited	20,000	4.00	0	20,000	0.02	0	(3.98)
14.	Pudumjee Holding Limited	2,25,000	45.00	0	2,25,000	0.24	0	(44.76)
15.	Pudumjee Pulp & Paper Mills Limited	2,55,000	51.00	0	6,85,526	0.72	0	(50.28)

@ These shares held by Mr. Arunkumar Mahabir Prasad Jatia in capacity of executors of the will of Shri Mahabir Prasad Jatia

*These shares held by Mr. Arunkumar Mahabir Prasad Jatia being executor of the will of Smt. Poonam Jatia.

(iii) Change in Promoters' Shareholding

Name of the Promoter	Shareholding at beginning of the year (01-04-2015)		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease				Cumulative Shareholding during the year		At the End of the year (31-03-2016)	
	No. of Shares	% of total shares of the Company	Increase / Decrease	Reasons for change	No. of shares increase / decrease	Date of change in shareholding D/M/Y	No. of shares	% of total shares of the Company	No. of Shares	% of Shares held
Arunkumar Mahabir Prasad Jatia	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	9,63,273@	17/02/2016	9,63,273@	1.01	9,63,273@	1.01
Arunkumar Mahabir Prasad Jatia	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	42,06,850	17/02/2016	42,06,850	4.43	42,06,850	4.43
Arun Kumar Mahabir Prasad Jatia	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	41,77,199*	17/02/2016	41,77,199*	4.40	41,77,199*	4.40
Vrinda Jatia	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	9,92,500	17/02/2016	9,92,500	1.05	9,92,500	1.05

(iii) Change in Promoters' Shareholding (Continued.)

Name of the Promoter	Shareholding at beginning of the year (01-04-2015)		Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease				Cumulative Shareholding during the year		At the End of the year (31-03-2016)	
	No. of Shares	% of total shares of the Company	Increase/Decrease	Reasons for change	No. of shares increase / decrease	Date of change in shareholding D/M/Y	No. of shares	% of total shares of the Company	No. of Shares	% of Shares held
Vasudha Jatia	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	9,92,500	17/02/2016	9,92,500	1.05	9,92,500	1.05
Yashvardhan Jatia	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	43,24,729	17/02/2016	43,24,729	4.55	43,24,729	4.55
Pudumjee Investment & Finance Company Limited	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction - (Demerger)	17,75,605	17/02/2016	17,75,605	1.87	17,75,605	1.87
Thacker And Company Limited	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	1,29,15,362	17/02/2016	1,29,15,362	13.60	1,29,15,362	13.60
Suma Commercial Private Limited	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	1,03,09,452	17/02/2016	1,03,09,452	10.86	1,03,09,452	10.86
Fujisan Technologies Limited	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	3,94,056	17/02/2016	3,94,056	0.42	3,94,056	0.42
Chem Mach Private Limited	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	47,14,192	17/02/2016	47,14,192	4.96	47,14,192	4.96
Pudumjee Industries Limited	0	0	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	1,68,13,769	17/02/2016	1,68,13,769	17.71	1,68,13,769	17.71
Pudumjee Pulp & Paper Mills Limited	2,55,000	51.00	Increase	Pursuant to the Scheme of Arrangement and Reconstruction (Demerger)	6,85,526	17/02/2016	6,85,526	0.02	6,85,526	0.02

During the year, except above mentioned change, there were no change(s) in the Shareholding of other promoter's.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders		Shareholding at beginning of the year (01-04-2015)		Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year	
Sr.	Name of the Shareholders No.	No. of Shares of the Company	% of total shares	Reasons for change	Date of change in shareholding D/M/Y	No of shares increasing/decreased	No. of shares	% of total Shares of the Company
1	HALAN PROPERTIES PRIVATE LIMITED*	-	-	At the End of the Year	31/03/2016	-	30,97,500	3.26
2	MANJU GAGGAR*	-	-	At the End of the Year	31/03/2016	-	6,82,650	0.72
3	HANUMAN PRASAD BIRLA*	-	-	At the End of the Year	31/03/2016	-	5,55,045	0.58
4	SANJAY M JATIA*	-	-	At the End of the Year	31/03/2016	-	4,49,997	0.47
5	NANDKISHORE AGARWAL*	-	-	At the End of the Year	31/03/2016	-	3,35,327	0.35
6	GAYATRI GAGGAR*	-	-	At the End of the Year	31/03/2016	-	3,31,616	0.35
7	MUKTILAL GANULAL PALDIWAL*	-	-	At the End of the Year	31/03/2016	-	3,21,700	0.34
8	SARWANKUMAR DEVIDUTT SARAF HUF*	-	-	At the End of the Year	31/03/2016	-	2,88,115	0.30
9	SUPERWAYS INVESTMENT AND FINANCE PRIVATE LIMITED*	-	-	At the End of the Year	31/03/2016	-	2,67,463	0.28
10	SHIRIN R PUDUMJEE*	-	-	At the End of the Year	31/03/2016	-	2,43,882	0.26

* Equity Shares allotted pursuant to the Scheme of Arrangement and Reconstruction (Demerger).

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of the Each Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding		Shareholding At the End of the year during the year	
		No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
1	Mr. Arunkumar Mahabir Prasad Jatia	-	-	42,06,850 9,63,273 @ 41,77,199*	4.43 1.01 @ 4.40*	42,06,850 9,63,273 @ 41,77,199*	4.43 1.01 @ 4.40*
2	Mr. Ved Prakash Leekha	-	-	-	-	-	-
3	Mr. Surendra Kumar Bansal	-	-	-	-	-	-
4	Mr. Nandan Damani	-	-	-	-	-	-
5	Mr. Vinod Kumar Beswal	-	-	-	-	-	-
6	Mrs. Madhu Dubhashi	-	-	-	-	-	-
7	Mr. Vinay Jadhav	-	-	-	-	-	-

@ These shares held by Mr. Arunkumar Mahabirprasad Jatia in capacity of executors of the will of Shri Mahabirprasad Jatia

*These shares held by Mr. Arunkumar Mahabirprasad Jatia being executor of the will of Smt. Poonam Jatia.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment;

(In ₹)

	Secured Loans excluding deposits		Unsecured Loans	Fixed Deposit Accepted	Total Indebtedness
	Cash credit	Term Loan			
Indebtedness at the beginning of the financial year					
i) Principal Amount	NIL	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL	NIL
Add : Transferred pursuant to the scheme of demerger PPPML	10,03,73,088	28,41,81,634	0	28,48,42,505	66,93,97,227
Add : Transferred pursuant to the scheme of demerger PIL	5,27,89,717	0	0	0	5,27,89,717
Total	15,31,62,805	28,41,81,634	0	28,48,42,505	72,21,86,944
Changes in indebtedness during the financial year					
Addition	6,99,08,07,225	20,00,00,000	0	25,65,88,000	7,44,73,95,225
Reduction	6,99,01,00,853	9,34,67,790	0	18,98,69,000	7,27,34,37,643
Net Change	7,06,372	10,65,32,210	0	6,67,19,000	17,39,57,582
Indebtedness at the end of the year					
i) Principal amount	15,38,69,177	39,07,13,844	0	33,43,47,000	87,89,30,021
ii) Interest due but not paid	0	0	0	4,93,552	4,93,552
iii) Interest accrued but not due	1,03,798	0	0	1,01,09,325	1,02,13,123
Total (i+ii+iii)	15,39,72,975	39,07,13,844	0	34,49,49,877	88,96,36,696

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

Sr. No.	Name of the Directors and Particulars of Remuneration	Name of MD/WT/ Manager
		Mr. Ved Prakash Leekha (Managing Director)
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	77,40,000 29,89,221 NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission as % of profit others, specify	NIL
5.	Others, please specify (Insurance Premium, PF and Superannuation contribution, Sitting fees paid, if any)	9,28,800
	Total (A)*	1,16,58,021
	Ceiling as per the Act (I)	1,20,00,000*

* Maximum limit is proposed which is subject to approval of shareholders at 2nd Annual General Meeting by passing Special Resolution

PUDUMJEE PAPER PRODUCTS LIMITED

B. Remuneration to other directors:

(In ₹)

Particulars of Remuneration and Name of the Directors	Name of other Directors			Total Amount
	Mr. Nandan Damani (Since 21.10.2015)	Mr. V. K.Beswal (Since 21.10.2015)	Mrs. Madhu Dubhashi (Since 14.11.2015)	
1 Independent Directors				
Fee for attending board / committee meetings	60,000	60,000	45,000	1,65,000
Commission	NIL	NIL	NIL	NIL
Others, please specify	NIL	NIL	NIL	NIL
Total (1)	60,000	60,000	45,000	1,65,000
2 Name of the Non - Executive Directors				
Other Non-Executive Directors	Mr. Arunkumar Mahabir prasad Jatia	Mr. Surendra Kumar Bansal		
Fee for attending board /committee meetings	NIL	NIL	-	NIL
Commission	NIL	NIL	-	NIL
Others, please specify	NIL	NIL	-	NIL
Total (2)	NIL	NIL	-	NIL
Total (B)=(1+2)	60,000	60,000	45,000	1,65,000
Ceiling limit as per Act being Maximum sitting fees at ₹ 1 Lac per Meeting (II)	7,00,000	7,00,000	5,00,000	-

C. Remuneration To Key Managerial Personnel other than MD/MANAGER/WTD

(In ₹)

Particulars of Remuneration and Name of the KMP	Key Managerial Personnel			Total
	CEO	Chief Financial Officer	Company Secretary	
	NA	\$Mr. Hanuman Prasad Birla	*Mr. Vinay Jadhav	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	3,96,000	2,12,052	6,08,052
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	4,010	NIL	4,010
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
Stock Option	NIL	NIL	NIL	NIL
Sweat Equity	NIL	NIL	NIL	NIL
Commission as % of profit others, specify...	NIL	NIL	NIL	NIL
Others, please specify	NIL	67,595	NIL	67,595
Total	NIL	4,67,605	2,12,052	6,79,657

*Appointed on 21st October, 2015. \$Appointed on 01st February, 2016.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On Behalf of the Board of Directors,

Date: 28th May, 2016

Place: Mumbai

A. K. Jatia,
Chairman.

ANNEXURE NO. 8

CRITERIA FOR SELECTION OF CANDIDATES FOR SENIOR MANAGEMENT AND MEMBERS ON THE BOARD OF DIRECTORS

Introduction:

In accordance with the provisions of Section 178 of the Companies Act 2013, the Board of Directors of the Company at its meeting held on 14th November, 2015 constituted the Nomination and Remuneration Committee of the Board of Directors (Committee) and also stipulated additional terms of reference in line with the Companies Act, 2013.

The Board has delegated the responsibility to the Committee to formulate the criteria for identification, selection of the candidates fit for the various positions in senior management and who are qualified to be appointed as director on the Board of Directors of the Company.

The Committee has adopted the following criteria for the selection of candidates eligible to be appointed in the senior management of the Company and also member on the Board of Directors of the Company.

Criteria for Selection of Directors:

The Committee shall, before making any recommendation to the Board for appointment of any director, consider the following;

- The candidate should possess the positive attributes such as Leadership, Industrial or Business Advisory or such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company;
- The candidate should be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013.
- The candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges in case of appointment of an independent director;
- The candidate should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business.

Criteria for Selection of Senior Management Personnel:

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013.

The Committee shall, before making any recommendation to the Board for appointment, consider the attributes of the candidate set forth below:

- The candidate should have appropriate experience both in terms of quality and time in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and Committee are relevant for the Company's business;
- The candidate should possess the positive attributes such as leadership skills, decision making skills, integrity, effective communication, hard work, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company.

If the Committee thought fit and in its opinion finds that the candidate meets the above criteria for appointment in senior management or director on the Board, as the case may be, the Committee shall make its recommendation to the Board.

Any amendment to the above criteria for directors and senior management shall be subject to the prior approval of the Committee and any such amendment shall be informed to the Board of Directors.

Remuneration Policy

The Company's remuneration policy is based on the success and performance of the individual employee and the Company. Through, its compensation policy, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, variable and fixed allowances, benefits and bonuses etc. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Company pays remuneration by way of salary (fixed component), benefits, perquisites and allowances (variable component) to its Managing Directors and the executive directors. Periodical increases, if any, are decided by the Remuneration Committee and Board subject to the approval by the members and are effective from April 1 each year. The Remuneration Committee decides on the commission if any payable to Executive Chairman out of profits for the financial year and within the ceiling prescribed by the Companies Act based on the performance of the Company as well as that of the incumbent.

The Company pays sitting fees of ₹ 10,000 per meeting or as may be fixed from time to time to its directors for attending the meetings of the Board and ₹10,000/5000 for meetings of the Committee of the Board. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the meetings.

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Pudumjee Paper Products Ltd.,

We have audited the accompanying standalone financial statements of Pudumjee Paper Products Ltd ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information wherein are incorporated the accounts of Hygiene Products Division not visited by us but audited by other branch auditors.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the

Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

We draw attention to Note No.23.08 which describes the effect of the Scheme of Arrangement on the Company and charges, mortgages and encumbrances on the Company and demerged companies respectively.

We have relied on the financial statements of Branch auditors. These financial statements have been audited by other auditor, whose report have been furnished to us by the management and our opinion on the statement, in so far as it relates to the amounts and disclosures included In respect of the Hygiene products division, is based solely on the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, We give in the Annexure 'A' statement on the matters specified in paragraph 3 and 4 of the Order.
- 2 As required by Section 143 (3) of the Act,
 - (a) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls our financial reporting of the company and operating effectiveness of such controls, refer to our separate report in Annexure 'B' and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the pending litigations in its financial statements, which may impact its financial position [Refer Note 23.14 (a) (ii)];
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

Place of Signature: Mumbai

Dated 28th May, 2016.

For **KHARE & COMPANY**
Chartered Accountants
FRN 105100W

Y. P. Shukla
Proprietor
Membership No. 16203

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date of the financial statements for the year ended 31st March 2016.

- 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. In our opinion the periodicity of verification is reasonable;
 - c) According to the information and explanations given to us, the title deeds of immovable property are in the process of transfer in the name of the Company;
- ii It is reported that, the inventories have been physically verified by the management at the end of the year and as explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records;
- iii The Company has given unsecured loans to a company covered in the register maintained under Section 139 of the Companies Act, 2013,
 - a) In our opinion, the terms and conditions of the loans given are not prima facie prejudicial to the interest of the company;
 - b) The company to whom loans have been given by the Company are regularly repaying the principal amounts and interest thereon wherever applicable as stipulated;
 - c) There are no overdue amounts in respect of the loans given by the Company;
- iv In our opinion, and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the loans and investments made;
- v The Company has not accepted any deposits from public however, the deposits accepted by Pudumjee Pulp and Paper Mills Ltd. have been transferred to the Company as per the scheme of arrangement on the effective date i.e. 1st February 2016. The company has repaid those deposits which were due and claimed during the period from that date till 31st March 2016. The Company has thereafter complied with the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under;
- vi 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 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been so made and maintained. However no detailed examination of such accounts and records have been carried out by us;
- vii
 - a) According to the information and explanations given to us and on the basis of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us there are no undisputed statutory dues referred above as on 31st March 2016 outstanding for a period of more than six months from the date they became payable;
 - b) According to the information and explanations given to us, the disputed statutory dues aggregating to ₹ 328.15 lacs that have not been deposited on account of disputes and matters pending before appropriate authorities are as under:

Sr. No	Nature of the Dues	Forum where the dispute is Pending	Amount ₹ in lacs
1	Excise	High Court, Mumbai (Dept's Appeal)	20.96
2	Excise	CESTAT (Dept's Appeal)	60.05
3	Excise	CESTAT (Dept's Appeal)	0 .21
4	Excise	CESTAT Dy. Commissioner (Central Excise)	152.92
5	Customs	CESTAT	68.32
6	Service Tax	CESTAT (Service Tax) Dy. Commissioner)	25.69

- viii According to the information and explanations given to us, the Company has not made any default in repayment of loans or borrowings to financial institutions, banks or to Government. The Company does not have any outstanding debentures;
- ix The Company has not raised money by way of initial public offer or further public offer however, it has raised money by way of term loans from banks, and according to the information and explanations given to us, the term loans were applied for the purposes for which they were obtained;
- x To the best of our knowledge and belief, and according to the information and explanations given to us by the management, no fraud on or by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit;
- xi According to the information and explanations given to us, and based on our examinations of records of the company, Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V of the Companies Act, 2013. The Managing Director's remuneration (over and above the amounts paid and transferred by the demerged company) for two months ending 31st March 2016 is pending approval of shareholders in General Meeting;
- xii Since the Company does not fall into the category of a Nidhi Company, this clause is not applicable to the Company;
- xiii According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and have been disclosed in the financial statement as required by the applicable accounting standards;
- xiv According to the information and explanations given to us and based on our examinations of records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- xv According to the information and explanations given to us and based on our examinations of records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him during the year;
- xvi The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For KHARE & COMPANY
Chartered Accountants
FRN 105100W

Place of Signature: Mumbai

Dated 28th May, 2016.

Y. P. Shukla
Proprietor
Membership No. 16203

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 2(f) under the heading of "report on other legal and regulatory requirements" of our report of even date of the financial statements for the year ended 31st March 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Pudunrjee Paper Products Ltd ('the Company') as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control

over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place of Signature: Mumbai

Dated 28th May, 2016.

For **KHARE & COMPANY**
Chartered Accountants
FRN 105100W

Y. P. Shukla
Proprietor
Membership No. 16203

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	949.50	5.00
(b) Reserves and Surplus	2	19,540.00	96.12
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	6,553.59	—
(b) Deferred tax liabilities (Net)		1,205.37	—
(c) Other Long-term Liabilities	4	365.68	—
(d) Long term provisions	5	1,023.04	—
(3) Current Liabilities			
(a) Short-term borrowings	6	2,947.40	—
(b) Trade payable	7	7,945.81	0.11
(c) Other current liabilities	8	2,124.69	—
(d) Short-term provisions	9	298.89	0.61
Total		42,953.97	101.84
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	9,302.10	—
(ii) Intangible assets		7,893.90	—
(iii) Capital work-in-progress		6,671.35	—
(b) Long term loans and advances	11	974.28	—
(2) Current assets			
(a) Inventories	12	10,083.00	—
(b) Trade receivables	13	5,928.68	—
(c) Cash and Bank Balances	14	423.00	4.74
(d) Short term loans & Advances	15	1,677.66	97.10
Total		42,953.97	101.84

OTHER NOTES AS PER NOTE '23'

As per our report of date attached

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

Y. P. SHUKLA
Proprietor

Mumbai, Dated : 28th May, 2016

MADHU DUBHASHI
Director

VINAY JADHAV
Company Secretary

H. P. BIRLA
Chief Financial Officer

On behalf of the Board,

A. K. JATIA
Chairman

V. P. LEEKHA
Managing Director

Mumbai, Dated : 28th May, 2016

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	2015-2016 (₹ in Lacs)	2014-2015 (₹ in Lacs)
I. a) Revenue from operations	16	49,471.79	–
Less : Excise Duty		2,542.59	–
Net Revenue from Operations		46,929.20	–
II. Other Income	17	774.75	2.10
III. Total Revenue (I + II)		47,703.95	2.10
IV. Expenses :			
(1) Cost Of Materials Consumed	18	24,277.24	–
(2) Trade Purchases		5,500.93	–
(3) Changes in Inventories of Finished Goods, Work-in-Process and Stock in Trade	19	(855.36)	–
(4) Employees' Cost	20	3,719.88	–
(5) Finance Cost	21	1,688.11	–
(6) Depreciation and Amortization	10	533.46	–
(7) Other Expenses	22	11,568.73	0.37
Total Expenses		46,432.99	0.37
V. Profit before Exceptional and Extraordinary items and tax (III-IV)		1,270.96	1.73
VI. Exceptional items/Extraordinary Items		–	–
VII. Profit/(Loss) before tax (V - VI)		1,270.96	1.73
VIII. Tax expense :			
(1) Current tax		250.00	0.61
(2) Deferred tax / (Savings)		9.00	–
		259.00	0.61
IX Profit/(Loss) for the Year (VII - VIII)		1,011.96	1.12
X. Earning per equity share : (Face value ₹ 1 per share)			
(1) Basic		1.07	0.22
(2) Diluted		1.07	0.22
(See Note No. 23.16)			

OTHER NOTES AS PER NOTE '23'

As per our report of date attached

For **KHARE & CO.,**
Chartered Accountants**Y. P. SHUKLA**
Proprietor**MADHU DUBHASHI**
Director**VINAY JADHAV**
Company Secretary**H. P. BIRLA**
Chief Financial Officer

On behalf of the Board,

A. K. JATIA
Chairman**V.P. LEEKHA**
Managing DirectorMumbai, Dated : 28th May, 2016Mumbai, Dated : 28th May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	<u>2015-2016</u> (₹ in Lacs)	<u>2014-2015</u> (₹ in Lacs)
A. Cash Flow from Operating Activities		
Net profit before Taxation & Extraordinary Items	1,270.96	1.12
Adjustments for :		
Depreciation	533.46	—
Interest & Financial charges	1,532.87	—
Loss on sale of Fixed Assets	—	—
Corporate Social Responsibility expenses	—	—
Provision for Bad & Doubtful debts	—	—
Other income	(564.61)	—
	<u>1,501.72</u>	<u>—</u>
Operating Profit before Working Capital Changes	2,772.68	1.12
(Increase)/Decrease in Inventories	(1,744.61)	—
(Increase)/Decrease in Debtors	(109.66)	—
(Increase)/Decrease in Advances	104.39	(97.10)
Increase/(Decrease) in Liabilities	953.43	0.72
	<u>(796.45)</u>	<u>(96.38)</u>
Cash Generated from Operations	1,976.23	(95.26)
Income Tax (Paid)/Refund Received (Net)	(482.99)	—
Cash Flow before Extraordinary Items	1,493.24	(95.26)
Extra ordinary items	—	—
Net cash from Operating Activities	1,493.24	(95.26)
B Cash flow from Investing Activities		
Purchase of Fixed Assets	(850.73)	—
Sale Proceeds of Fixed Assets etc.	54.55	—
Change in Loans & Advances	(275.86)	—
Interest Received	575.18	—
Dividend Received	2.26	—
Net cash from / (used) in Investing Activities	(494.60)	—
C Cash flow from Financing Activities		
Proceeds from Borrowings	5,784.21	—
Repayment of Borrowings	(5,384.20)	—
Payment of Interest	(1,764.56)	—
Proceeds from Share capital	—	100.00
Net cash from / (used) in Financing Activities	(1,364.55)	100.00
Net change in Cash & Cash Equivalents (A+B+C)	(365.91)	4.74
Add : Cash & Cash Equivalents (Opening Balance)	4.74	—
Add :Amount adjusted pursuant to scheme of arrangement (With reference to provisional balance sheet as at 31 st March 2015 of Demerged undertakings)	784.17	—
Cash & Cash Equivalents (Closing Balance)	423.00	4.74

Note: 1) Current year cash flow include transactions of demerged undertakings.

2) Figures in brackets represent cash outflows.

OTHER NOTES AS PER NOTE '23'

As per our report of date attached

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

Y. P. SHUKLA
Proprietor

MADHU DUBHASHI
Director

VINAY JADHAV
Company Secretary

H. P. BIRLA

Chief Financial Officer

On behalf of the Board,

A. K. JATIA
Chairman

V.P. LEEKHA
Managing Director

Mumbai, Dated : 28th May, 2016

Mumbai, Dated : 28th May, 2016

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016**

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
--	---------------------------------------------	---------------------------------------------

NOTE '1' - SHARE CAPITAL

AUTHORISED

10,00,00,000 (Prv.Year 5,00,000) Equity Shares of ₹ 1/-each	1,000.00	5.00
----------------------------------------------------------------	-----------------	------

ISSUED, SUBSCRIBED AND FULLY PAID UP

9,49,50,000 (Prv.Year 5,00,000) Equity Shares of ₹ 1/- each	949.50	5.00
----------------------------------------------------------------	---------------	-------------

1.1 The reconciliation of the number of Equity shares outstanding :-

Particulars	AS AT 31.03.2016 No. of Shares	AS AT 31.03.2015 No. of Shares
Equity Shares at the beginning of the year	5,00,000	—
Equity Shares issued, subscribed & fully paid up during the year	9,44,50,000	5,00,000
Equity Shares at the end of the year	9,49,50,000	5,00,000

1.2 9,44,50,000 shares have been allotted on 17/2/2016 for consideration other than cash pursuant to the scheme of Arrangement sanctioned by Bombay High Court (see Note No.23.08)

1.3 The details of Shareholders holding more than 5% shares

Name of the Shareholder	AS AT 31-03-016 No. of Shares	% held	AS AT 31-03-2015 No. of Shares	% held
Pudumjee Industries Limited	1,68,13,769	17.71	—	—
Pudumjee Pulp & Paper Mills Limited (Holding Company)	—	—	2,55,000	51.00
Pudumjee Holding Limited	—	—	2,25,000	45.00
Thacker and Co. Ltd.	1,29,15,362	13.60	—	—
Suma Commercial Pvt. Ltd.	1,03,09,452	10.86	—	—

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
NOTE '2' - RESERVES & SURPLUS		
GENERAL RESERVE		
Transfer from Profit & Loss Account	200.00	—
	<u>200.00</u>	<u>—</u>
SHARE PREMIUM ACCOUNT		
As per last Balance Sheet	95.00	—
On Equity Shares Issued During the Year.	—	95.00
CAPITAL RESERVE		
On issue of shares pursuant to Scheme of Arrangement (see Note No 23.08 (II) & XII)	17,945.50	—
SURPLUS IN PROFIT AND LOSS ACCOUNT		
Balance in Profit & Loss Account brought forward	1.12	—
Add : Net profit after Tax from 1.4.2014 to 31.3.2015 in respect of businesses transferred to the company pursuant to the Scheme of Arrangement	<u>599.63</u>	<u>—</u>
	600.75	—
Add :		
Profit for the Year	<u>1,011.96</u>	1.12
AMOUNT AVAILABLE FOR APPROPRIATIONS	1,612.71	1.12
APPROPRIATIONS :		
Proposed Dividend on Equity		
Shares (Free of Tax)	94.95	—
Tax on Proposed Dividend	18.26	—
Transfer to General Reserve	<u>200.00</u>	<u>—</u>
	313.21	—
	<u>1,299.50</u>	1.12
	<u><u>19,540.00</u></u>	<u><u>96.12</u></u>

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
NOTE '3' - LONG TERM BORROWINGS		
(A) Secured Borrowings		
FROM BANKS		
TERM LOAN	81.94	—
(Security : first charge on the Assets at Mahad, specifically purchased therefrom)		
(See Note (a) below)		
TERM LOAN	875.00	—
(Security : Pari passu first charge on Plant & Machinery at pune.)*		
(See Note (b) below)		
TERM LOAN	2,000.00	—
(Security : Pari passu first charge on Plant & Machinery at pune.)*		
(See Note (c) below)		
FROM OTHERS		
TERM LOAN	14.75	—
(Security :Vehicles purchased therefrom)		
(See Note (d) below)		
Total (A)	<u>2,971.69</u>	<u>—</u>

Notes:

- (a) Excluding ₹ 427.78 lacs shown under "Current maturities of Long Term Debt" under Note No. 8.
Repayable in 18 equal quarterly installments beginning with 04.02.2013.
- (b) Excluding ₹ 500.00 lacs shown under "Current maturities of Long Term Debt" under Note No.8.
Repayable in 20 equal quarterly installments beginning with 16.01.2014.
- (c) Excluding ₹ Nil shown under "Current maturities of Long Term Debt" under Note No.8.
Repayable in 12 equal quarterly installments beginning with 30.04.2017.
- (d) Excluding ₹ 7.67 lacs shown under "Current maturities of Long Term Debt" under Note No.8.
Repayable in 59 Monthly installments beginning with 10.1.2014.
- (e) There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.
- *Security: Also First charge on Land & Buildings at Pune of Pudumjee Pulp & Paper Mills Ltd, till its release (also refer Note No.23.08)

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

	AS AT <u>31.03.2016</u> (₹ in Lacs)	AS AT <u>31.03.2015</u> (₹ in Lacs)
(B) Unsecured Borrowings		
Fixed Deposits from Public/Shareholders *	2,506.83	—
(See Note (a) below)		
Deposit		
From Others	8.13	—
Deferred Sales Tax Liability	1,066.94	—
(See Note (b) below)		
Total (B)	<u>3,581.90</u>	<u>—</u>
Total Long term borrowings (A)+(B)	<u><u>6,553.59</u></u>	<u><u>—</u></u>

Notes :

- (a) Excluding (i) ₹ 35.21 Lacs being deposits for 1 year shown under "Short Term Borrowings" under Note No 6, and (ii) ₹ 763.37 lacs shown under "Current maturities of Long Term Fixed Deposits" under Note No.8.
- (b) Excluding ₹ 195.22 lacs shown under "Current maturities of "Long Term Unsecured Debts" under Note No. 8.
- (c) There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.

* Repayable after 2 years and 3 years from the date of acceptance of each Deposits.

NOTE '4' - OTHER LONG TERM LIABILITIES

Sundry Creditors	365.68	—
	<u>365.68</u>	<u>—</u>

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
NOTE '5' - LONG TERM PROVISIONS		
Provision for Impairment of Fixed Assets transferred to the company pursuant the Scheme of Arrangement	1,397.26	—
	1,397.26	—
Less : Deducted per contra From Fixed Assets	1,397.26	—
	—	—
Provision for Doubtful Debts & Advances	744.82	—
Less : Provision Written Back	44.58	—
Less : Debts & Advances considered Doubtful per contra	700.24	—
	—	—
Provision for Gratuity	935.53	—
Provision for Pension	87.51	—
	1,023.04	—
	1,023.04	—
NOTE '6' - SHORT TERM BORROWINGS		
(A) Secured Borrowings from Bank		
Cash Credit repayable on demand	1,542.38	—
(Security : (i) hypothecation of stocks, stores and book debts and second charge on plant & machinery of the Company at its Pune Plant (on pari passue basis)(ii) also by second charge on land & building at Pune of Pudumjee Pulp- & Paper Mills Ltd.and Pudumjee Industries Ltd.,till their release. (Refer Note No.23.08)		
Total (A)	1,542.38	—
(B) Unsecured Borrowings		
OTHER SHORT TERM LOANS & ADVANCES		
Intercompany Deposits -Associates	775.03	—
Others	76.60	851.63
Fixed Deposits	35.21	—
Others Borrowings/Deposits	518.18	—
Total (B)	1,405.02	—
Total short term borrowings(A)+(B)	2,947.40	—

Note : There has been no default in repayment of Loan & Payment of Interest in respect of any of aforesaid borrowings.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

	AS AT		AS AT	
	31.03.2016		31.03.2015	
	(₹ in Lacs)		(₹ in Lacs)	
NOTE '7' - TRADE PAYABLE				
Acceptances	4,298.19		—	
Sundry Creditors	3,647.62	7,945.81	0.11	0.11
		<u>7,945.81</u>		<u>0.11</u>
NOTE '8' - OTHER CURRENT LIABILITIES				
Current Maturities of Long Term Debts:				
Fixed Deposits	763.37		—	
Secured Debts	935.45		—	
Unsecured Debts	195.22	1,894.04	—	—
Unclaimed Matured Fixed Deposits		38.06		—
Unclaimed Interest On Fixed Deposits		4.06		—
Interest on Loans accrued but not due on borrowings		107.07		—
Creditors for Capital Goods		11.70		—
Advances from customers		67.15		—
Others payables		2.61		—
		<u>2,124.69</u>		<u>—</u>
NOTE '9' - SHORT TERM PROVISIONS				
Provision for Taxation		—		0.61
(Less : Advance Tax etc.)				
Provision for Leave Encashment		203.94		—
Proposed Dividend		94.95		—
		<u>298.89</u>		<u>0.61</u>

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2016 (Contd.)

NOTE '10' - TANGIBLE FIXED ASSETS (At Cost)

(₹ in Lacs)

TYPE OF ASSETS	Assets taken over pursuant to scheme of Arrangement*	Additions/ Transfers during the year	Deductions/ Transfers during the year	Balance Cost upto 31.03.2016	Depreciation taken over pursuant to scheme of Arrangement*	Depreciation/ Amortisation for the year	Depreciation on sold/Transfer of Assets and on deductions written back	Depreciation/ Impairment Value as on Balance 31.03.2016	Net Book Value as on Balance 31.03.2016
TANGIBLE ASSETS									
Land - Leasehold	1,095.74	105.70	-	1,201.44	50.13	14.32	-	64.45	1,136.99
Buildings	258.66	18.47	-	277.13	18.45	4.85	-	23.30	253.83
Machinery	26,088.33	242.46	64.28	26,266.51	18,222.97	426.94	60.92	18,588.99	7,677.52
Laboratory Equipments	58.65	16.00	-	74.65	27.40	4.29	-	31.69	42.96
Furniture & Fixtures	612.66	4.60	0.15	617.11	522.98	28.45	0.15	551.28	65.83
Vehicles	230.32	15.95	11.51	234.76	93.93	25.95	10.09	109.79	124.97
Total (A)	28,344.36	403.18	75.94	28,671.60	18,935.86	504.80	71.16	19,369.50	9,302.10
INTANGIBLE ASSETS									
Goodwill on Demerger **	-	7,793.05	-	7,793.05	-	-	-	-	7,793.05
(See note no.23.08)									
Product Branding	179.75	-	-	179.75	89.88	17.98	-	107.86	71.89
Computer Software	156.40	7.55	0.10	163.85	132.46	9.37	0.03	141.80	22.05
Other Intangible Assets	13.41	0.51	-	13.92	5.70	1.31	-	7.01	6.91
Total (B)	349.56	7,801.11	0.10	8,150.57	228.04	28.66	0.03	256.67	7,893.90
Total (A+B)	28,693.92	8,204.29	76.04	36,822.17	19,163.90	533.46	71.19	19,626.17	17,196.00

* After considering the transactions of 2014-15

** Includes ₹ 237.39 for expenses on Scheme of Arrangement

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
NOTE '11' - LONG TERM LOANS & ADVANCES		
(Unsecured, Considered good, unless otherwise stated)		
Prepaid Expenses	28.54	—
Advance Income Tax	279.99	—
Security Deposits	79.32	—
Less : Provision for Doubtful Deposits deducted per contra	— 79.32	— —
Loans & Advances to Subsidiary/Associates Companies	275.86	—
Others Advances	346.80	—
Less : Provision for Doubtful Advances deducted per contra	36.23 310.57	— —
	<u>974.28</u>	<u>—</u>
NOTE '12' - INVENTORIES		
Raw material (At cost)	4,618.98	—
Work-in-process (At cost)	371.52	—
Finished Paper	3,378.08	—
Hygiene Products (At lower of cost or market value.)	324.50 3,702.58	— —
Stores, Spare Parts Etc. (At Cost)	1,388.46	—
Loose Tools (At Cost)	1.46	—
	<u>10,083.00</u>	<u>—</u>
NOTE '13' - TRADE RECEIVABLES (Unsecured)		
Debts outstanding for a period exceeding six months from due date		
Considered Good	170.19	—
Considered Doubtful	649.58	—
	<u>819.77</u>	—
Other Debts		
Considered Good	5,758.49	—
Considered Doubtful	5.59	—
	<u>6,583.85</u>	—
Less : Provision for Doubtful Debts deducted per contra	655.17	—
	<u>5,928.68</u>	<u>—</u>
	<u>5,928.68</u>	<u>—</u>

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2016 (Contd.)**

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
NOTE '14' - CASH & BANK BALANCES		
Cash on hand as per books	9.24	—
Deposit with Bank for Margin Money (with maturity beyond 12 months)	9.58	—
On other Deposit account with Bank	214.49	4.00
On other accounts with Banks	176.12	0.74
Cheques on hand	13.57	—
	<u>423.00</u>	<u>4.74</u>
NOTE '15' - SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered Good, other than related parties)		
Prepaid Expenses	61.18	—
Security Deposits	2.70	—
Inter Corporate Deposits	—	96.84
Interest Accrued		
On Banks & Other Deposits	0.04	—
Capital Advances	89.87	—
Advance Income Tax for Current year (Less Provision for Current year Tax)	29.83	0.20
Advances to employees of the Company	25.08	—
Advances recoverable in cash or in kind		
Balance with Government Authorities	1,259.62	—
Advances to Suppliers	91.40	—
Sundry Advances	126.78	0.06
	<u>1,477.80</u>	<u>0.06</u>
Less : Provision for Doubtful Advances deducted per contra	8.84	—
	<u>1,468.96</u>	<u>0.06</u>
	<u>1,677.66</u>	<u>97.10</u>

**NOTES ANNEXED TO AND FORMING PART OF THE
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016**

	Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
NOTE '16' - REVENUE FROM OPERATIONS		
PAPER	42,009.59	—
Less : Excise Duty	2,541.60	—
TRADE SALE	6,090.25	—
MISCELLANEOUS SALES	116.17	—
Less : Excise Duty	0.99	—
PROCESSING AND OTHER CHARGES	1,143.91	—
OTHER OPERATING REVENUE	111.87	—
	<u>46,929.20</u>	<u>—</u>
NOTE '17' - OTHER INCOME		
DIVIDENDS		
Others	2.26	—
MISCELLANEOUS INCOME	10.32	—
INTEREST RECEIVED FROM DEBTORS	155.24	—
INTEREST RECEIVED FROM OTHERS	512.65	2.10
PROFIT ON SALE/TRANSFER OF FIXED ASSETS (NET)	49.70	—
PROVISION FOR DOUBTFUL DEBTS WRITTEN BACK	44.58	—
	<u>774.75</u>	<u>2.10</u>
NOTE '18' - COST OF MATERIAL CONSUMED		
CONSUMPTION OF RAW MATERIALS	20,302.03	—
CONSUMPTION OF STORES, COLOURS AND CHEMICALS etc.	3,975.21	—
	<u>24,277.24</u>	<u>—</u>
NOTE '19' - CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROCESS AND STOCK-IN-TRADE		
STOCK AT COMMENCEMENT		
Finished Paper	2,262.21	—
Hygiene Products	410.51	—
Work-in-Process		
- Pulp	34.79	—
- Paper	511.23	—
	<u>3,218.74</u>	<u>—</u>
STOCK AT CLOSE		
Finished Paper	3,378.08	—
Hygiene Products	324.50	—
Work-in-Process		
- Pulp	14.50	—
- Paper	357.02	—
	<u>4,074.10</u>	<u>—</u>
	<u>(855.36)</u>	<u>—</u>

**NOTES ANNEXED TO AND FORMING PART OF THE
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)**

	Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
NOTE '20' - EMPLOYEES' COST		
SALARIES, WAGES, BONUS etc.		
Salaries, Wages, gratuity & Bonus	3,293.66	—
Contribution to Provident & Other Funds (Including Administrative Charges)	277.41	—
Employees State Insurance	3.49	—
Workmen & Staff Welfare Expenses	145.32	—
	<u>3,719.88</u>	<u>—</u>
NOTE '21' - INTEREST & FINANCIAL COST		
INTEREST ON BORROWINGS	1,473.88	—
OTHER FINANCIAL CHARGES	<u>214.23</u>	<u>—</u>
	<u>1,688.11</u>	<u>—</u>
NOTE '22' - OTHER EXPENSES		
PROCESSING CHARGES	310.32	—
FUEL, POWER & WATER	7,372.34	—
RENT	76.46	—
RATES & TAXES	47.99	—
REPAIRS & MAINTENANCE		
Machinery	1,175.02	—
Buildings	74.78	—
Others	<u>89.37</u>	<u>—</u>
INSURANCE	56.27	—
PACKING, CARTAGE, CUTTING,	943.45	—
DEVELOPMENT & RESEARCH EXPENSES	110.07	—
COMMISSION ON SALES	219.51	—
DIRECTORS' FEES	1.65	—
EXCISE DUTY ON STOCK	81.25	—
FOREIGN EXCHANGE LOSS / (GAIN)	206.80	—
BAD DEBTS & ADVANCES WRITTEN OFF	64.18	—
OFFICE & MISCELLANEOUS EXPENSES	739.27	0.37
	<u>11,568.73</u>	<u>0.37</u>

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

NOTES :- Quantitative Information of the Company as under

	Year Ended		Year Ended	
	2015-2016		2014-2015	
	Value		Value	
	(₹ in Lacs)		(₹ in Lacs)	
23.01 The value of raw materials consumed				
Pulp	16,279.79		—	
Waste Paper	4,022.25		—	
23.02 Trade Purchases				
Pulp	882.53		—	
Hygiene Products	4,555.47		—	
Others	62.93		—	
23.03 Value of direct imports calculated on CIF basis during the financial year				
Raw Material	15,693.62		—	
Components & Spare Parts	623.45		—	
Capital Goods	30.64		—	
Trade Goods	307.13		—	
23.04 Expenditure in foreign currency during the financial year on account of				
Royalty, know-how, interest, professional consultation, travelling, subscription and periodicals etc.	50.24		—	
23.05 Value of raw materials, spare parts and component consumed during the financial year and the percentage thereof				
	Year Ended		Year Ended	
	2015-2016		2014-2015	
	Value	%	Value	%
	(₹ in Lacs)		(₹ in Lacs)	
Raw Materials :				
Direct Imports	16,381.21	80.69	—	—
Others	3,920.83	19.31	—	—
Total :	20,302.04	100.00	—	—
Spare Parts & Components :				
Direct Imports	733.80	15.19	—	—
Others	4,097.50	84.81	—	—
Total :	4,831.30	100.00	—	—
	2015-2016		2014-2015	
	(₹ in Lacs)		(₹ in Lacs)	
23.06 Export of goods calculated on FOB basis				
Export of goods calculated on FOB basis (Earning in foreign Exchange)	751.43		—	
Deemed Exports	13.58		—	
	765.01		—	
23.07 Earnings in Foreign Exchange				
Royalty, Knowhow, Professional and consultation fees, Interest and dividend etc. (Earning in foreign Exchange)	—		—	

NOTE '23' - (Contd.)**23.08 Scheme of Arrangement -**

- I) Pursuant to the Scheme of Arrangement ("the Scheme") between Pudumjee Pulp & Paper Mills Ltd. (PPPML), Pudumjee Industries Ltd (PIL), Pudumjee Hygiene Products Ltd (PHPL), the Company and their respective shareholders and creditors as approved by the High Court of Mumbai vide its order dated 8th January, 2016, which became effective on 1st February, 2016 (effective date) on filing with the Registrar of Companies, all the assets and liabilities of the Paper Manufacturing Business of PPPML & PIL and hygiene products business of PHPL have been transferred to the company at their respective book values on a going concern basis with effect from the appointed date (i.e 1st April, 2014). Accordingly, the Scheme of Arrangement has been given effect to in these accounts. The details of Assets & Liabilities, as on 1st April, 2014, transferred from PPPML, PIL and PHPL to the Company are as under :

Particulars	(₹ in Lacs)
Total Assets	34,195.55
Total Liabilities	22,861.21
Net Assets Transferred to the Company	11,334.34

- II) In consideration, the company has issued and allotted 9,44,50,000 equity shares of Face Value of ₹ 1 each (of the fair value of ₹ 20/- as determined in the Valuation Report issued by SSPA & Co., Chartered Accountants), to the Share holders of PPPML, PIL and PHPL as under –

Particulars	PPPML	PIL	PHPL
No. of Shares allotted	7,58,50,000	81,00,000	1,05,00,000
Share Exchange Ratio	37 equity shares of ₹1 each for every 20 shares of ₹ 2 each held in PPPML.	9 Equity Shares of ₹1 each for every 20 Shares of ₹ 2 each held in PIL.	7 Equity Shares of ₹ 1 each for every 20 equity of ₹ 10 each held in PHPL.

The above shares have been allotted to the Shareholders of the respective companies whose names appeared in the register of members of the respective companies as on the record date on 12th February, 2016.

Consequent to the issue and allotment of shares , pursuant to the Scheme, the Company ceased to be the subsidiary of PPPML. Shares of the Company have been listed on National Stock Exchange & Bombay Stock Exchange on 30th March, 2016.

- III) Pursuant to the Scheme, the Company has (i) credited to Share Capital Account, the aggregate face value of the Shares issued and allotted by it and (ii) credited to Capital Reserve Account, the excess of the aggregate fair value of the shares allotted over their face value. The excess of aggregate of share capital and capital reserve over the net asset value (Asset minus Liabilities) transferred to the company, has been debited to Goodwill as under : –

NOTE '23' - (Contd.)

23.08 Scheme of Arrangement - (Contd.)

Sr. No.	Particulars	(₹ in Lacs)
A)	Share Capital issued as per Scheme	944.50
B)	Capital Reserve as per Scheme	17,945.50
C)	Total (A+B)	18,890.00
D)	Net Assets Transferred as per Scheme	11,334.34
E)	Goodwill (C-D)*	7,555.66

*Excluding Demerger Expenses of ₹ 237.39 Lacs which has been debited to Goodwill as per the Scheme.

- IV) The transactions between the appointed date (i.e. 1st April, 2014) and upto the effective date (i.e. 1st February, 2016) as appearing in the books of accounts of demerged undertakings of PPPML, PIL and PHPL have been deemed to have been made by the Company and the demerged companies have carried out those business and activities for and behalf of the Company.
- V) The net profit after tax of the demerged undertakings, for the period from the appointed date i.e. 1st April, 2014 to 31st March, 2015 (i.e. last financial year) of ₹ 599.63 lacs has been adjusted in Reserves & Surplus .
- VI) All costs, charges and expenses including stamp duties arising out of or incurred so far in carrying out and implementing this Scheme and matters incidental thereto, have been borne by the company. All such expenses have been debited to Goodwill account as per the Scheme, excluding stamp duty payable on the assets transferred, amounting to ₹ 316.73 lacs, debited to the respective assets.
- VII) The secured loans and facilities concerning demerged undertakings stand transferred to the Company along with the security created therefor on the assets transferred to the Company. pending sanction of new working capital facilities to the Company by the Banks and creation of security documents. However the security, (for those facilities and also, wherever applicable, for Term Loans) whether by way of first charge or the second charge on other assets (namely Land and Buildings at Pune of Pudumjee Pulp & Paper Mills Ltd. (PPPML) & Pudumjee Industries Ltd (PIL) and machinery of Pudumjee Hygiene Products Ltd(PHPL) which have not been transferred to the Company, continues to subsist in favour of the lenders for their loans (as per the respective agreements initially executed by PPPML or PIL or PHPL in favour of the lenders while availing the loans) till appropriate agreements are executed.

Relevant sanction and documents are being worked out and pending finalization and execution thereof, the Cash Credit and Term Loan Accounts are being operated upon for the Company and all applicable obligations are being fulfilled by the company.

- VIII) Although pursuant to the scheme of arrangement, the immovable properties at Mahad, belonging to the demerged undertaking of PPPML vested in and/or deemed to be transferred to and vested in the Company, the mutation of title of leases thereof in the name of the Company is yet to be made and recorded by the appropriate authorities. Further in some cases of other Non Current & current assets and bank accounts transferred to the company, the name of the Company is yet to be registered. Notwithstanding the same, the Company exercises all rights and privileges and fulfills all

NOTE '23' - (Contd.)**23.08 Scheme of Arrangement - (Contd.)**

obligations, in relation to or applicable to such immovable properties and other Non Current & Current Assets, bank accounts & liabilities.

- IX) The figures stated in the current year are not comparable with those of previous period for the reason that (a) the figures for the previous period were since incorporation of the Company on 14th Janaury, 2015 ; and (b) in the current year, effect has been given to Scheme of Arrangement as approved by Bombay High Court & (c) the net profit after tax of the demerged undertakings, for the period from the appointed date i.e. 1st April, 2014 to 31st March, 2015 (i.e. last financial year) of ₹ 599.63 lacs has been adjusted in Reserves & Surplus as stated earlier.
- X) Revenue & Expenses for the year 2015-16 are gross i.e. inclusive of the revenue and expenditure amongst demerged undertakings for the period from 1st April, 2015 to 31st January, 2016 .
- XI) Pursuant to the scheme of arrangement, employees of the demerged undertaking as on effective date stand transferred to the company with effect from appointed date on the same terms and conditions on which they were employed in Demerged Company.

Consequently all benefits including Provident Fund, Gratuity Fund, Superannuation Fund created for the benefit of the such employees of the demerged undertakings stand transferred.

- XII) The scheme provides that the Capital Reserve created as aforesaid will be treated as part of paid-up share capital for the purpose of Chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposit) Rules, 2014.

NOTE '23' - (Contd.)

23.09 Salary, Wages, gratuity and bonus (Note '20') does not include a sum of ₹ 95.22 lacs transferred to other accounts.

23.10 a) The company has leasehold land, building and board manufacturing machine at Mahad Dist. Raigad. The leasehold land, colony and buildings are shown under Tangible Fixed Assets Schedule (Note No.10) and is appropriately amortized and depreciated for the year and Factory Building, Machinery and all other assets together with related expenditure have been shown under Capital work-in-progress.

b) In view of the aforesaid expansion project having been temporarily deferred, the borrowing and other recurring costs (net) incurred for the year aggregating to ₹ 204.36 lacs have been treated as revenue expenditure and charged to the Profit & Loss account for the year under the respective heads.

23.11 Interest amounting to ₹ 9.73 Lacs and salaries & wages amounting to ₹ 2.07 Lacs have been capitalised during the year to Machinery under installation.

23.12 Payments made to Auditors :

	Year Ended 2015-2016 (₹ in Lacs)	Year Ended 2014-2015 (₹ in Lacs)
Audit fees	4.00	0.11
Taxation matters	0.10	—
Others	1.80	—
	5.90	0.11

23.13 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.

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
23.14 a) Contingent Liabilities not provided for in respect of :		
i) Bank Guarantees and Letters of Credit in favour of suppliers of raw materials, spares etc.*	1,949.11	—
ii) Claims against the Company not acknowledged as debts for excise duty, property tax and commercial claims etc. **	852.69	—
* Will not affect the future Profitability.		
** May affect the future profitability to the extent indicated, if such liabilities crystallise.		
b) Commitments not provided for in respect of :		
i) Estimates of contracts remaining to be executed on capital account	1,078.04	—

NOTE '23' - (Contd.)

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

- a) These financial statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis.
- b) Goodwill is tested for impairment at every year end and provision, if any, will be charged to Profit & Loss Account.
- c) Intangible Assets comprising of Product Branding/ Trademarks are amortized equally over a period of 10 years.
- d) Fixed Assets are valued at cost.
- e) Borrowing costs comprising interest etc. relating to projects unless deferred, are capitalised up to the date of its completion and other borrowing costs are charged to Profit & Loss Account in the year of their accrual.
- f) Depreciation on Machinery & Building has been provided on Straight Line Method and that on the other Assets on Written Down Value method till 31-03-2014. The depreciation is provided on all the assets based on the useful lives of the assets on straight line method since then, in accordance with schedule II of the Companies Act, 2013. Lease hold land is amortised based on period of residual lease.
- g) Finished goods stock is valued at lower of cost or market value. All other inventories are valued at lower of cost on First In First Out Method or realisable value.
- h) Investments are classified into current and long term investments. Current investments are stated at lower of cost or fair value. Long term investments are stated at cost, less provision for permanent diminution in value, if any.
- i) (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, Pension 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.
- j) Foreign Exchange Transactions are recorded at the then prevailing rate. Closing balances of Assets & 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 & Loss Account.
- k) Lease arrangement where the risks and rewards incidental to ownership of an assets substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of Profit & Loss.
- l) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales are recognized when significant risk and rewards of ownership of the goods have passed to the buyer which coincides with delivery/ transfer and are recorded net of trade discounts. Interest income is recognized on time basis taking into account the amount outstanding and the applicable rate.
- m) 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.
- n) Contingent Liabilities are not recognized, but are disclosed in the notes based on substantial degree of estimation. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTE '23' - (Contd.)

23.16 Computation of basic and diluted Earning Per Share (EPS)

	AS AT 31.03.2016	AS AT 31.03.2015
Basic/Diluted EPS :		
(a) Net Profit after tax as per Profit & Loss Account : After current and deferred Tax	₹ 1,011.96 lacs	₹ 1.12 lacs
(b) No. of Equity shares of ₹ 1/- each :	949.50 lacs	5.00 lacs
(c) Basic EPS After current and deferred Tax (a/b)	₹ 1.07	₹ 0.22

23.17 (a) The Deferred Tax Liabilities / (Deferred Tax Assets) into major components are as under :

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
In respect of Depreciation	1,750.20	-
In respect of allowances and disallowances under various provisions of Income Tax Act.	(544.83)	-
Net Deferred Tax Liability	<u>1,205.37</u>	<u>-</u>

- (b) The Deferred Tax Asset in respect of carry forward of losses and tax credit has been worked out on the basis of assessment orders, returns of income filed for subsequent assessment years by the transferer companies named in the scheme of Arrangement and estimate of taxable income for the year ending 31st March, 2016.

23.18 A Dividend of ₹ 0.10 per equity share of ₹ 1/- each has been proposed for the current year amounting to ₹ 94.95 lacs excluding ₹ 18.26 lacs of dividend Distribution tax.

23.19 Related party disclosures (Accounting Standard 18) :

A) Associate Firms / Companies

- a) Pudumjee Industries Limited.
- b) Pudumjee Plant Laboratories Limited.
- c) Pudumjee Hygiene Products Limited.
- d) Pudumjee Holding Limited.
- e) Pudumjee Investment & Finance Co.Ltd.
- f) Pudumjee Pulp & Paper Mills Limited.

B) Key Management Personnel

Shri. V. P. Leekha

Managing Director

Shri. H. P. Birla

Chief Financial Officer

Shri. Vinay Jadhav

Company Secretary

NOTE '23' - (Contd.)

C) Transactions with related Parties

(Excluding inter Companies transactions on demerger)

2015-16
(2014-2015)
(₹ in Lacs)

	Associate Companies	Maximum during the year	Key Management Personnel
a) Interest bearing Inter Corporate Deposits lent during the year	844.81 (-)		
b) Interest charged during the year	1.97 (-)		
c) Inter Corporate Deposits /Advances etc. outstanding receivable as at 31 st March, 2016 including interest			
Pudumjee Industries Limited	275.86 (95.00)	275.86 (96.84)	
d) Interest bearing Inter Corporate Deposits taken during the year	1,781.71 (-)		
e) Interest Paid during the year	12.65 (-)		
f) Inter Corporate Deposits /Advances etc.outstanding payable as at 31 st March, 2016 including interest			
Pudumjee Pulp & Paper Mills Limited.	775.03 (-)		
Pudumjee Hygine products Limited.	8.13 (-)		
g) Purchases made during the year	181.87 (-)		
h) Rent Paid	19.37 (-)		
i) Reimbursement of common services and utilities during the year.	1.69 (-)		
j) Remuneration	- (-)	- (-)	152.71 (-)
k) Share Capital received in Cash	- (51.00)		

- D)** The remuneration (including provision for Gratuity and Pension determined on actuarial basis) to the Managing Director, Mr. Ved P. Leekha amounting to ₹ 148.04 lacs includes the remuneration paid by Pudumjee Pulp & Paper Mills Ltd (PPPML) upto 31.01.2016 in respect of its undertaking demerged into the Company. The said remuneration was in accordance with the approval given by the Shareholders of PPPML. By virtue of the scheme the said remuneration stands transferred to the Company. Therefore, the remuneration paid/payable to Mr. Ved P. Leekha from 01.02.2016 is subject to approval by way of Special Resolution.

Note : The figures in bracket relate to earlier year.

NOTE '23' - (Contd.)

2015-16
(2014-2015)
(₹ in Lacs)

23.20 SEGMENT REPORTING (Accounting standard 17)

Information about business segments.

	Paper Manufacturing	Hygiene Division	Total
SEGMENT REVENUE	41,684.76	5,244.44	46,929.20
	—	—	—
SEGMENT RESULTS	2,174.17	50.21	2,224.38
	—	—	—
Unallocated corporate expenses			149.69
			—
Operating Profit			2,074.69
			—
Interest Expenses			1,473.88
			—
Interest Income			667.89
			—
Dividend Income			2.26
			—
Other Income			—
Provision for Current Tax Written Back			—
Profit Before Tax			1,270.96
			—
Income Taxes including Deferred Tax			259.00
			—
Profit from ordinary activities			1,011.96
			—
Extra Ordinary Income			—
			—
Net Profit as per Profit & Loss Account			1,011.96
			—

OTHER INFORMATION

Total carrying amount of Segment Assets	40,947.23	1,421.01	42,368.24
	—	—	—
Add: Unallocated Corporate Assets			585.73
			—
Total Assets as per Balance Sheet			42,953.97
			—
Total carrying amount of Segment Liabilities	8,890.78	617.97	9,508.75
	—	—	—
Add: Unallocated Corporate Liabilities			33,445.22
			—

NOTE '23' - (Contd.)

2015-16
(2014-2015)
(₹ in Lacs)

23.20 SEGMENT REPORTING (Accounting standard 17)**Information about business segments.**

	Paper Manufacturing	Hygiene Division	Total
Total Liabilities as per Balance Sheet			42,953.97
Capital Expenditure incurred during the year (Excluding Assets transferred on Demerger)	899.26	6.49	905.75
Depreciation for the Year	503.69	29.77	533.46
Other Non Cash Expenditure	—	—	—
Sales Revenue by Geographical Segments			
WITHIN INDIA	40,933.33	5,244.44	46,177.77
OUTSIDE INDIA	751.43	—	751.43
	<u>41,684.76</u>	<u>5,244.44</u>	<u>46,929.20</u>

The Paper segment relates to manufacture and marketing of Paper, processing activity. Hygiene division segment relates to marketing and distribution of Hygiene and other Products.

- 23.21** The Company had entered into lease/ leave & license agreements (including leave & license agreement pursuant to the scheme) for commercial use on terms and conditions as specified in their agreements for period ranging from 11 months to 10 years by placing refundable deposits. In respect of these agreements the future minimum lease/ rental payment is as under :

Particulars	Total	
	(₹ in Lacs)	
	31-03-2016	31-03-2015
i) not later than one year	110.98	—
ii) later than one year and not later than five years	352.91	—
iii) later than five years	118.46	—

All such lease payments for the year are recognized in Profit & Loss Account as rent paid.

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

- An amount of ₹198.29 lacs (Last year ₹ Nil) has been recognized as an expense 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 under its Cash Accumulation Plan setup & shared by Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited, pending transfer of fund to company setup fund.

In addition, a pension / Family pension liability on the basis of actuarial valuation has been provided in respect of one director of the company. The pension payable will crystallise on his leaving service & family pension after his death to his spouse. The actuary has assumed rate of interest at 8% p.a. in the valuation of pension / family pension liability & the LIC annuitants mortality (2006-08) ultimate table.

NOTE '23' - (Contd.)

- c) Expenses recognized during the year and reconciliation of the Assets & Liabilities recognized in Balance Sheet as at 31.03.2016 :

	Gratuity (Partly funded) (₹ in Lacs)	Leave Encashment (Unfunded) (₹ in Lacs)
	Year Ended 2015-2016	Year Ended 2014-2015
The present value of defined benefit obligations at the commencement of the Year	—	—
i) Obligation transferred pursuant to the scheme of Arrangement	1,096.97	167.18
ii) Current Service cost	73.37	25.94
iii) Interest cost	85.02	12.96
iv) Actuarial (Gain)/Loss	60.44	31.38
v) Benefits (Paid)	(144.30)	(33.53)
vi) Past Service Cost	—	—
vii) The present value of defined benefit obligations at the close of the Year	1,171.50	203.93
viii) The fair value of plan assets at the close of the year	235.96	—
ix) The Past service cost not yet recognized	—	—
x) Expected return on plan assets	(18.05)	—

Expenses aggregating ₹ 271.06 lacs (Last year ₹ Nil) covered under items (ii),(iii),(iv),(vi) and (x) above have been debited to the Profit & Loss Account under Salary & Wages, Bonus etc.

	Year Ended 2015-2016	Year Ended 2014-2015	Year Ended 2015-2016	Year Ended 2014-2015
d) Actuarial assumptions				
i) Rate of interest (per annum)	8.00%	—	8.00%	—
ii) Salary growth (per annum)	7.00%	—	7.00%	—
iii) Withdrawal rate (Per annum)	1.00%	—	1.00%	—
iv) Expected return on Plan Assets	8.50%	—	—	—
v) Mortality rates: Indian Assured Lives (2006-08)	Ultimate	—	Ultimate	—

SIGNATURES TO NOTES '1' TO '23'

As per our report of date attached

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

Y. P. SHUKLA
Proprietor

MADHU DUBHASHI
Director

VINAY JADHAV
Company Secretary

H. P. BIRLA
Chief Financial Officer

On behalf of the Board,

A. K. JATIA
Chairman

V. P. LEEKHA
Managing Director

Mumbai, Dated : 28th May, 2016

Mumbai, Dated : 28th May, 2016

FORM MGT-11**Proxy Form**

Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration Rules, 2014)

Name of the member (s) : **PUDUMJEE PAPER PRODUCTS LIMITED CIN: U21098PN2015PLC153717,**
Registered office : **THERGAON, PUNE - 411 033.**

Name of the member (s) :	
Registered address :	
E-mail Id :	
Folio No./ Client Id/DPID :	

I/We, being the member (s) of Shares of the above named company, hereby appoint,

1. Name :
Address :
E-mail Id :
Signature : or failing him
2. Name :
Address :
E-mail Id :
Signature : or failing him
3. Name :
Address :
E-mail Id :
Signature :

as my/ our proxy to attend and vote (on a poll) for me/ us and on our behalf at the 2nd Annual General Meeting of the company, to be held on the Saturday, the 17th day of September, 2016 at 2.30 p.m. (ST) at the Registered Office of the Company at Thergaon, Pune 411 033 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No(s). (Please tick (✓) at appropriate box below)

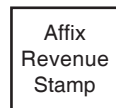
- | | |
|------------------------------------------------------------------------|--------------------------|
| 1. Adoption of Accounts & Reports of Directors & Auditors | <input type="checkbox"/> |
| 2. Appointment of Director retiring by rotation | <input type="checkbox"/> |
| 3. Declaration of Dividend | <input type="checkbox"/> |
| 4. Appointment of Auditors | <input type="checkbox"/> |
| 5. Appointment of Branch Auditor | <input type="checkbox"/> |
| 6. Appointment of Mr. Nandan Damani as an Independent Director | <input type="checkbox"/> |
| 7. Appointment of Mr. Vinod Kumar Beswal as an Independent Director | <input type="checkbox"/> |
| 8. Appointment of Mrs. Madhu Dubhashi as an Independent Director | <input type="checkbox"/> |
| 9. Approval to the remuneration of Managing Director, Mr. V. P. Leekha | <input type="checkbox"/> |

P. T. O.

- | | |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 10. Consent to the subsisting contracts already entered/to be entered into with Related Party(ies) | <input type="checkbox"/> |
| 11. Consent for acceptance of fixed deposits from Public/ Members | <input type="checkbox"/> |
| 12. Approval to the remuneration of Cost Auditors | <input type="checkbox"/> |
| 13. Alteration of Articles of Association of the Company | <input type="checkbox"/> |
| 14. Appointment of Mr. Basant Kumar Khaitan as an Independent Director | <input type="checkbox"/> |
| 15. Appointment of Dr. Ashok Kumar as a Director | <input type="checkbox"/> |
| 16. Appointment of Dr. Ashok Kumar as an Executive Director | <input type="checkbox"/> |
| 17. Determination of fees / Charges to be charged/recovered from shareholders for service of document in a particular mode. | <input type="checkbox"/> |

Signed this.....day of2016.

Signature of shareholder



Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



PUDUMJEE

PUDUMJEE PAPER PRODUCTS LIMITED

Registered Office: Thergaon, Pune - 411 033.

Tel: +91-20-30613333, **Fax:** +91-20-40773388

CIN: U21098PN2015PLC153717,

Website : www.pudumjee.com, **E-mail:** sk@pune.pudumjee.com

ATTENDANCE SLIP

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

1. Name and Registered Address of the sole / first :
named Shareholder
2. Name(s) of the Joint Shareholder(s) if any :
3. Name of Proxy (if any) :
4. Registered Folio No./DPID & Client ID No. :
5. Number of Shares held :

I hereby record my presence at the 2nd Annual General Meeting of the Company at its Registered Office at Thergaon, Pune 411 033, at 2.30 p.m. (ST) on Saturday, the 17th day of September, 2016.

Signature of the Member/Proxy

COURIER / REGD. POST

If undelivered, please return to :

Pudumjee Paper Products Limited
Thergaon, Pune - 411 033.