

**PUDUMJEE  
PAPER PRODUCTS  
LIMITED**



**PUDUMJEE**

**ANNUAL REPORT  
2019 - 2020**



## **PUDUMJEE PAPER PRODUCTS LIMITED**

### **DIRECTORS :**

A. K. JATIA (Executive Chairman)  
S. K. BANSAL  
V. K. BESWAL  
NANDAN DAMANI  
MRS. MADHU DUBHASHI  
DR. ASHOK KUMAR (Executive Director)  
B. K. KHAITAN  
V. P. LEEKHA (w.e.f. 27.07.2019)

### **BANKERS :**

STATE BANK OF INDIA  
IDBI BANK LIMITED  
YES BANK LIMITED  
THE SARASWAT CO-OPERATIVE BANK LIMITED

### **AUDITORS :**

J. M. AGRAWAL & CO.

### **REGISTERED OFFICE :**

THERGAON, PUNE 411 033.

### **REGISTRAR & TRANSFER AGENTS :**

KFIN TECHNOLOGIES PVT. LTD.,

### **UNIT : PUDUMJEE PAPER PRODUCTS LIMITED**

KARVY SELENIUM TOWER B, PLOT NO. 31 & 32,  
GACHIBOWLI, FINANCIAL DISTRICT, NANAKRAMGUDA,  
SERILINGAMPALLY, **HYDERABAD – 500 032.**

E-MAIL : EINWARD.RIS@KFINTECH.COM

### **DEMAT STOCK CODE :**

INE865T01018

### **EQUITY SHARES ARE LISTED AT :**

BSE LTD. (SCRIP CODE : 539785) AND

NATIONAL STOCK EXCHANGE OF INDIA LTD. (SYMBOL : PDMJEPAPER)



## NOTICE

The **Sixth** Annual General Meeting of the Shareholders of Pudumjee Paper Products Limited will be held on Thursday, the 20<sup>th</sup> day of August, 2020 at 3:00 p.m. (IST) through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”) without physical presence of the Shareholders at a common venue, to transact the following businesses.

### ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 comprising the Audited Balance Sheet as at 31<sup>st</sup> March, 2020 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 and 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 the Interim Dividend paid during 2019-20 on equity shares of the Company as a Final Dividend for the year 2019-20.
- 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 the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. J. M. Agrawal & Company, Chartered Accountants (Firm Registration No. 100130W), the Auditors of the Company made vide Shareholders’ Resolution passed in 3<sup>rd</sup> Annual General Meeting held on 22<sup>nd</sup> July, 2017, from the conclusion of this (6<sup>th</sup>) Annual General Meeting till the conclusion of next (7<sup>th</sup>) Annual General Meeting of the Company be and is hereby ratified on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee”.

### SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the 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/arrangements already entered into or to be entered into and further authorized to deal in related party transaction(s) as under:

**PUDUMJEE PAPER PRODUCTS LIMITED**

<b>Sr. No.</b>	<b>Name of the Related Party</b>	<b>Nature of Transactions</b>	<b>Aggregate Amount (₹)</b>	<b>Duration of Agreement/ Contract</b>
1.	AMJ Land Holdings Limited	Leave and License Agreement for accepting portion approximately 29 acres of land located at Thergaon, Pune – 411033 for the purpose of carrying of business.	Monthly license fee of ₹ 10,00,000/- (plus applicable taxes, if any) plus a one time increase not exceeding 5% after 1 year during the license period as may be mutually agreed between the parties.	5 years commencing from 01 <sup>st</sup> February, 2021 to 31 <sup>st</sup> January, 2026.
		Leave and License Agreement for accepting portion approximately 3,000 sq. mtrs. located at Thergaon, Pune – 411033 for 100 KVA setup.	Monthly license fee of ₹ 3,22,800/- (plus applicable taxes, if any) plus a one time increase not exceeding 5% after 1 year during the license period as may be mutually agreed between the parties.	5 years commencing from 01 <sup>st</sup> February, 2021 to 31 <sup>st</sup> January, 2026.
		Purchase of Renewable Energy Certificate (REC) or payment in lieu thereof.	Aggregate Consideration not exceeding ₹ 100 Lakhs per Financial Year.	Continuous Arrangement
		Arrangement/Contract/ Agreement for Accepting/ Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs  Rate of Interest: Upto 12.00% p.a. but not less than 10.00% p.a.	Repayable On Demand  Continuous Arrangement
		Arrangement/Contract/ Agreement for Sale of tissue papers, Napkins, Towels, etc. at Market based rates.	About ₹ 10 Lakhs for each financial year.	Continuous arrangement.
		Arrangement for providing and sharing the Common Services (such as telephone, electricity, Computer etc.)	About ₹15 Lakhs for each financial year on cost basis.	Continuous arrangement.
2.	3P Land Holdings Limited	Arrangement/Contract/ Agreement for Accepting/ Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs. Rate of Interest: Upto 12.00% p.a. but not less than 10.00% p.a.	Repayable On Demand
		Arrangement for providing and sharing the Common Services (such as telephone, electricity, Computer etc.)	About ₹ 5 Lakhs for each financial year on cost basis	Continuous Arrangement

Sr. No.	Name of the Related Party	Nature of Transactions	Aggregate Amount (₹)	Duration of Agreement/ Contract
3.	Thacker and Company Limited	Arrangement/Contract/ Agreement for Accepting/ Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs.  Rate of Interest: Upto 12.00% p.a. but not less than 10.00% p.a.	Repayable On Demand  Continuous Arrangement
4.	Chem Mach Private Limited	Arrangement/Contract/ Agreement for Accepting/ Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs  Rate of Interest: Upto 12.00% p.a. but not less than 10.00% p.a.	Repayable On Demand  Continuous Arrangement
5.	Pudumjee Plant Laboratories Limited	Arrangement/Contract/ Agreement for Accepting/ Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 1,000 Lakhs  Rate of Interest: Upto 12.00% 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”.

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

“RESOLVED THAT, in partial modification of Special Resolution passed at 5<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> July, 2019 and pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of Central Government, if necessary and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, the Consent of the Shareholders of the Company be and is hereby accorded to the following components of revised Remuneration, benefits and amenities, paid/ payable to Mr. Arunkumar Mahabirprasad Jatia (DIN : 01104256), Whole-time Director, designated as Executive Chairman as under:

- 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 ₹ 10,00,000/- (Rupees Ten Lakhs Only) per month w.e.f. 01<sup>st</sup> December, 2019 upto 31<sup>st</sup> March, 2020 and at the rate of ₹ 11,59,000/- (Rupees Eleven Lakhs Fifty Nine Thousand Only) per month thereafter till 31<sup>st</sup> July, 2021.
- Company's contribution to Provident Fund and Superannuation Scheme. However, such contribution in aggregate, from 01<sup>st</sup> April, 2020 shall not exceed ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand Only) in a year.

The other components of remuneration, terms and conditions as set out in the Special Resolution passed by Shareholders at 5<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> July, 2019 remaining unaltered.”

- 7) 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 188 and other applicable provisions of the Companies Act, 2013 and rules made thereunder and in terms of applicable provisions of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications re-enactment thereof for the time being in force, the consent of the Shareholders of the Company be and is hereby accorded to re-appointment of Ms. Vrinda Jatia, as Vice President (Market Research and Development) for a period of 2 years w.e.f. 01.04.2020 on the following terms and conditions:-

- a) Consolidated Salary: ₹ 1,80,000/- (Rupees One Lakh Eighty Thousand Only) per month.
- b) House Rent Allowance: ₹ 1,20,000/- (Rupees One Lakh Twenty Thousand Only) per month.
- c) Exclusive use of chauffeur driven car for business/official as well as for her personal use."

- 8) 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 Shareholders 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 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".

- 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 Section 185 and other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder, the Board of Directors of the Company be and is hereby authorised:

- To advance any loan including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested (i.e. including any private Company of which any such Director is a Director or member, any body corporate at a general meeting of which not less than twenty-five percent of the total voting power may be exercised or controlled by any such Director, Managing Director or Manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any Director or Directors, of the lending Company), provided that such loans are utilised by the borrowing Company for its principal business activities and in particular to the following Companies in which one or more Director(s) may be deemed to be interested on the terms and conditions stated against their respective names:

Sr. No.	Name of the Company	Amount not exceeding of ₹	Rate of Interest for Loan p.a.	Commission for Corporate Guarantee p. a.	Term
1.	Pudumjee Plant Laboratories Limited	₹ 10 Crores	Upto 12.00% p.a. but not less than 10.00% p.a.	Nil	Repayable on Demand
2.	3P Land Holdings Limited	₹ 40 Crores	Upto 12.00% p.a. but not less than 10.00% p.a.	Nil	Repayable on Demand
3.	Thacker and Company Limited	₹ 40 Crores	Upto 12.00% p.a. but not less than 10.00% p.a.	Nil	Repayable on Demand
4.	AMJ Land Holdings Limited	₹ 40 Crores	Upto 12.00% p.a. but not less than 10.00% p.a.	Nil	Repayable on Demand
5.	Chem Mach Private Limited	₹ 40 Crores	Upto 12.00% p.a. but not less than 10.00% p.a.	Nil	Repayable on Demand



RESOLVED FURTHER THAT, the Board be and is hereby authorised to finalise, sanction and disburse the said loan(s), guarantee(s) and security and also to delegate all or any of the above powers to Committee of Directors or any Director(s) of the Company and generally to do all acts, deeds and things that may be deemed necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

- 10) 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 to time, the Company hereby approves the remuneration of ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand only) to Mr. Narhar K. Nimkar (Membership No. F-6493), Cost Accountant in Practice, who has been appointed by the Board of Directors of the Company as the Cost Auditor of the Company, to conduct the audit of the Cost Records of the Company relating to “PAPER” for the Financial Year ending 31<sup>st</sup> March, 2020.”

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

“RESOLVED THAT, in partial modification of Special Resolutions passed at 2<sup>nd</sup> Annual General Meeting held on 17<sup>th</sup> September, 2016 and at 5<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> July, 2019 and pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of Central Government, if necessary and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, the Consent of the Shareholders of the Company be and is hereby accorded to the following components of revised Remuneration, benefits and amenities, paid/payable to Dr. Ashok Kumar (DIN : 07111155), Executive Director, with effect from 01<sup>st</sup> April, 2020 till the remainder of his term of appointment, that is, 27<sup>th</sup> May, 2021 as under:

- Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation OR an allowance in lieu thereof at the rate of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month.
- Participation in the Provident Fund and Superannuation Scheme, subject, however, that the Company's contribution in aggregate, shall not exceed ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand Only) in a year.

The other components of remuneration, terms and conditions as set out in the Special Resolution passed by Shareholders at their 2<sup>nd</sup> & 5<sup>th</sup> Annual General Meetings held on 17<sup>th</sup> September, 2016 and 27<sup>th</sup> July, 2019 respectively remaining unaltered.”

**Notes:**

- 1) The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the above Item Nos. 5 to 11 is annexed hereto.
- 2) In view of the continuing Covid-19 pandemic and restrictions on the movements apart from social distancing, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5<sup>th</sup> May, 2020 read with circulars dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 (collectively referred to as “MCA Circulars”) and SEBI

vide its Circular dated 12<sup>th</sup> May, 2020 permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC" or "OAVM"), without requiring the physical presence of the Shareholders at a common venue.

- 3) In compliance with the applicable provisions of the Companies Act, 2013 read with the MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 06<sup>th</sup> Annual General Meeting of the Company is being conducted through Video Conferencing ("VC") (hereinafter referred to as "AGM" or "e-AGM"). The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the "AGM" or "e-AGM".
- 4) e-AGM: The Company has appointed National Securities Depository Limited (NSDL) to provide Video Conferencing facility for the e-AGM.
- 5) PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE E-AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.
- 6) Institutional Shareholders / Corporate 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., authorising its representative to attend the e-AGM on its behalf and to vote through remote e-voting or during the e-AGM. The said Board Resolution/Authorisation shall be sent to the Scrutinizer through registered e-mail address to [savitajyotiassociates05@gmail.com](mailto:savitajyotiassociates05@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 7) The Members can join the e-AGM through Video Conferencing 15 minutes before and after the scheduled time of the commencement of the e-AGM by following the procedure mentioned in the Notice. As per the MCA Circular, the facility of participation at the e-AGM through VC will be available for 1,000 members on a first-Come First-served basis. However, this restriction shall not apply to Large Shareholders (Shareholders holding 2% or more Shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
- 8) The Members attending the AGM through Video Conferencing shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 9) In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the e-AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice calling the AGM and the Annual Report 2019-20 will also be available on the Company's website [www.pudumjee.com](http://www.pudumjee.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 10) Since the AGM will be held through VC, the Route Map is not annexed to this Notice.
- 11) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company mentioning their name, demat account number/folio number, email id, mobile number on or before 12<sup>th</sup> August, 2020 through email on [investors.relations@pudumjee.com](mailto:investors.relations@pudumjee.com) / [vinay.jadhav@pudumjee.com](mailto:vinay.jadhav@pudumjee.com). The same will be replied by the Company suitably.

- 12) The Register of Members and Transfer Books of the Company will be closed from Saturday, the 08<sup>th</sup> day of August, 2020 to Thursday, the 20<sup>th</sup> day of August, 2020 (both days inclusive).
- 13) Members are requested to write/intimate to Company's Registrar and Share Transfer Agent, changes in their registered addresses, profile details, if any, for sending future communication(s), any query in connection with claim of the unclaimed and unpaid dividends, etc.
- 14) Documents referred to in the Notice and the explanatory statement shall be available for inspection by the Members through e-mail. The Members are requested to send an e-mail to [investors.relations@pudumjee.com](mailto:investors.relations@pudumjee.com) for the same.
- 15) Register of Directors and Key Managerial Personnel and their Shareholding and Register of Contracts or arrangements in which directors are intersted, will be available for inspection by the Members through e-mail. The Members are requested to send an e-mail to [investors.relations@pudumjee.com](mailto:investors.relations@pudumjee.com) for the same.
- 16) As per Regulation 40 of the SEBI Listing Regulations, as amended securities of listed companies can be transferred only in dematerialised form with effect from 01<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to convert their holdings to dematerialised form. Members can contact the Company or Company's Registrar and Share Transfer Agent for assistance in this regard.
- 17) 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 Share Transfer Agent by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
- 18) 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 address, 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 e-mail address may request the Company to receive Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode by registering their valid e-mail address with the Company / Registrar and Share Transfer Agents.

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 KFin Technologies Pvt. Ltd., (in case of Shares held in physical form).

- 19) Instructions for voting through e-voting and joining the e-AGM as follows:

**A. Voting through electronic means:**

- Pursuant to provision 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 the Companies (Management and Administration) Rules, 2016 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 Annual General Meeting ("remote e-voting") will be provided by NSDL appointed for the purpose by the Company as authorised agency. Remote e-voting is optional.

- The Remote e-voting period commences on Monday, the 17<sup>th</sup> August, 2020 (9:00 a.m. IST) and ends on Wednesday, the 19<sup>th</sup> August, 2020 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 13<sup>th</sup> August, 2020, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- The Members 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 vote again.
- The voting rights of Members shall be in proportion to their shares held in the paid up equity share capital of the Company as on 13<sup>th</sup> August, 2020.

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

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii) In case you have not registered your email address with the Company/Depository, please follow instructions mentioned below in this notice.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will be required to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**B. Voting at the e-AGM:**

- i. The procedure for e-Voting on the day of the e-AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those Members/Shareholders, who will be present in the e-AGM through Video Conferencing facility and have not casted vote through remote e-Voting are eligible to vote through e-Voting at the e-AGM.
- iii. However, Members/Shareholders, who have voted through Remote e-Voting will be eligible to attend the e-AGM.

**C. General guidelines for Members:**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
2. In case of any queries relating to e-voting you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)  
In case of any grievances in connection with the facility for e-voting, please contact with Mr. Amit Vishal, Manager, NSDL, e-mail: [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) Tel.: 022-24994360 / Toll free no.: 1800-222-990 or Ms. Megha Malviya, Assistant Manager, NSDL, e-mail: [megham@nsdl.co.in](mailto:megham@nsdl.co.in) Tel.: 022-42165335 / Toll free no.: 1800-222-990 4<sup>th</sup> Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

**Process for registration of email address for obtaining Annual Report and user id / password for e-voting:**

Physical Holding	Send a request to the Registrar and Share Transfer Agent of the Company, KFin Technologies Private Limited at <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> providing Folio Number, Name of Shareholder, scanned copy of the Share Certificate (front and back side), PAN (self at tested scanned copy of PAN Card), AADHAR (self attested scanned copy of Aadhar Card) for registering e-mail address.
Demat Holding	Please contact with your Depository Participant (DP) and register your email address, as per the process advised by your DP.

**D. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

Please note that the members who do not have the User ID and Password for e-Voting or have

forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further Members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/have questions with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company mentioning their name, demat account number/folio number, email id, mobile number on or before 12<sup>th</sup> August, 2020 through email on [investors.relations@pudumjee.com](mailto:investors.relations@pudumjee.com) / [vinay.jadhav@pudumjee.com](mailto:vinay.jadhav@pudumjee.com). Members may also ask their questions at the meeting by using the chat box facility. The questions received will be replied at AGM or replied individually through email as may be decided by the Chairman.
6. In case of any queries connected with attending AGM through VC, please contact with Mr. Amit Vishal, Manager, NSDL, e-mail: [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) Tel.: 022-24994360 / Toll free no.: 1800-222-990 or Ms. Megha Malviya, Assistant Manager, NSDL, e-mail: [megham@nsdl.co.in](mailto:megham@nsdl.co.in) Tel.: 022-42165335 / Toll free no.: 1800-222-990 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

#### **E. Other Instructions:**

1. Mrs. Savita Jyoti, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process and voting at the e-AGM in a fair and transparent manner.
2. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, 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 than 48 hours 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.
3. The results declared alongwith the Scrutiniser's Report shall be placed on the Company's website [www.pudumjee.com](http://www.pudumjee.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and communicated to the Stock Exchanges.

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: L21098PN2015PLC153717  
Website : [www.pudumjee.com](http://www.pudumjee.com)  
12<sup>th</sup> June, 2020

## 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 Item No(s). 5 to 11 under Special Business in the accompanying Notice dated 12<sup>th</sup> June, 2020 convening the Annual General Meeting.

#### ITEM NO. 5

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

AMJ Land Holdings Limited (AMJLAND), 3P Land Holdings Limited (3PLHL), Thacker and Company Limited (TCL), Chem Mach Private Limited (CMPL) and Pudumjee Plant Laboratories Limited (PPLL) are related parties by virtue of below mentioned criteria:

Sr. No.	Name of the Related Party	Nature of Transaction(s)	Aggregate Amount (₹)	Interested Director(s)
1.	AMJ Land Holdings Limited	Leave and License Agreement for accepting portion approximately 29 acres of land located at Thergaon, Pune – 411033 for the purpose of carrying of business.	Monthly license fee of ₹10,00,000/- (plus applicable taxes, if any) plus a one time increase not exceeding 5% after 1 year during the license period as may be mutually agreed between the parties.	Common Directors are Mr. A. K. Jatia, Mr. S. K. Bansal and Dr. Ashok Kumar. Mr. A. K. Jatia along with his relatives holds more than 2% of paid up share capital of the Company.
		Leave and License Agreement for accepting portion approximately 3,000 sq. mtrs. located at Thergaon, Pune – 411033 for 100 KVA setup.	Monthly license fee of ₹ 3,22,800/- (plus applicable taxes, if any) plus a one time increase not exceeding 5% after 1 year during the license period as may be mutually agreed between the parties.	
		Purchase of Renewable Energy Certificate (REC) or payment in lieu thereof.	Aggregate Consideration not exceeding ₹ 100 Lakhs per Financial Year.	
		Arrangement/Contract/Agreement for Accepting/Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs Rate of Interest: Upto 12.00% p.a. but not less than 10.00% p.a.	
		Arrangement/Contract/Agreement for Sale of tissue papers, Napkins, Towels, etc. at Market based rates.	About ₹ 10 Lakhs for each financial year.	
		Arrangement for providing and sharing the Common Services (such as telephone, electricity, Computer etc.)	About ₹ 15 Lakhs for each financial year on cost basis.	
2.	3P Land Holdings Limited	Arrangement/Contract/Agreement for Accepting/Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs. Rate of Interest: Upto 12.00% p.a. but not less than 10.00% p.a.	Mr. A. K. Jatia along with his relatives holds more than 2% of paid up share capital of the Company.



Sr. No.	Name of the Related Party	Nature of Transaction(s)	Aggregate Amount (₹)	Interested Director(s)
		Arrangement for providing and sharing the Common Services (such as telephone, electricity, Computer etc.)	About ₹ 5 Lakhs for each financial year on cost basis	
3.	Thacker and Company Limited	Arrangement/Contract/Agreement for Accepting/Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs.  Rate of Interest: Upto 12.00% p.a. but not less than 10.00% p.a.	Common Directors are Mr. A. K. Jatia and Mr. S. K. Bansal. Mr. A. K. Jatia alongwith his relatives holds more than 2% of paid up share capital of the Company.
4.	Chem Mach Private Limited	Arrangement/Contract/Agreement for Accepting/Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs  Rate of Interest: Upto 12.00% p.a. but not less than 10.00% p.a.	Mr. A. K. Jatia, Common Director and his relatives holds more than 2% of paid up share capital of the Company.
5.	Pudumjee Plant Laboratories Limited	Arrangement/Contract/Agreement for Accepting/Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 1,000 Lakhs.  Rate of Interest: Upto 12.00% p.a. but not less than 10.00% p.a.	Common Directors are Mr. A. K. Jatia and Mr. S. K. Bansal. Mr. A. K. Jatia alongwith his relatives holds more than 2% of paid up share capital of the Company.

Except above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in the proposed Ordinary Resolution.

The Resolution at Item No. 5 of the Notice is recommended by the Board to be passed as an Ordinary Resolution.

#### ITEM NO. 6

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, at its meeting held on 21<sup>st</sup> July, 2018 appointed Mr. Arunkumar Mahabirprasad Jatia as a Whole-Time Director designated as Executive Chairman of the Company for a period of 5 years with effect from 01<sup>st</sup> August, 2018. The said appointment and payment of remuneration to him for a period of three years was also approved by the Shareholders at the 5<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> July, 2019.

Mr. Arunkumar Mahabirprasad Jatia (Age: 57 years) is B.S. (Finance and Business Economics from University of Southern California - USA and an Alumni of Harvard Business School and has over 37 years experience in Business Administration and Finance and Foreign Trade. Mr. Jatia possesses natural managerial talent with progressive outlook.

The Nomination and Remuneration Committee had at its meetings held on 02<sup>nd</sup> November, 2019 and 12<sup>th</sup> June, 2020 approved a revision in two of the components, detailed below, of remuneration payable to Mr. Arunkumar Mahabirprasad Jatia and recommended the same to the Board of Directors.

Relevant Components of existing remuneration as approved by Shareholders at the 5 <sup>th</sup> Annual General Meeting held on 27 <sup>th</sup> July, 2019	Proposed revision in components of Remuneration of Mr. Arunkumar Mahabirprasad Jatia
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.	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 ₹10,00,000/- (Rupees Ten Lakhs Only) per month w.e.f. 01 <sup>st</sup> December, 2019 upto 31 <sup>st</sup> March, 2020 and at the rate of ₹ 11,59,000/- (Rupees Eleven Lakhs Fifty Nine Thousand Only) thereafter till 31 <sup>st</sup> July, 2021.
Company's contribution to Provident Fund and Pension /Superannuation Fund as per Company's Rules.	Company's contribution to Provident Fund and Superannuation Scheme. However, such contribution in aggregate, from 01 <sup>st</sup> April 2020 shall not exceed ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand Only) in a year.

The Board of Directors by a resolution passed on 02<sup>nd</sup> November, 2019 and 12<sup>th</sup> June, 2020 has approved the revision in remuneration payable to Mr. Arunkumar Mahabirprasad Jatia, Executive Chairman.

The revision in remuneration of Mr. Arunkumar Mahabirprasad Jatia as stated above is subject to the approval of the Members and of the Central Government / other Statutory Authorities, if required. All other components of remuneration, terms and conditions as set out in the Special Resolution passed by Shareholders at 5<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> July, 2019 remain unchanged.

Except Mr. Arunkumar Mahabirprasad Jatia, who together with his children hold in aggregate 42,06,950 shares of the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in the proposed Special Resolution as set out in Item No. 6 of this Notice.

The Resolution as set out in Item No. 6 of the Notice is recommended by the Board to be passed as a Special Resolution.

#### **ITEM NO. 7**

The Board of Directors of the Company had appointed Ms. Vrinda Jatia as Vice President (Market Research and Development) for a period of 2 years with effect from 01<sup>st</sup> April, 2018 which period is completed on 31<sup>st</sup> March, 2020.

The Management now proposes to re-appoint Ms. Vrinda Jatia as Vice President (Market Research and Development) for a further period of 2 years with effect from 01<sup>st</sup> April, 2020 on payment of remuneration and other benefits as given in the accompanying resolution. Ms. Vrinda Jatia is a Bachelor in Science, possesses experience in business and foreign trade. Ms. Vrinda Jatia is a daughter of Mr. Arunkumar Mahabirprasad Jatia, the Executive Chairman & Promoter of the Company.

The Nomination and Remuneration Committee, the Audit Committee and the Board of Directors at their meetings held on 31<sup>st</sup> January, 2020 has considered and approved the re-appointment of Ms. Vrinda Jatia as Vice President (Market Research and Development) of the Company for a period of 2 years w.e.f. 01<sup>st</sup> April, 2020, subject to the approval of the Shareholders by way of an Ordinary Resolution.

Apart from Mr. Arunkumar Mahabirprasad Jatia who would be interested in the re-appointment and remuneration of Ms. Vrinda Jatia, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolution.

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 or transaction exceeding such sums as may be prescribed shall require approval of the Shareholders.

Accordingly, the Resolution at Item No. 7 of the Notice is recommended by the Board to be passed as an Ordinary Resolution by the Shareholders.

**ITEM NO. 8**

The Board of Directors at their meeting held on 12<sup>th</sup> June, 2020 approved and recommended the invitation and acceptance of fixed deposits from the public in general pursuant to the Sections 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 to meet the working capital needs.

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 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, monetarily or otherwise in the proposed Special Resolution as set out in Item No. 8 of this Notice.

The Resolution at Item No. 8 of the Notice is recommended by the Directors to be passed as a Special Resolution.

**ITEM NO. 9**

The Company proposes to provide guarantees, advance Inter-Corporate Deposits/Loans to Pudumjee Plant Laboratories Limited (PPLL), 3P Land Holdings Limited (3PLHL), Thacker and Company Limited (TCL), AMJ Land Holdings Limited (AMJLAND) and Chem Mach Private Limited (CMPL) for the purpose of meeting their day to day working capital requirements as and when necessary and deemed fit by the Board of the Company, to these related parties with respect to the Company by virtue of below mentioned criteria:

<b>Name of the Company</b>	<b>Interested Director</b>
Pudumjee Plant Laboratories Limited	Mr. A. K. Jatia – Common Directorship and he alongwith his relatives holds more than 2% of paid up share capital of the Company. Mr. S. K. Bansal – Common Directorship
3P Land Holdings Limited	Mr. A. K. Jatia - He alongwith his relatives holds more than 2% of paid up share capital of the Company.
Thacker and Company Limited	Mr. A. K. Jatia – Common Directorship and he alongwith his relatives holds more than 2% of paid up share capital of the Company. Mr. S. K. Bansal – Common Directorship
AMJ Land Holdings 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 Dr. Ashok Kumar - Common Directorship
Chem Mach Private Limited	Mr. A. K. Jatia - Common Directorship and his relatives holds more than 2% of paid up share capital of the Company.

The provisions of Section 185 of the Companies Act, 2013, mandates that such Guarantees, Inter-Corporate Deposits/Loans can be granted if a Special Resolution at the General Meeting of the Shareholders is passed.

The required particulars as per proviso to (a) of Section 185(2) are given hereunder.

## PUDUMJEE PAPER PRODUCTS LIMITED

The required particulars as per proviso to (a) of Section 185(2) are given hereunder.

Name of the Company	Loans Amount/ Guarantee proposed to be given by the Company not exceeding of ₹	Purpose for which the Inter-Corporate Deposits/Loans / Guarantee is proposed to be utilised
Pudumjee Plant Laboratories Limited	₹ 10 Crores	To meet day to day working capital requirements of the Company.
3P Land Holdings Limited	₹ 40 Crores	To meet day to day working capital requirements of the Company.
Thacker and Company Limited	₹ 40 Crores	To meet day to day working capital requirements of the Company.
AMJ Land Holdings Limited	₹ 40 Crores	To meet day to day working capital requirements of the Company.
Chem Mach Private Limited	₹ 40 Crores	To meet day to day working capital requirements of the Company.

Except Mr. A. K. Jatia and his relative(s), Mr. S. K. Bansal and Dr. Ashok Kumar none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in the proposed Special Resolution.

The Resolution at Item No. 9 of the Notice is recommended by the Board to be passed as a Special Resolution.

### ITEM NO. 10

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 Mr. Narhar K. Nimkar the Cost Accountant to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 at a remuneration of ₹ 2,50,000/- (Rupees Two Lakhs FiftyThousand Only) for the Financial Year ending 31<sup>st</sup> March, 2020.

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 Shareholders 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. 10 of the Notice is recommended by the Directors to be passed as an Ordinary Resolution.

### ITEM NO. 11

Dr. Ashok Kumar, is an Executive Director of the Company and was last appointed for a period of 5 years with effect from 28<sup>th</sup> May, 2016 and the remuneration and other benefits were fixed for a period till remainder of his term of appointment.

Dr. Ashok Kumar (Age: 64 years) 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 Nomination and Remuneration Committee had at its meeting held on 12<sup>th</sup> June, 2020 approved a revision in two of the components, detailed below, of remuneration payable to Dr. Ashok Kumar and recommended the same to the Board of Directors.

Relevant Components of existing remuneration as approved by Shareholders at the 2 <sup>nd</sup> & 5 <sup>th</sup> Annual General Meeting held on 17 <sup>th</sup> September, 2016 & 27 <sup>th</sup> July, 2019 respectively.	Proposed revision in components of Remuneration of Dr. Ashok Kumar w.e.f. 01 <sup>st</sup> April, 2020
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 ₹1,85,000/- (Rupees One Lakh Eighty Five Thousand Only) per month.	Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation OR an allowance in lieu thereof at the rate of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month.
Participation in the Provident Fund and Pension/ Superannuation Scheme.	Participation in the Provident Fund and Superannuation Scheme, subject, however, that the Company's contribution in aggregate, shall not exceed ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand Only) in a year.

The Board of Directors by a resolution passed on 12<sup>th</sup> June, 2020 has approved the revision in remuneration payable to Dr. Ashok Kumar, Executive Director.

The revision in remuneration of Dr. Ashok Kumar as stated above is subject to the approval of the Members and of the Central Government / other Statutory Authorities, if required. All other components of remuneration, terms and conditions as set out in the Special Resolution passed by Shareholders at their 2<sup>nd</sup> & 5<sup>th</sup> Annual General Meetings held on 17<sup>th</sup> September, 2016 and 27<sup>th</sup> July, 2019 respectively remain unchanged.

Except Dr. Ashok Kumar, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in the proposed Special Resolution as set out in Item No. 11 of this Notice.

The Resolution as set out in Item No. 11 of the Notice is recommended by the Board to be passed as a Special 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: L21098PN2015PLC153717  
Website : [www.pudumjee.com](http://www.pudumjee.com)  
12<sup>th</sup> June, 2020

### ANNEXURE TO AGM NOTICE

The Statement of disclosures pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings, is as under:

<b>Name of the Director</b>	<b>Mr. Surendra Kumar Bansal</b>
DIN	00031115
Date of Birth	19.12.1959
Qualification	B.com, A.C.A., A.C.S.
Brief Resume and Expertise in specific functional area of the Director	Mr. Bansal has a wide and varied experience in finance, accounts, corporate laws and taxation matters.
Date of appointment in the Current Designation	14.01.2015
Shareholding in the Company	Nil
Directorships in other Companies	<b>Listed Companies:</b> 1. Thacker and Company Limited 2. AMJ Land Holdings Limited  <b>Unlisted Companies:</b> 1. Pudumjee Plant Laboratories Limited 2. Pudumjee Investment and Finance Company Limited 3. Fujisan Technologies Limited
Memberships/ Chairmanship of Committees of Other Companies*	<b>Listed Companies:</b> 1. AMJ Land Holdings Limited: a. Stakeholders Relationship Committee - Member
Inter-se relationship between Directors and other Key Managerial Personnel	He is not related with any Director and Key Managerial Personnel of the Company.
Number of Meetings of the Board attended during the financial year 2019-20	5
Details of remuneration last drawn during the financial year 2019-20	NIL

\* Committees considered are Audit and Stakeholders Relationship Committee.

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. Arunkumar Mahabirprasad Jatia, Executive Chairman 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	<div>Year ending 31<sup>st</sup> March, 2020 (₹ in Lakhs)</div> <table><tr><td>Effective Capital</td><td>₹ 11,570.87</td></tr><tr><td>Turnover</td><td>₹ 60,448.22</td></tr><tr><td>Profit Before Tax</td><td>₹ 4,105.13</td></tr><tr><td>Profit after Tax</td><td>₹ 2,721.25</td></tr><tr><td>Interim Dividend</td><td>20%</td></tr><tr><td>Reserves (excluding revaluation reserve)</td><td>₹ 9,100.68</td></tr></table>	Effective Capital	₹ 11,570.87	Turnover	₹ 60,448.22	Profit Before Tax	₹ 4,105.13	Profit after Tax	₹ 2,721.25	Interim Dividend	20%	Reserves (excluding revaluation reserve)	₹ 9,100.68
Effective Capital	₹ 11,570.87												
Turnover	₹ 60,448.22												
Profit Before Tax	₹ 4,105.13												
Profit after Tax	₹ 2,721.25												
Interim Dividend	20%												
Reserves (excluding revaluation reserve)	₹ 9,100.68												
Foreign investments or collaborators, if any.	Not Applicable												
II. INFORMATION ABOUT THE APPOINTEE:													
Name of the Appointee	Mr. Arunkumar Mahabirprasad Jatia	Dr. Ashok Kumar											
Background details	<p>Mr. Arunkumar Mahabirprasad Jatia, is a Promoter Director and Chairman of the Company since the year 2015. He is appointed as 'Whole-Time Director' designated as 'Executive Chairman' of the Company with effect from 01<sup>st</sup> August, 2018. Mr. Jatia is B.S. (Finance and Business Economics from University of Southern California - USA and an Alumni of Harvard Business School and has over 37 years experience in Business Administration and Finance and Foreign Trade.</p> <p>The Board of Directors and its Nomination and Remuneration Committee has considered and approved a revision in two of the components of remuneration payable to Mr. Arunkumar Mahabirprasad Jatia as given in the accompanying resolution.</p>	<p>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.</p> <p>The Board of Directors and its Nomination and Remuneration Committee has considered and approved a revision in two of the components of remuneration payable to Dr. Ashok Kumar as given in the accompanying resolution.</p>											
Past remuneration	Remuneration at the rate of ₹ 10,05,000/- per month (including Dearness Allowance) Break up per month: Remuneration ₹ 10,05,000/- + Perquisites (including contribution to provident fund and superannuation scheme) ₹ 4,47,490/- (i.e. total yearly remuneration ₹ 1,74,29,880/-).	Remuneration at the rate of ₹ 5,82,000/- per month (including Dearness Allowance).											

		Break up per month: Remuneration ₹ 5,82,000/-+ House Rent Allowance ₹1,85,000/- + perquisites (including contribution to provident fund and superannuation scheme) ₹1,44,939/- (i.e., total yearly remuneration ₹ 1,09,43,268/-).
Recognition or awards	NIL	NIL
Job profile and his suitability	As a Director of the Company since 2015, Mr. Jatia has had a vast and wide experience of business administration and finance and foreign trade for over 37 years and is a promoter Director.  He is responsible for overall day to day operations of the Company under the supervision, control and guidance of the Board of Directors of the Company.	He is responsible for overall day to day operations of the Company under the supervision and control of Executive Chairman and the Board of Directors of the Company.
Remuneration proposed	<p><b>Proposed revision in components of Remuneration of Mr. Arunkumar Mahabirprasad Jatia:</b></p> <ul style="list-style-type: none"> <li>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 ₹10,00,000/- (Rupees Ten Lakhs Only) per month w.e.f. 01<sup>st</sup> December, 2019 upto 31<sup>st</sup> March, 2020 and at the rate of ₹ 11,59,000/- (Rupees Eleven Lakhs Fifty Nine Thousand Only) thereafter till 31<sup>st</sup> July, 2021.</li> <li>Company's contribution to Provident Fund and Superannuation Scheme. However, such contribution in aggregate, from 01<sup>st</sup> April 2020 shall not exceed ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand Only) in a year.</li> </ul> <p>All other components of remuneration, terms and conditions as set out in the Special Resolution passed by Shareholders at 5<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> July, 2019 remain unchanged.</p>	<p><b>Proposed revision in components of Remuneration of Dr. Ashok Kumar:</b></p> <ul style="list-style-type: none"> <li>Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation OR an allowance in lieu thereof at the rate of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month.</li> <li>Participation in the Provident Fund and Superannuation Scheme, subject, however, that the Company's contribution in aggregate, shall not exceed ₹7,50,000/- (Rupees Seven Lakhs Fifty Thousand Only) in a year.</li> </ul> <p>All other components of remuneration, terms and conditions as set out in the Special Resolution passed by Shareholders at their 2<sup>nd</sup> &amp; 5<sup>th</sup> Annual General Meetings held on 17<sup>th</sup> September, 2016 and 27<sup>th</sup> July, 2019 respectively remain unchanged.</p>
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
<b>III. Other information:</b>		
Reasons of loss or inadequate profits	The Company was incorporated on 14 <sup>th</sup> 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 achieved to be adequate for managerial remuneration.	
<b>IV. Disclosures:</b>	As indicated above Under II "INFORMATION ABOUT THE APPOINTEE."	

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: L21098PN2015PLC153717  
Website : [www.pudumjee.com](http://www.pudumjee.com)  
12<sup>th</sup> June, 2020

## DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the 6<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020. The accounts are prepared in accordance with the Companies (Indian Accounting Standards) Rule, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013.

### FINANCIAL RESULTS :

	<u>2019-2020</u> (₹ in Lakhs)	<u>2018-19</u> (₹ in Lakhs)
The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	<b>6,092.07</b>	4,082.88
<b>Less:</b>		
i) Finance cost	<b>769.33</b>	795.74
ii) Depreciation/Impairment	<b>1,217.61</b>	725.07
The net profit before Tax	<b>4,105.13</b>	2,562.07
<b>Less:</b>		
Provision for Current Tax	<b>702.00</b>	551.00
Provision/(Saving) for Deferred Taxation	<b>681.88</b>	336.83
<b>Net Profit After Tax</b>	<b>2,721.25</b>	1,674.24
<b>Add:</b>		
Other Comprehensive Income/(Expense) (Net of Tax)	<b>(133.82)</b>	37.55
The balance of Profit brought forward from last year	<b>6,018.89</b>	4,678.80
<b>Total</b>	<b>8,606.32</b>	6,390.59
<b>Less:</b>		
Dividend Paid on Equity Shares	<b>332.33</b>	142.43
Tax Paid on Dividend	<b>68.31</b>	29.27
Transfer to General Reserve	<b>200.00</b>	200.00
<b>Total</b>	<b>600.64</b>	371.70
<b>Balance proposed to be carried forward to next year's accounts</b>	<b>8,005.68</b>	<b>6,018.89</b>

### DIVIDEND :

The Board of Directors at their meeting held on 24<sup>th</sup> February, 2020 declared an Interim Dividend of ₹ 0.20/- per equity Shares of the face value of ₹ 1/- each aggregating to ₹ 1,89,90,000/- plus applicable taxes thereon based on the profitability during the current year 2019-20. In view of the current situation arising out of Novel Corona Virus, the Board proposed that Dividend during the year, as above, be declared as a Final Dividend for the year 2019-20.

### OPERATIONS :

The Directors have immense pleasure in reporting that during the year the Company has achieved record output at 68548 MTs of paper which is higher by about 8% over last year. The output would have been further higher by about 2000 MTs but for the Corona Virus induced 'shutdown' since 22<sup>nd</sup> March 2020. Consequently, the Company

also achieved higher revenue at ₹ 604.48 crores as against ₹ 589.52 crores last year. As a result, the EBITDA has also registered significant growth at ₹ 60.92 crores as against ₹ 40.83 crores last year, a rise of over 49%, which also includes gains made from higher productivity, judicious fibre management, cost reduction and lower pulp prices. The Profit Before Tax at ₹ 41.05 crores was also higher by about 60% over last year.

The Coater Project was installed and commissioned during the year. This project aimed to take the Company into “functionally coated” paper business for food baking/packaging applications, is gradually improving its capacity utilization.

The performance of Hygiene Products Division has, during the year, been steady and remained unaffected by the slowdown in the economy.

The sudden entry of Corona Virus into India has taken entire nation by surprise. The consequent nationwide ‘Lockdown’ has, severely disrupted economic activity in the short term and created uncertainty for the Medium Term. The production at its factory at Thergaon, Pune, remained suspended for 51 days during the first half of calendar year 2020, whereafter the production resumed in accordance with the conditions stipulated by the Government of Maharashtra while granting permission to it since 12<sup>th</sup> May, 2020. The production, whilst waiting for the demand to pickup is gradually increasing after the resumption and currently runs at about 50% capacity utilization. The Hygiene Products Division, which mainly focusses on institutional business is also witnessing similar trend which is currently operating at about 30% of normal level and is expected to gradually move upwards as demand picks up as more and more institutions reopen their establishments.

In view of prevailing uncertainty about growth in economy, the plans for relocation of Pune facility to Mahad and expansion thereof continues to be in abeyance. Consequently the Leave and Licence Agreement in terms of which the Company’s facility is located at Pune for the land and buildings owned by AMJ Land Holdings Ltd. (Formerly known as Pudumjee Pulp & Paper Mills Ltd.) proposed to be renewed for a further period of 5 years with effect from 1<sup>st</sup> February, 2021 on the terms and conditions which may be mutually acceptable to the said owner of the land and buildings. Accordingly a resolution is proposed at the ensuing Annual General Meeting, which the Directors commend for your approval.

#### **FIXED DEPOSITS :**

As informed to you earlier, pursuant to the Scheme of Arrangement and Reconstruction (Demerger) 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. 1<sup>st</sup> February, 2016.

With effect from 05<sup>th</sup> July, 2017 the Company has started to accept fresh/renewal of fixed deposits from the public and as on 31<sup>st</sup> March, 2020 stood at ₹ 2,818.55 Lakhs as against ₹ 2,863.27 Lakhs at the end of the previous year (i.e. Fixed Deposit Liability).

During the year, the Company has accepted/renewed such deposits aggregating to ₹ 6.75 Lakhs, and all the deposits falling due for repayment during the year were fully repaid on maturity except unclaimed deposits numbering 34 with an amount of ₹ 16.60 Lakhs as at the end of the year.

There were no over dues on account of principal or interest on public deposits other than the unclaimed deposits as at the year end and there have been no default in repayment of deposits or payment of interest there on. There are no deposits which are not in compliance with the requirements of Chapter V of the Act read with Companies (Acceptance of Deposits) Rules, 2014.

#### **AUDITORS :**

##### **i. STATUTORY AUDITORS :**

M/s. J. M. Agrawal & Co., Chartered Accountants, have been appointed as Statutory Auditors of the Company at the 3<sup>rd</sup> Annual General Meeting to hold office up to the conclusion of 8<sup>th</sup> Annual General Meeting. M/s. J. M. Agrawal & Co., have given their consent to act as the Auditors of the Company till conclusion of 8<sup>th</sup> Annual General Meeting. The Company has received a Certificate from M/s. J. M. Agrawal & Co., 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 appointment. The Shareholders will be required to ratify the appointment of the auditors and fix their remuneration at the ensuing Annual General Meeting.

There is no adverse remark or qualification in the Statutory Auditor's Report 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 2019-20. The Secretarial Audit Report for the financial year 2019-20 is annexed hereto as Annexure-1.

There is no adverse remark or qualification in the Secretarial Audit Report.

The Company has complied with the applicable Secretarial Standards during the year issued by the Institute of Company Secretaries of India.

**iii. COST AUDITOR:**

Pursuant to provisions of Section 148 of the Companies Act, 2013, the Board has appointed Mr. Narhar K. Nimkar (Membership No. F-6493), Cost Accountants in Practice, Pune to conduct the audit of the Cost Records of the Company relating to "PAPER" for the Financial Year 2019-20. As required under the Companies Act, 2013, a resolution seeking Shareholders approval for the remuneration payable to the Cost Auditors forms part of Notice convening the 6<sup>th</sup> Annual General Meeting of the Company.

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

During the year under review, the Shareholders of the Company at their 5<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> July, 2019 was appointed Mr. Ved P. Leekha as a Non-Executive Non-Independent Director of the Company w.e.f. 27<sup>th</sup> July, 2019.

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

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 and also confirming that they are not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

**MEETINGS:**

During the year 5 Board Meetings and 4 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As required under the provisions of the Companies Act, 2013, the Board of Directors has constituted the Corporate Social Responsibility Committee. The major role of this Committee is to formulate, recommend, implement and monitor the CSR policy and activities to be undertaken by the Company to meet/contribute towards its corporate social responsibility objectives. The Board of Directors at its meeting held on 20<sup>th</sup> May, 2017 has constituted its CSR Committee. Some of the activities which will be undertaken by the Company itself or through an eligible trust are as under;

- a) Setting up and/or maintaining old age homes/orphanage and supplementing nutrition and other essentials for underprivileged people,
- b) Environmental Protection,
- c) Education and
- d) Development of Rural Infrastructure.

The CSR committee comprises of the following members:

Sr. No.	Name of the Director	Category	Designation
1.	Mr. Nandan Damani	Non-Executive, Independent Director	Chairman
2.	Mr. Vinod Kumar Beswal	Non-Executive, Independent Director	Member
3.	Mr. Basant Kumar Khaitan	Non-Executive, Independent Director	Member
4.	Mr. Surendra Kumar Bansal	Non-Executive, Non-Independent Director	Member
5.	Mr. Ved P. Leekha (w.e.f. 31.01.2020)	Non-Executive, Non-Independent Director	Member

The CSR Policy is also uploaded on the website of the Company viz: [www.pudumjee.com](http://www.pudumjee.com).

During the year, the Company has allocated and disbursed total ₹ 60 Lakhs to M/s. M. P. Jatia, Charitable Trust to be spent on below mentioned the purposes:

- Setting up and/or maintaining old age homes/orphanage and supplementing nutrition and other essentials for underprivileged people ;
- Environmental Protection;
- Education and
- Development of Rural Infrastructure

Also the Company has donated ₹ 10 Lakhs to PM CARES FUND to support for Novel Corona Virus relief efforts.

The other relevant disclosures as stipulated under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure-2.

The entire allocated amount was deposited / transferred during the year with M/s. M. P. Jatia, Charitable Trust.

#### **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-3 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 14<sup>th</sup> 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](http://www.pudumjee.com). The Audit Committee reviews all related party transactions quarterly and also as and when felt necessary.

Pursuant to Sections 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-4.

#### **ANNUAL EVALUATION OF PERFORMANCE OF BOARD DIRECTOR(S) AND COMMITTEE(S):**

As required under Companies Act, 2013, a meeting of the Independent Directors was held on 31<sup>st</sup> January, 2020 to evaluate the performance of the Non-Independent Directors, wherein the evaluation of performance of the Non-Independent Directors, including the Chairman and also of the Board as a whole was made, against pre-defined and identified criteria.

The criteria for evaluation of the performance of the Independent Directors, Chairman and the Board, was finalized by the Nomination and Remuneration Committee in its meeting held on 22<sup>nd</sup> January, 2016, the said committee has carried out evaluation of the performance of every Director. The said criteria is available at the Company's website at [www.pudumjee.com](http://www.pudumjee.com). The Board of Directors at their meeting held on 31<sup>st</sup> January, 2020 has evaluated the performance of Independent Directors. The performance of the Committee was also generally discussed and evaluated.

While evaluating, the principles and guidelines issued vide circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 of Securities and Exchange Board of India dated 5<sup>th</sup> January, 2017 on Board Evaluation have been taken into account.

**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](http://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 behavior 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 complaint under the said mechanism. The said policy is available at the Company's website at [www.pudumjee.com](http://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-5 and 5A to this report.

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

An Internal Complaints Committee ('Sexual Harassment Committee') has been constituted, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to deal with the complaints, if any, from the Company and other Companies in the Pudumjee Group.

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-6 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-7.

**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 31<sup>st</sup> March, 2020 is annexed herewith as Annexure-8 to this report.

The extracts of the Annual Return of the Company can also be accessed on the Company's website at [www.pudumjee.com](http://www.pudumjee.com).

#### 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](http://www.pudumjee.com) and is annexed hereto and marked as Annexure-9.

#### SIGNIFICANT AND MATERIAL ORDERS:

There is no significant and material order 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 this Act 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;
- 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,

Place : Pune  
Date : 12<sup>th</sup> June, 2020

**A. K. Jatia,**  
Executive Chairman.

**ANNEXURE - 1**

**Form No. MR-3  
FOR THE FINANCIAL YEAR ENDED 31.03.2020**

**[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**

THERGAON PUNE MH 411033 IN

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PUDUMJEE PAPER PRODUCTS LIMITED(CIN: L21098PN2015PLC153717) (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 Company'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 31.03.2020 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 31.03.2020 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; Not applicable to the Company during the audit period.
- (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 – Not applicable to the Company during the Audit Period;
  - (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; Not applicable to the Company during the Audit Period;



- (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 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018– 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:

**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.

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) 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.

As per the minutes, 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.

Signature:

**I. U. THAKUR**

PRACTICING COMPANY SECRETARY

Place : Pune

Date : 12<sup>th</sup> June, 2020

Pre Review No. 497/2016

UDIN: F002298B000336654

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. My 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 : 12<sup>th</sup> June, 2020

FCS:2298

C.P. No:1402

## ANNEXURE - 2

## THE ANNUAL REPORT ON CSR ACTIVITIES

1) A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Company believes in the CSR activities through collaboration. The Company would always like to help the entities that are in the area of social service. The entities could be Trusts which have established track record in the activities like M/s. M. P. Jatia Charitable Trust, Mumbai which has an established track record of social service.</p> <p>The CSR activities to be carried out by the Company through an eligible trust are as under;</p> <p>a) Setting up and/or maintaining old age homes/orphanage and supplementing nutrition and other essentials for under privileged people;</p> <p>b) Environmental Protection;</p> <p>c) Education and</p> <p>d) Development of Rural Infrastructure.</p> <p>Website: <a href="http://www.pudumjee.com">www.pudumjee.com</a></p>			
2) The Composition of the CSR Committee	<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Category</b>	<b>Designation</b>
	1.	Mr. Nandan Damani	Non-Executive Independent Director	Chairman
	2.	Mr. Vinod Kumar Beswal	Non-Executive Independent Director	Member
	3.	Mr. Basant Kumar Khaitan	Non-Executive Independent Director	Member
	4.	Mr. Surendra Kumar Bansal	Non-Executive Non-Independent Director	Member
	5.	Mr. Ved P. Leekha (w.e.f. 31.01.2020)	Non-Executive, Non-Independent Director	Member
3) Average net profit of the Company for last three financial years	₹ 2,868.75 Lakhs			
4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 57.38 Lakhs (as per Section 135 (5) of Companies Act, 2013) ₹ 60 Lakhs (Budgeted)			
5) Details of CSR spent during the financial year	The Company has made payment for CSR activities to M/s. M. P. Jatia Charitable Trust towards Setting up and/or maintaining old age homes/orphanage and supplementing nutrition and other essentials for under privileged people, Environmental Protection, Education and Development of Rural Infrastructure in village Bissau, District Jhunjhunu, Rajasthan.			
• Total amount to be spent for the financial year	₹ 60 Lakhs			
• Amount unspent, if any	Nil			
• Manner in which the amount spent during the financial year	CSR Activities as stated below			

**PUDUMJEE PAPER PRODUCTS LIMITED**

Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and projects or programs was undertaken	Amount Outlay (budget) Project or program wise (in INR)	Amount spent on the programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads: (in INR)	Cumulative Expenditure upto to the Reporting period (in INR)	Amount spent Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				F.Y. 2019-20	F.Y. 2019-20		
1.	Setting up and/or maintaining old age homes/orphanage and supplementing nutrition and other essentials for under-privileged people	_____	Bissau, Jhunjhunu district, Rajasthan	60,00,000	60,00,000	60,00,000	M/s. M. P. Jatia Charitable Trust having established track record
2.	Environmental Protection	_____					
3.	Education	Promoting Education					
4.	Development of Rural Infrastructure	_____					
5.	Contribution to PM CARES FUND	_____	PAN - INDIA	10,00,000	10,00,000	10,00,000	Donation to PM CARES FUND
	<b>TOTAL</b>			<b>70,00,000</b>	<b>70,00,000</b>	<b>70,00,000</b>	-----

Details of implementing agency – M/s. M. P. Jatia Charitable Trust [Registration No. E13158(M)].

*The CSR committee has adopted CSR policy in the month of September, 2017.*

**Notes:**

- For F.Y. 2019-20 - The amount of ₹ 60 Lakhs was paid to M/s. M. P. Jatia Charitable Trust, however the aforementioned trust was not able to spend the full amount on specified CSR activities during the year due to paucity of sufficient time and would spend subsequently.
- The CSR Committee confirms that, the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Surendra Kumar Bansal**  
Director

**Nandan Damani**  
Chairman of CSR Committee

Place: Pune  
Date : 12<sup>th</sup> June, 2020

**ANNEXURE - 3****Particulars of loans given, guarantees/ investments made during the Financial Year 2019-20**

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 p.a.	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)	Foods & Inns Limited	5,00,00,000 (0)	15%	N.A.	N.A.	N.A.	N.A.
ICD's Given (Loan)	J M Commodities Limited	2,00,00,000 (2,00,00,000)	10.20%	N.A.	N.A.	N.A.	N.A.
ICD's Given (Loan)	DCW Limited	5,00,00,000 (0)	18%	N.A.	N.A.	N.A.	N.A.
ICD's Given (Loan)	MPIL Corporation Limited	1,00,00,000 (1,00,00,000)	15%	N.A.	N.A.	N.A.	N.A.
ICD's Given (Loan)	Pudumjee G-Corp Developers	5,00,00,000 (5,00,00,000)	18%	N.A.	N.A.	N.A.	N.A.
ICD's Given (Loan)	Aristocrat Marketing Limited	5,00,00,000 (5,00,00,000)	10.20%	N.A.	N.A.	N.A.	N.A.
ICD's Given (Loan)	Bowreah Jute Mills Private Limited	5,00,00,000 (5,00,00,000)	13%	N.A.	N.A.	N.A.	N.A.
Investments Made	Nippon India Liquide Fund	1,29,50,77,057 (12,54,29,404)	-	-	Mutual Fund Units	-	-
	ICICI Prudential Liquid Fund	11,51,53,832 (1,51,53,832)	-	-	Mutual Fund Units	-	-
	L&T Mutual Fund - Pool Collection	37,51,58,484 (0)	-	-	Mutual Fund Units	-	-
	L & T Arbitrage Opportunities Fund	5,45,47,839 (46,25,644)	-	-	Mutual Fund Units	-	-
	ICICI Prudential Saving Fund - Collection	2,02,64,085 (2,02,64,085)	-	-	Mutual Fund Units	-	-
	SBI Low Duration Fund - Collection A/c	2,02,64,958 (2,02,46,967)	-	-	Mutual Fund Units	-	-
	HDFC Short Term Debt Fund - Collection A/c	5,01,17,276 (3,00,14,766)	-	-	Mutual Fund Units	-	-
	Nippon India Arbitrage Fund - Monthly Reinvest	10,03,96,571 (0)	-	-	Mutual Fund Units	-	-
	Axis Short Term Fund - Collection A/c	4,00,80,702 (4,00,50,874)	-	-	Mutual Fund Units	-	-
	Axis Ultra Short Term Fund - Collection A/c	2,00,61,881 (2,00,54,158)	-	-	Mutual Fund Units	-	-
	Kotak Money Market Fund - Collection A/c	4,00,52,559 (2,00,52,559)	-	-	Mutual Fund Units	-	-
	L & T Banking & PSU Debt Fund	3,01,31,017 (2,99,10,196)	-	-	Mutual Fund Units	-	-
	Aditya Birla Sunlife Corporate Band Fund	3,00,91,431 (2,99,61,890)	-	-	Mutual Fund Units	-	-
	IDFC Mutual Fund - Collection A/c.	1,00,17,758 (1,00,12,501)	-	-	Mutual Fund Units	-	-
	L & T Overnight Fund Plan - Daily Dividend	10,00,10,720 (10,00,10,720)	-	-	Mutual Fund Units	-	-
	Kotak Money Market Fund - Reinvest	2,00,00,000 (2,00,00,000)	-	-	Mutual Fund Units	-	-
	HDFC Short Term Debt Normal Dividend	2,05,90,575 (2,05,90,575)	-	-	Mutual Fund Units	-	-

Figures in bracket indicates balance as on 31<sup>st</sup> March, 2020

On Behalf of the Board of Directors,

Place : Pune  
Date : 12<sup>th</sup> June, 2020**A. K. Jatia,**  
Executive Chairman.

## ANNEXURE - 4

### 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:

##### I.

a)	Name(s) of the related parties and nature of relationships	<b>AMJ Land Holdings Limited</b> a related party under Section 2(76)(v).
b)	Nature of contracts/arrangements/transaction	Arrangements for providing and sharing the Common Services (such as telephone, electricity, Computer etc.) at cost basis.
c)	Duration of the Contracts/arrangements/ transactions	Continuous arrangement.
d)	Salient terms of contracts or arrangements or transactions including the value if any	1) Monetary value: About ₹ 15 lakhs for each financial year. 2) Nature, material terms and particulars of arrangement: To provide and share Common Services (such as telephone, electricity, computer, etc.) on cost basis.
e)	Justification for entering into such contracts or arrangements or transactions	To provide and share common services to AMJ Land Holdings Limited in mutual interest, for continuance of the day to day commercial operations of the AMJ Land Holdings Limited.
f)	Date(s) of approval by the Board	12 <sup>th</sup> June, 2020
g)	Amount paid as advances if any	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	The approval of Shareholders will be obtained in the 6 <sup>th</sup> Annual General Meeting of the Company to be held on 20 <sup>th</sup> August, 2020.

##### II.

a)	Name(s) of the related parties and nature of relationships	<b>3P Land Holdings Limited</b> a related party under Section 2(76)(v).
b)	Nature of contracts/arrangements/transaction	Arrangements for providing and Sharing the Common Services (such as telephone, electricity, Computer etc.) at cost basis.
c)	Duration of the Contracts/arrangements/ transactions	Continuous arrangement.
d)	Salient terms of contracts or arrangements or transactions including the value if any	1) Monetary value : About ₹ 5 Lakhs for each financial year. 2) Nature, material terms and particulars of arrangement: To provide and share Common Services (such as telephone, electricity, computer, etc.) on cost basis.
e)	Justification for entering into such contracts or arrangements or transactions	To provide and share common services to the 3P Land Holdings Limited in mutual interest, for continuance of the day to day commercial operations of the 3P Land Holdings Limited.
f)	Date(s) of approval by the Board	12 <sup>th</sup> June, 2020
g)	Amount paid as advances if any	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	The approval of Shareholders will be obtained in the 6 <sup>th</sup> Annual General Meeting of the Company to be held on 20 <sup>th</sup> August, 2020.

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

a)	Name(s) of the related parties and nature of relationships	<b>AMJ Land Holdings Limited</b> , 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 Lakhs in financial year 2019-20.
e)	Date(s) of approval by the Board	12 <sup>th</sup> June, 2020
f)	Amount paid as advances if any	NIL

**II.**

a)	Name(s) of the related parties and nature of relationships	<b>AMJ Land Holdings Limited</b> , a related party under Section 2(76)(v).
b)	Nature of contracts/arrangements/transaction	Purchase of Renewable Energy Certificate or payment in lieu thereof at the prevailing market price govern by the exchange.
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 ₹ 100 Lakhs in financial year 2020-21.
e)	Date(s) of approval by the Board	12 <sup>th</sup> June, 2020
f)	Amount paid as advances if any	NIL

On Behalf of the Board of Directors,

Place : Pune  
Date : 12<sup>th</sup> June, 2020

**A. K. Jatia,**  
Executive Chairman.

## ANNEXURE - 5

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 31<sup>st</sup> March, 2020.

Name & Age (Years)	Designation/ Nature of Duties	Remuneration		Qualification & Experience (Years)	Date of commencement of employment	Last employed	
		Gross ₹	Net ₹			Name of the organisation	Position held
Mr. Arunkumar Mahabirprasad Jatia (57)	Executive Chairman (w.e.f. 01.08.2018)	2,08,66,379	1,42,92,227	B.S. (Finance & Business Economics) (37)	01.08.2018	AMJ Land Holdings Limited	Executive Chairman (upto 31.07.2018)
Mr. Ved Prakash Leekha (80) (upto 30 <sup>th</sup> April, 2019) <sup>§</sup>	Managing Director	1,15,70,708	83,71,589	B.E. (Mechanical) (57)	07.03.2000*	AMJ Land Holdings Limited	Managing Director
Dr. Ashok Kumar (64)	Executive Director	1,09,43,265	78,46,628	M.E. (Chemical) Ph.D (40)	06.02.2015*	AMJ Land Holdings Limited	Director

### Notes-

- (1) 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.
- (2) The nature and conditions of employment are non contractual. The employees were whole-time Directors of the Company during the year.
- (3) 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.
- (4) <sup>§</sup>Mr. Ved P. Leekha resigned from the position of Managing Director as also the Directorship of the Company w.e.f. 01<sup>st</sup> May, 2019.
- (5) \*With AMJ Land Holdings Limited (before Demerger).
- (6) None of the above employees is related to each other.

On Behalf of the Board of Directors,

Place : Pune  
Date : 12<sup>th</sup> June, 2020

**A. K. Jatia,**  
Executive Chairman.



**ANNEXURE - 5A**  
**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 : 636

Sr. No.	Name of the director/Chief Financial Officer, Chief Executive Officer, Company Secretary	Designation	Remuneration of each director/Chief Financial Officer, Chief Executive Officer, Company Secretary (in INR)	Median remuneration of the employees (in INR)	Ratio for the financial year between D and E	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	Percentage increase in remuneration of employees in the financial year	Average percentile increase already made in the salaries of employees other than the managerial personnel	Percentile increase in the managerial remuneration
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>	<b>J</b>
1	Mr. Arunkumar Mahabirprasad Jatia	Executive Chairman	20,866,379	497,854	41.91	Nil	Nil	Nil	Nil
2	Mr. Ved Prakash Leekha	Managing Director <sup>s</sup>	11,570,708		23.24				
3	Dr. Ashok Kumar	Executive Director	10,943,265		21.98				
4	Mr. H. P. Birla	Chief Financial Officer	3,506,611		7.04				
5	Mr. Vinay Jadhav	Company Secretary	1,124,423		2.26				

\$ upto 30.04.2019

Above Remuneration is as per the Remuneration policy adopted by the Company.

Place: Pune

Date : 12<sup>th</sup> June, 2020

On Behalf of the Board of Directors,

**A. K. Jatia,**  
Executive Chairman.

## ANNEXURE - 6

**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 31<sup>st</sup> March, 2020.

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

- Procured 225.16 KWH Lakhs power from Wind Power equivalent to 24.19% of total power requirement.
- Drawing 77.10 KWH Lakhs power from Solar Power Plant equivalent to 8.28% of total power requirement.
- Procured 74.56 KWH Lakhs Bilateral Power equivalent to 8.01% of total power requirement.
- Procured 32.85 KWH Lakhs power from Cogeneration power (self generation) equivalent to 3.52% of total power requirement.

**ii) Impact of measures taken:**

Reduction in power consumption by optimisation of paper machines process and using Fluorescent Lights. Use of Flash Steam recovery system contributed to reduction in uses of Coal. Impact of measures taken above may result in significant savings in power cost.

**iii) Capital Investment on energy conservation equipments:**

Energy conservation is being implemented through the installation of energy saving devices such as efficient pumps and natural air draft driven roof mounted wind ventilators.

**B. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:**

i)	Efforts made in brief towards Technology absorption, adaptation and Innovation	(a) Installation of New slitter Rewinder with latest technology. (b) Installation of new state of art model for Quality Control. (c) Enhancement of Boiler's capacity for demineralising water treatment plant.
ii)	Benefits derived as a result of the above results	(a) New slitter improved the reel quality and productivity. (b) Online measurement & controls and producing high quality Paper. (c) Increased the reliability of Boiler Operation for uninterrupted steam supply.
ii)	Details of Imported Technology:	(a) Installation of Installed Kuester Calico.
	a) Details of Technology Imported:	(b) Installation of High accuracy BTG.
	b) The year of import:	2019-20
	c) Whether the technology been fully absorbed:	Yes
iv)	Expenditure incurred on Research and Development	₹ 168.57 Lakhs

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign Exchange earned and used were ₹1,571.81 Lakhs and ₹ 24,166.93 Lakhs, respectively.

On Behalf of the Board of Directors,

Place: Pune  
Date : 12<sup>th</sup> June, 2020

**A. K. Jatia,**  
Executive Chairman.

## ANNEXURE - 7

### REPORT ON CORPORATE GOVERNANCE

The Directors present their Report on Corporate Governance as required by SEBI guidelines and 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 14<sup>th</sup> November, 2015 in terms of the requirement of 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](http://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 Executive Chairman 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 Company operates through two business divisions namely; 'Paper Division' and 'Hygiene Products Division'. The Paper Division manufactures Specialty Papers at its facility at Thergaon, Pune 411 033 and markets them throughout the country and exports some quantity to nearby countries and Europe. These Specialty Papers impart specific properties to address special requirement of customers for various applications in Packaging of Food products, Industrial application, household and personal hygiene, those requiring oil and grease resistance and others for meeting requirements in daily life. Such products, for instance, are:

1. Packaging paper for consumer Hygiene Products.
2. Laminating Base used with functional lamination for packaging of food grade products, pharma products, mouth fresheners, etc.
3. Glassine Paper, Oil & Grease resistance paper, Vegetable Parchment, etc. used for Packaging of food products, oily products, packaging of butter, cheese, etc.
4. Papers for Cake, Baking and similar applications.
5. Décor Papers for use in Decorative laminates for furniture, Base Paper for Melamine Tableware, etc.
6. Kraft Paper used as Release Liner for labels, etc. Kraft Interleaving for Steel and Glass Industry, Parchmentine for Textile Industry, etc.
7. Bleached interleaving kraft paper used in lamination for flexible packaging.
8. Cooling pad papers for applications in industrial and household coolers.
9. Fine Printing Papers for Bible Printing, Dictionary, Books, Pharma leaflets as insert & outserts.
10. Creped Tissue products for hygiene application viz. Napkins, Kitchen Towel, Toilet Rolls Paper for baby diapers, sanitary napkins etc.

The Hygiene Products Division undertakes conversion of Tissue products to value add a part of the production and markets them along with dispensers, sanitizers and other Hygiene products.

The Company does not have its own sources of raw material and is substantially dependent on imports of Market Pulp

and Waste Paper, the prices of which witnessed downward trend towards end of the year. The Market Pulp prices taking into consideration weakening of Rupee against Dollar have ranged from about ₹ 35,000 per MT to ₹ 58,000 per MT depending upon the trend in prices and variety of fibre sourced. The Company's financial performance to a larger extent depends upon the prices of such fibre as also net realizable value of products manufactured by the Company since the fibre raw material constitutes about half of the sales value.

Apart from achieving cost reduction, among others, through judicious mix of fibre, the Company's efforts continue towards -

- (i) Product mix optimization and rationalization with emphasis on growth potential and improved margins etc.
- (ii) Increase in share of higher contributing products.
- (iii) Cost optimization in respect of energy supply.
- (iv) Improved cost efficiency through investment in low cost project.

The Company's current manufacturing facilities are located at Thergaon, Pune on the land and buildings owned by AMJ Land Holdings Ltd (Formerly known as Pudumjee Pulp & Paper Mills Ltd.) and 3P Land Holdings Ltd. (Formerly known as Pudumjee Industries Ltd) taken by the Company on Leave and License basis the period of which agreement is expiring on 31<sup>st</sup> January 2021. The Company has also invested in the industrial site of about 75 acres at MIDC Mahad in Maharashtra where long term plan is to relocate the aforesaid facilities and to capture future growth opportunities. As specialty paper market is substantially different from the commodity paper market, the Company has been evaluating options in regard to manufacturing of new additional products when the facilities are relocated at Mahad which require high investment, though eligible for State Government's incentives corresponding to the capital expenditure. Besides, uncertainties arising out of Covid pandemic has also further contributed to the deferment of the project of relocation to Mahad. It is in this background that the Company proposes to renew the aforesaid Leave and License for a further period of 5 years on the mutually acceptable terms and conditions with the said owners of the land and buildings at Pune.

The Hygiene Products Division of the Company markets its 'Away-from-Home' converted tissue products such as Bathroom roll, Kitchen towel, Napkins, dispensers, sanitizer, disinfectants, hand wash soap and other hygiene products under brand name 'Greenlime', to Institutional buyers such as Business Hotels, Airports, Corporate Offices, Facility Managers as the main customers. The Company has launched products under new brand name 'Chef Smart' to focus on Professional Chefs so as to address the concerns of hygiene in the segment of Hotels, restaurants and caterings.

#### **Company Performance**

During the year under review, the Company has achieved turnover of ₹ 604.48 Crores (Previous year ₹ 589.52 Crores) resulting in EBITDA at ₹ 60.92 Crores (Previous year ₹ 40.83 Crores) and a Net Profit Before Tax of ₹ 41.05 crores (Previous year ₹ 25.62 Crores). This includes a turnover of ₹ 56.87 crores (Previous year ₹ 56.18 crores) (before set off of inter-segment revenue), EBITDA of ₹ 6.47 crores (Previous year ₹ 5.21 crores) and Profit Before Tax of ₹ 5.74 crores (Previous year ₹ 4.92 crores) of Hygiene Products Division.

#### **Human Resources**

The Company follows fair 'human resource' practices providing equal opportunity to all its employees. The policy includes on the job training, progressive and performance driven remuneration, talent retention and some work-life balance programs. The Company believes in offering full opportunity for growth to employees demonstrating positive attitude and initiative to accept challenge and responsibility.

The Company plans to adopt a policy of 'Work from Home' in respect of certain sections of Company with a view to keep pace with emerging trend to achieve better work - life balance and cost reduction, more so in view of current pandemic throughout the world.

The Company employs about 713 employees. The Industrial Relations with the employees continue to remain cordial during the year. A wage agreement signed earlier with worker's Union is in force till 31.03.2020. The Union has submitted its charter of demands for negotiations for the subsequent period.

#### **Opportunities of the Company**

As an established pioneers in Specialty Paper products and a preferred supplier of quality products, the Company derives its growth prospects in respect of a wide range of products from:

- Rapid urbanization growing at an average of 2.5% over and above growth in population;

- Expanding middle class likely to be 70% of the total population by 2025 which would mean almost 1 billion people;
- Rising education level and consequent thereupon, continuous increase in spend both in rural and urban areas, on an average constituting 5% of overall household expenditure.
- Demographic advantage resulting in rising of working age population. India's median age of 27 years makes large productive workforce and a young Country.
- Increase in disposable income and changing consumer preferences, resulting in shift towards more aspirational life style.
- Growing popularity of ready-to-eat products, Packaged liquid and other perishable products requiring qualitative packaging.
- Growing intolerance and statutory compulsions against the use of plastics offering good opportunities for paper based packaging which fits into current range of products manufactured by the Company including functionally coated packaging paper. This also enables the Company's certain products to enter into flexible packaging applications.
- The Company has installed an offline coater to focus on functionally coated papers for food packaging industry with special emphasis on quick delivery system of food.
- Growing hygiene awareness both in general and at personal level necessitates use of Crepe Tissue products.

#### **Competitive strengths of the Company**

- Research & Development with focus on products development as per customers' requirements.
- Extensive distribution network.
- Strong brand recall.
- Relevant expertise, experienced work force and agile management team.
- Cost efficient sourcing and locational advantage and effective cost management.
- Wide range of Product Portfolio.
- Ability to change product mix.

#### **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.
- Identify market opportunities for growth.
- Continuous emphasis on cost reduction and develop ability to design product mix, optimizing input costs, maintain quality and improve margins.
- Relocation of manufacturing facilities with technology upgradation and expanded capacity.

#### **Concerns and threats**

The Company's heavy dependence on bought out fibre for its raw material requirement arises from absence of its own source of fibre. Such raw materials are majorly imported and therefore in addition to cyclical nature of their business, adverse movement in prices and foreign exchange at times may substantially impact Company's working, both in terms of quantity and margins.

Inadequacy of Co-generation facilities requires the Company to necessarily depend on purchased energy, which is much costlier than the generated power. Open Access power purchase arrangements though do help to reduce energy cost, State Electricity Boards' policy to discourage Open Access power by imposing levies/higher tariff puts impediments in this direction. In the earlier year, the Company has been purchasing power from Sai Wardha Power Generation Ltd (SWPGL) under Group Captive scheme where the Company also contributed its required share of capital investment in equity. Although, the power supply under such scheme exempt from the levy of Cross Subsidy

Surcharge (CSS) and Additional Surcharge (AS) these levies aggregating to ₹ 15.8 crores have been imposed by Maharashtra State Electricity Distribution Company Limited (MSEDCL) for the year 2016-17 and 2018-19 (upto October, 2018). This entire matter is sub-judice before Maharashtra Electricity Regulatory Commission/ Appellate Tribunal and is under stay order. In terms of the agreement, the Company had a right of reimbursement of such levies from SWPGL. However, SWPGL has become subject matter of Insolvency and Bankruptcy Code. In terms of the order passed by National Company Law Tribunal, the Company's agreement with SWPGL stood terminated and our right to recover from SWPGL nullified. Consequently, in respect of an amount of ₹ 8.63 crores for 2018-19 decided by MERC in favour of MSEDCL and pending before Appellate Tribunal has been provided for full in the accounts of the Company for the current year as its right of recovery from SWPGL is no more in force.

The paper industry also faces shortage of talented and experienced workforce due to shortage of good Institutes offering technical courses for the Pulp and Paper industry and general aversion to seeking career in the industry and working on the shop floor. This makes hiring of younger people difficult and those who join leave after few years of working experience for better opportunities.

The Company has been continuously meeting stringent norms for pollution laid down by the Government but its intention to move towards Zero Liquid Discharge (ZLD) in the long run may make Company's working difficult and unsustainable, whilst the Company is not averse to follow more stringent norms than presently are.

The current manufacturing facility at Pune has witnessed rapid urbanization around it and faces all associated challenges including higher cost of operations. These facilities are located on the land and buildings owned by AMJ Land Holdings Ltd (Formerly known as Pudumjee Pulp & Paper Mills Ltd) and 3P Land Holdings Ltd (Formerly known as Pudumjee Industries Ltd) under Leave and License agreement, which as stated earlier, is proposed to be renewed and extended. Proposed renewal and extension of the agreement at reasonable cost is of utmost importance until the Company is able to shift its facility to the aforesaid site at Mahad.

The deteriorating quality and depleting level of water in the adjacent Purna river from which the Company draws its water requirement is another concern including for enhanced treatment cost. The Company draws its water requirement under an agreement in terms of which the Company had contributed proportionate cost of Pawana Dam to the State Irrigation Department.

#### **COVID-19**

The sudden announcement of lockdown by the Government of India to tackle the Covid-19 Pandemic has caused serious disruptions in the entire sphere of economy and business in the nation. The operations of the manufacturing facility and all activities were suspended to observe Janta Curfew on 22<sup>nd</sup> March, 2020 and thereafter in compliance of the lockdown announced by the Government to ensure the safety of workmen of the Company in the wake of Novel Corona Virus pandemic.

The Company's products are used in maintaining supplies of essential goods by the Company's customers for food and pharma packaging, hospital supplies, hygiene sectors, food and confectionary etc. The stoppage of the Company's activity also caused difficulties for such customer to maintain their chain of supply of essential goods.

The Company, in the second half of April, 2020, had obtained permission from Government of Maharashtra for dispatch and transportation of manufactured paper products of the Company lying in its inventory for use as input in supply of essential goods. Similarly, the Hygiene Division engaged in supply of essential products also resumed its production.

Subsequently, on 8<sup>th</sup> May 2020 the Company, after obtaining permission from Government of Maharashtra, resumed manufacturing of Specialty Paper products required as input for aforesaid essential goods. Accordingly, the Company commenced its production of paper on 12<sup>th</sup> May, 2020 after installing necessary infrastructures and training of personnel to operate in the 'new normal scenario' by observing required hygiene practices, social distancing norms, wearing mask or face shield, disinfecting incoming and outgoing vehicles, frequently disinfecting the mill and office premises etc. The production after gradually inching up is currently operating at about 50% of capacity subject to availability of demand as the demand is severely impacted throughout the country. In view of the continuing lockdown in different forms, the Company will appropriately adjust its level of production in response to demands of its products.

Whilst it is difficult to estimate precise future impact of Covid-19 on Company's operations in view of the prevailing uncertainty about the duration of Covid-19 in the country, it is believed that the Company's operations would be in line

with overall developments and revival of economy and business sentiments prevailing in the 'unlockdown' phases. The Company also recognizes the opportunities arising to its business of paper and hygiene products, due to likely increased preferences of public (i) to avail of more ecommerce platform for home delivery as also and (ii) about more and better hygiene practices. Though, the Company is currently comfortably placed in terms of capital and financial resources and liquidity position, the profitability during the year may suffer due to the sluggish operations unless a quick and robust rebound in the economy takes place. The Company has initiated necessary measures to reduce costs including in the areas of salaries and wages, but, the room left for such reduction is very limited in view of nature of the fixed costs which the Company has to incur at lower level of operations. The Company's borrowings of about ₹ 19.75 crores are payable upto March 2021 and in view of the current liquidity position the Company does not visualize any difficulty in servicing debt. The internal finance reporting and controls are robust and are periodically evaluated. These reporting and controls are being appropriately modified to allow certain office function to be discharged under "Work from Home" environment and wherever feasible to discourage document handling. The Company shall be making requisite investments in required infrastructure in a phased manner.

The Company has adequate amount of inventory of input and does not visualize any unmanageable difficulty in the supply chain of inputs. However, the Company's products do experience initial hiccups until the 'unlockdown' at a fair level in the country is implemented since many non-industrial outlets and industrial establishments, which consume papers, are yet to reopen. The Company, presently, did not come across any case where existing contract/ agreements were not honoured by the parties to the agreements. The logistics in the supply chains in general and transportation in particular does suffer from certain inadequacies and shortages and higher costs. The Company's assets are well protected and were being regularly monitored even during the complete lockdown to ensure that these assets do not suffer any damage.

#### Internal Control System and Their Adequacy

The Company has adopted internal control procedures commensurate with its size and operations. 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. The Board of Directors takes stock of internal control measures taken from time to time.

#### Cautionary Statement

Statements made in this Report, especially those in "Management Discussion & Analysis" describing the Company's objectives, estimates, projections and expectations may constitute "Forward looking" Statements within the meaning of applicable laws and regulations. The Company's actual results, achievements may differ materially from those projected in any such forward looking Statements.

#### Key Financial Ratios:

Sr. No.	Ratios	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	% Change	Reason for Change
1.	Interest Coverage Ratio	6.97	4.64	50.22	Increase in profit & Depreciation.
2.	Current Ratio	1.73	1.73	-	-
3.	Operating Profit Margin (%)	6.02	3.85	56.36	Mainly due to decrease in the prices of raw material.
4.	Net Profit Margin(%)	4.28	2.90	47.59	Mainly due to decrease in the prices of raw material.
5.	Return on Net Worth (%)	9.24	6.63	39.37	Mainly due to decrease in the prices of raw material.

#### Board of Directors:

The Board of Directors is composed of a 1 Promoter Director (Whole Time Director), 1 Executive Director, 2 Non-Executive Non-Independent Director and 4 Non-Executive Independent Directors. The Executive Chairman and Executive 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 31<sup>st</sup> March, 2020 is as under:

Directors	Category	Total number of Directorships in Public Companies as on 31 <sup>st</sup> March, 2020.*	Total number of Memberships of Committees as on 31 <sup>st</sup> March, 2020. +	Total number of Chairmanships/ Chairpersonship of Committees as on 31 <sup>st</sup> March, 2020. +	Names of other Listed Companies in which Executive / Non-Executive Directors hold Directorship & Category of Directorship
<b>Executive Directors</b>					
Mr. Arunkumar Mahabirprasad Jatia	Executive Chairman	5	5	1	<ul style="list-style-type: none"> <li>Thacker and Company Limited - Non-Executive Director</li> <li>AMJ Land Holdings Limited - Non-Executive Chairman</li> </ul>
Dr. Ashok Kumar	Executive Director	2	Nil	Nil	<ul style="list-style-type: none"> <li>AMJ Land Holdings Limited Non-Executive Director</li> </ul>
<b>Non- Executive Directors</b>					
Mr. Surendra Kumar Bansal	Non Independent Director	6	2	Nil	<ul style="list-style-type: none"> <li>Thacker and Company Limited - Non-Executive Director</li> <li>AMJ Land Holdings Limited - Whole Time Director</li> </ul>
Mr. Nandan Damani	Independent Director	6	4	1	<ul style="list-style-type: none"> <li>Simplex Realty Limited – Managing Director</li> <li>Graphite India Limited - Non-Executive Independent Director</li> <li>AMJ Land Holdings Limited - Non-Executive Independent Director</li> </ul>
Mr. Vinod Kumar Beswal	Independent Director	4	6	5	<ul style="list-style-type: none"> <li>Thacker and Company Limited – Non-Executive Independent Director</li> <li>AMJ Land Holdings Limited - Non-Executive Independent Director</li> <li>Foods &amp; Inns Limited - Non-Executive Independent Director</li> </ul>
Mrs. Madhu Dubhashi	Independent Director	6	4	1	<ul style="list-style-type: none"> <li>Tube Investments of India Limited - Non-Executive Independent Director</li> <li>Majesco Limited - Non-Executive Independent Director</li> <li>Sanghvi Movers Limited – Non-Executive Independent Director</li> </ul>
Mr. Basant Kumar Khaitan	Independent Director	6	3	Nil	<ul style="list-style-type: none"> <li>Thacker and Company Limited - Non-Executive Independent Director</li> <li>Yash Pakka Limited - Non-Executive Independent Director</li> </ul>
Mr. Ved Prakash Leekha <sup>a</sup>	Non Independent Director	1	2	Nil	--

& Resigned from the post of Managing Director and Director w.e.f. 01<sup>st</sup> May, 2019 and was appointed as Non-Executive Non-Independent Director w.e.f. 27<sup>th</sup> July, 2020.

\* Other directorships does not include directorships of private limited companies, foreign companies and companies registered under section 8 of the Act. 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.

None of the Directors of the Company is a Member of more than 10 Committees and Chairman/Chairperson of more than 5 Committees across all the Public Limited Companies in which he/she is a Director. None of the



Directors of the Company are related to each other.

The Independent Directors of the Company are acting as Independent Director in not more than Seven Listed Companies. Independent Director who is Whole Time Director in other Company acts as Independent Director in not more than Three Listed Companies. The Whole Time Directors of the Company are not Independent Directors in more than Three Listed Companies.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations and they are Independent of the Management.

#### BOARD SKILLS MATRIX:

Matrix showing the core skills, expertise and competencies identified and which are available with the Board commensurate with nature and scale of business of the Company.

Sr. No.	Name of Director	Designation	Core skills, expertise and competencies
1.	Mr. Arunkumar Mahabirprasad Jatia	Executive Chairman	<ul style="list-style-type: none"> <li>• Visionary and knowledgeable entrepreneur about various businesses, industries and opportunities;</li> <li>• More than 25 years first hand experience in International business with emerging markets and cross border transaction including counter trade;</li> <li>• Expertise in finance and non conventional Power Generation business;</li> <li>• Business Prudence;</li> <li>• Economic &amp; Business Analysis;</li> <li>• Strategic Business Planning and Implementation.</li> </ul>
2.	Mr. Surendra Kumar Bansal	Non-Executive Non- Independent Director	<ul style="list-style-type: none"> <li>• Knowledge about Financial Statements and matters, Direct and Indirect taxation, corporate law, Financial Planning &amp; Internal Controls, Risk Management;</li> <li>• Economic &amp; Business Analysis;</li> <li>• Legal understanding, planning and execution of Mergers &amp; Acquisitions.</li> </ul>
3.	Dr. Ashok Kumar	Executive Director	<ul style="list-style-type: none"> <li>• Expertise in paper manufacturing of different types and well recognized chemical engineering skills.</li> <li>• Crisis management;</li> <li>• Excellent negotiation skills;</li> <li>• Business Prudence;</li> <li>• HRD Management.</li> </ul>
4.	Mr. Vinod Kumar Beswal	Independent Director	<ul style="list-style-type: none"> <li>• Economic &amp; Business Analysis;</li> <li>• Expertise in Financial Statements, Financial planning, Internal Controls audit and Direct tax;</li> <li>• Business Prudence.</li> </ul>
5.	Mr. Nandan Damani	Independent Director	<ul style="list-style-type: none"> <li>• Expertise in Real Estate business and intricacies thereof;</li> <li>• Sound Knowledge about other industries;</li> <li>• Business Prudence;</li> <li>• Economic and Business Analysis;</li> <li>• Strategic Planning;</li> <li>• Risk Management;</li> </ul>
6.	Mr. Ved P. Leekha	Non-Executive Non-Independent Director	<ul style="list-style-type: none"> <li>• More than 4 decades of expertise in Engineering in paper Industry in India and Overseas;</li> <li>• Identifying problems, opportunities and achieving low cost solution;</li> <li>• Strategic business Planning and Implementation;</li> <li>• Economic and Business Understanding and Analysis;</li> <li>• Risk Management;</li> <li>• Excellent negotiation skills.</li> </ul>
7.	Mr. Basant Kumar Khaitan	Independent Director	<ul style="list-style-type: none"> <li>• Identifying business opportunities and deriving solution therefor;</li> <li>• Strategic Business Planning and Implementation;</li> <li>• Economic and Business Analysis;</li> <li>• Excellent negotiation skills;</li> <li>• Business Prudence;</li> <li>• Expertise in analysis of Financial Statements.</li> </ul>
8.	Mrs. Madhu Dubhashi	Independent Director	<ul style="list-style-type: none"> <li>• Expertise in Financial Statements, Financial planning,</li> <li>• Internal Controls;</li> <li>• Economic &amp; Business Analysis;</li> <li>• Business Prudence.</li> </ul>

## PUDUMJEE PAPER PRODUCTS LIMITED

During the year 2019-2020, Board Meetings were held on the following dates :

24.05.2019	27.07.2019	02.11.2019
31.01.2020	24.02.2020	

The 5<sup>th</sup> Annual General Meeting (AGM) of the Company was held on 27<sup>th</sup> July, 2019. 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 Mahabirprasad Jatia	5	Yes
Mr. Ved Prakash Leekha (w.e.f. 27.07.2019)	2	N.A.
Mr. Surendra Kumar Bansal	5	Yes
Mr. Nandan Damani	4	No
Mr. Vinod Kumar Beswal	4	No
Mrs. Madhu Dubhashi	3	Yes
Mr. Basant Kumar Khaitan	4	Yes
Dr. Ashok Kumar	5	Yes

### 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 Mahabirprasad Jatia	Nil	1,20,60,000	88,06,379	Nil	2,08,66,379
Mr. Ved Prakash Leekha	20,000*	6,45,000 <sup>a</sup>	1,09,25,708 <sup>a</sup>	Nil	1,15,90,708
Mr. Surendra Kumar Bansal	Nil	Nil	Nil	Nil	Nil
Mr. Nandan Damani	98,000	Nil	Nil	Nil	98,000
Mr. Vinod Kumar Beswal	85,000	Nil	Nil	Nil	85,000
Mrs. Madhu Dubhashi	60,000	Nil	Nil	Nil	60,000
Mr. Basant Kumar Khaitan	50,000	Nil	Nil	Nil	50,000
Dr. Ashok Kumar	Nil	69,84,000	39,59,265	Nil	1,09,43,265

\*w.e.f. 27.07.2019 & upto 30.04.2019

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-imbursalment of expenses incurred for attending each meeting of Board or Committee thereof.
- The details for shares held by directors as on 31-03-2020 are as under:

Except Mr. Arunkumar Mahabirprasad Jatia who holds 42,06,850 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, Mr. Basant Kumar Khaitan and Dr. Ashok Kumar hold any equity shares of the Company

**COMMITTEES OF DIRECTORS:****a) Audit Committee:**

The Audit Committee was constituted by the Board of Directors at their meeting held on 14<sup>th</sup> November, 2015. As on 31<sup>st</sup> March, 2020, the Audit Committee consists of Six Directors of the Company i.e. Four Non-Executive Independent Directors, One Executive Chairman- Promoter Director and One Non-Executive Non-Independent 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 - Executive Chairman – Member

Mr. Nandan Damani - Non-Executive Independent Director – Member

Mrs. Madhu Dubhashi - Non-Executive Independent Director – Member

Mr. Basant Kumar Khaitan - Non-Executive Independent Director – Member (w.e.f. 31.01.2020)

Mr. Ved Prakash Leekha - Non-Executive Non-Independent Director – Member (w.e.f. 31.01.2020)

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:**

- the 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 fulfilment 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) Modified opinion(s) in the draft audit report;

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investment existing as on the date of coming into force of this provision.
- 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;
- 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;
- Reviewing the following information:
  - a) management discussion and analysis of financial condition and results of operations;
  - b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d) internal audit reports relating to internal control weaknesses; and
  - e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - f) 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) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Four Meetings of Committee were held during the year 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 on the following dates:

24.05.2019	27.07.2019
02.11.2019	31.01.2020

The attendance at the Meetings were as under:

Sr. No.	Name of the Committee Members	Meetings Attended
1.	Mr. Vinod Kumar Beswal	3
2.	Mr. Arunkumar Mahabirprasad Jatia	4
3.	Mr. Nandan Damani	3
4.	Mrs. Madhu Dubhashi	2
5.	Mr. Basant Kumar Khaitan (w.e.f. 31.01.2020)	-
6.	Mr. Ved Prakash Leekha (w.e.f. 31.01.2020)	-

**b) Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee was constituted by the Board of Directors at their meeting held on 14<sup>th</sup> November, 2015. 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. As on 31<sup>st</sup> March, 2020, the Nomination and Remuneration Committee consisted of Five Directors of the Company i.e. Four Non-Executive Independent Directors and one Non-Executive Non-Independent Director.

**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
Mr. Basant Kumar Khaitan, Non-Executive Independent Director	–	Member <sup>§</sup>
Mr. Ved Prakash Leekha, Non-Executive Non-Independent Director	–	Member <sup>§</sup>

\$ w.e.f. 31.01.2020.

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

Pursuant to provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations, following revised terms of reference of this Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other Employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the board, all remuneration, in whatever form, payable to Senior Management.

Three Committee Meetings were held on 24<sup>th</sup> May, 2019, 02<sup>nd</sup> November, 2019 and 31<sup>st</sup> January, 2020 during the year 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020. The attendance at the Meeting was as under:

Sr. No.	Name of the Committee Meetings	Members Attended
1.	Mr. Vinod Kumar Beswal	2
2.	Mr. Nandan Damani	3
3.	Mrs. Madhu Dubhashi	1
4.	Mr. Basant Kumar Khaitan (w.e.f. 31.01.2020)	-
5.	Mr. Ved Prakash Leekha (w.e.f. 31.01.2020)	-

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 9 to the Directors' Report in this annual report and can be viewed at Company's website at [www.pudumjee.com](http://www.pudumjee.com).

**c) Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee was constituted by the Board of Directors at their meeting held on 14<sup>th</sup> November, 2015. As on 31<sup>st</sup> March, 2020, the Stakeholders Relationship Committee consisted of Five Directors of the Company.

**Composition:**

Mr. Nandan Damani, Non-Executive Independent Director	– Chairman
Mr. Arunkumar Mahabirprasad Jatia, Executive Chairman	– Member
Mr. Surendra Kumar Bansal, Non-Executive Non-Independent Director	– Member
Mr. Basant Kumar Khaitan, Non-Executive Independent Director	– Member <sup>s</sup>
Mr. Ved Prakash Leekha, Non-Executive Non-Independent Director	– Member <sup>s</sup>

\$ w.e.f. 31.01.2020.

The Company Secretary acts as a Secretary to the Committee.

Pursuant to provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations, following revised terms of reference of this Committee are as under:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year 2019-20, the Company received 22 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.

Four Meetings of Committee were held during the year 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 on the following dates:

24.05.2019	27.07.2019
02.11.2019	31.01.2020

The attendance at the Meetings were as under:

Sr. No.	Name of the Committee Members	Meetings Attended
1.	Mr. Nandan Damani	3
2.	Mr. Arunkumar Mahabirprasad Jatia	4
3.	Mr. Surendra Kumar Bansal	4
4.	Mr. Basant Kumar Khaitan (w.e.f. 31.01.2020)	-
5.	Mr. Ved Prakash Leekha (w.e.f. 31.01.2020)	-

**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 <sup>st</sup> March, 2017	22 <sup>nd</sup> July, 2017 Thergaon, Pune – 411033.	3:00 p.m. (ST)	(i) Consent of shareholders for acceptance of fixed deposits from Members and from the Public in general.
31 <sup>st</sup> March, 2018	21 <sup>st</sup> July, 2018 Thergaon, Pune – 411033.	3:00 p.m. (ST)	(i) Consent of shareholders for acceptance of fixed deposits from Members and from the Public in general. (ii) Approval for providing loans to Bodies Corporate(s).
31 <sup>st</sup> March, 2019	27 <sup>th</sup> July, 2019 Thergaon, Pune – 411033.	3:00 p.m. (ST)	(i) Appointment and Remuneration of Mr. Arunkumar Mahabirprasad Jatia as an Whole Time Director. (ii) Revision in the Remuneration of Managing Director, Mr. Ved Prakash Leekha. (iii) Revision in the Remuneration of Executive Director, Dr. Ashok Kumar. (iv) Consent of shareholders for acceptance of fixed deposits from Members and from the Public in general. (v) Approval for providing loans to Bodies Corporate(s). (vi) Alteration of Article of Association of the Company. (vii) Appointment of Mr. Ved Prakash Leekha, as Non-Executive Director

**ii) Postal Ballot:**

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

**COMPANY'S POLICIES:**

The Board has adopted the following policies/programme:

- (a) Policy on Related Party Transactions
- (b) Whistle Blower Policy/Vigil Mechanisam
- (c) Criteria For Selection of Candidates for Senior Management and Members on the Board of Directors
- (d) Familiarisation programme for Independent Directors
- (e) Policy on Board's Diversity
- (f) Risk Policy & Procedures
- (g) CSR Policy
- (h) Archival policy
- (i) Policy For Preservation of Documents
- (j) Policy on Determination of Materiality For Disclosure(s)
- (k) Policy For Determination of Legitimate Purposes
- (l) Policy for Procedure of Inquiry in case of leak of unpublished price sensitive information

The disclosure in respect of above policies/programme is available at the website of the Company viz. [www.pudumjee.com](http://www.pudumjee.com).

**MEETING OF INDEPENDENT DIRECTORS:**

As required under Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors was held on 31<sup>st</sup> January, 2020, without the attendance of Non-Independent Directors and Members of the Management.

The Independent Directors evaluated the performance of the Non-Independent Directors, wherein the evaluation of performance of the Non-Independent Directors, including the Chairman and also of the Board as a Whole was made, against pre-defined and identified criteria.

**ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS:**

As required under Companies Act, 2013 and Listing Regulations the Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

**CEO/CFO CERTIFICATION:**

As required under Regulation 17(8) of the Listing Regulations, the Executive Chairman and the CFO of the Company have certified to the Board that Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2020 do not contain any untrue statement and that these statements represent a true and fair view of the Company's affairs and other matters as specified there under.

**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](http://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 31<sup>st</sup> March, 2020.

**4. Prevention of Insider Trading:**

The Company has adopted a detailed Code of Conduct for Prevention of Insider Trading for its designated persons/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:**

All the Mandatory requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, have been complied with as detailed in this annexure. The Company has also complied Non-mandatory requirements of the Listing Regulations such as: a) Separate posts of Chairman and Managing Director/Executive Director b) unmodified audit opinion.

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. List of Credit Ratings obtained by the Company:**

Total Bank Loan Facilities Rated	₹ 250 Crore
Long Term Rating	CRISIL A-/Stable
Short Term Rating	CRISIL A2+
₹ 50 crore Fixed Deposits (Enhanced from ₹ 35 crore)	FA/Stable

8. A Certificate from Practicing Company Secretary, Mr. I. U. Thakur, Pune has been received confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such other authority.

**9. Disclosure of commodity price risks and commodity hedging activities:** Not Applicable**10. Foreign exchange risk and hedging activities:**

The Company usually takes short term cover against foreign exchange rates moving upwards and guards against possible losses.

**11. Fees paid by the Company to M/s. J. M. Agrawal & Company, Statutory Auditors for the Financial Year 2019-20:**

Sr. No.	Name of the Company	Fees Paid (₹ Lakhs)
1.	Pudumjee Paper Products Limited	₹ 21.93

**12. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

a)	Number of complaints filed during the financial year:	Nil
b)	Number of complaints disposed of during the financial year:	Nil
c)	Number of complaints pending as on end of the financial year:	Nil

**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 at [www.pudumjee.com](http://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.

**Disclosure of shares lying In the Unclaimed Suspense Account:**

Pursuant to Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details in respect of the shares lying in the unclaimed suspense account till 31<sup>st</sup> March, 2020 is as under:

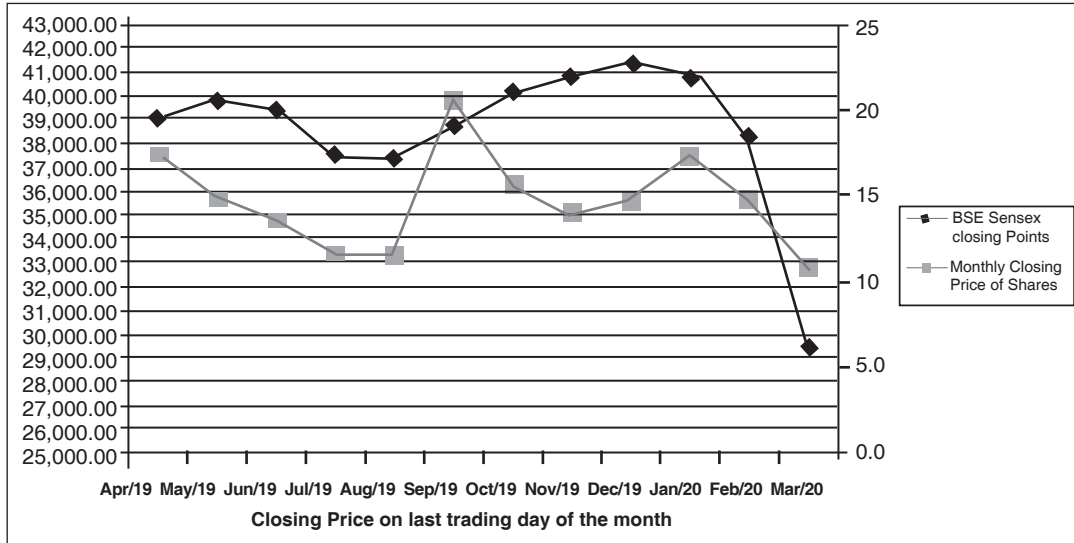
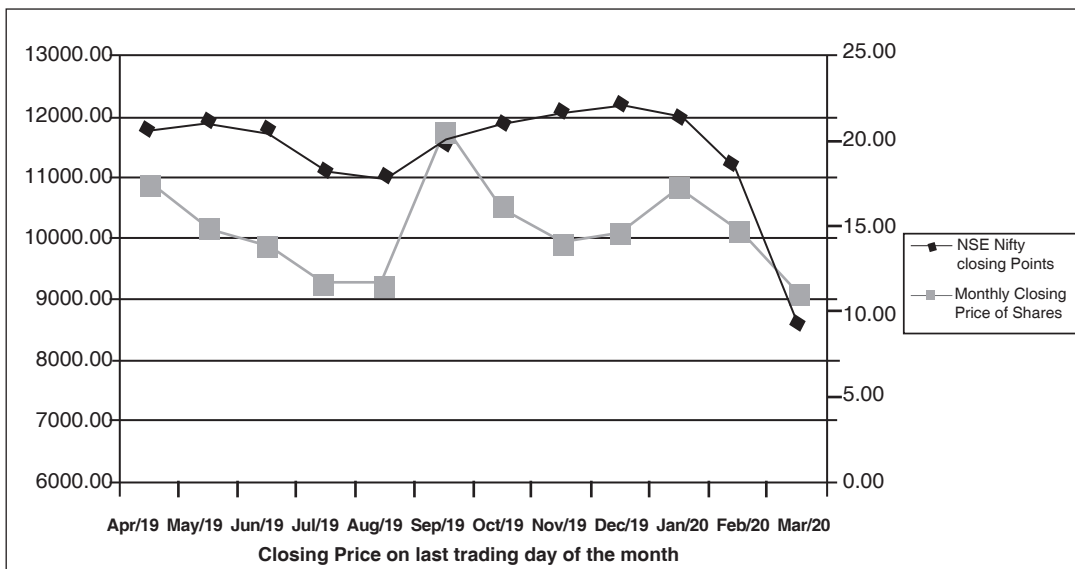
Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 1 <sup>st</sup> April, 2019	677	6,70,658
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account	--	--
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents.	--	--
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31 <sup>st</sup> March, 2020	677	6,70,658

There were no request pending for want of necessary documents from the Shareholders / legal heirs.

Voting rights in respect of the aforesaid 6,70,658 shares held in the Unclaimed Suspense Account will remain frozen till the time such shares are claimed by the concerned Shareholders. Shareholders may get in touch with the Company/ RTA for any further information in this matter.

**Market share Price Data: (In ₹)**

Month/Index	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
Month	High Price	Low Price	Close Price	High Price	Low Price	Close Price
April-2019	19.30	17.20	17.35	19.20	17.25	17.30
May-2019	17.65	14.10	14.85	17.85	13.70	14.85
June-2019	15.00	10.75	13.57	15.05	10.80	13.60
July-2019	14.80	10.40	11.57	14.15	10.20	11.55
August-2019	12.00	10.50	11.44	12.25	11.20	11.50
September-2019	20.60	11.00	20.60	20.40	10.35	20.40
October-2019	21.60	12.65	15.80	21.40	12.65	15.85
November-2019	17.45	13.65	13.95	17.40	13.65	13.90
December-2019	15.35	12.71	14.60	15.00	12.70	14.60
January-2020	17.46	14.00	17.21	17.25	14.25	17.20
February-2020	18.30	13.95	14.75	18.25	13.70	14.60
March-2020	15.62	9.45	10.73	15.80	9.55	11.05

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

# PUDUMJEE PAPER PRODUCTS LIMITED

## Shareholding pattern and distribution pattern of shares as at 31<sup>st</sup> March, 2020:

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING		
Category of shareholder	No. of shares	% of shares held	No. of shares	No. of shareholders	No. of Shares held
<b>PROMOTER AND PROMOTER GROUP</b>			1-5000	16,609	1,19,63,186
Individual /Hindu Undivided Family	42,06,950	4.43	5001- 10000	465	34,87,410
Bodies Corporate	4,78,52,962	50.40	10001- 20000	209	30,65,822
Trust	1,16,60,101	12.28	20001- 30000	65	16,58,488
Individuals (Non-Resident Individuals / Foreign Individuals)	--	--	30001- 40000	40	13,83,013
<b>PUBLIC SHAREHOLDING</b>			40001- 50000	17	7,62,344
Mutual Funds	462	0.00	50001- 100000	32	22,42,918
Financial Institutions/Banks	4,331	0.00	100001 & Above	28	7,03,86,819
Insurance Companies	462	0.00			
Bodies Corporate	51,37,162	5.41			
Individuals	2,48,43,588	26.17			
Non-Resident Indians	11,82,022	1.24			
Clearing Members	61,960	0.07			
<b>GRAND TOTAL</b>	<b>9,49,50,000</b>	<b>100.00</b>	<b>GRAND TOTAL</b>	<b>17,465</b>	<b>9,49,50,000</b>

## Dematerialization of Shares and Liquidity as on 31<sup>st</sup> March, 2020.

Physical Form : 1.88%

Dematerialized Form : 98.12%

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 32.89%.

**General Shareholders' Information:**

i)	<b>Date, time and venue of Annual General Meeting</b>	Thursday, 20 <sup>th</sup> August 2020 at 3:00 p.m. The Company is conducting AGM through "VC/OAVM" pursuant to MCA Circular dated 5 <sup>th</sup> May, 2020. Therefore, there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
ii)	<b>Financial Year</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March
iii)	<b>Date of Book Closure</b>	From Saturday the 8 <sup>th</sup> day of August 2020 to Thursday, the 20 <sup>th</sup> day of August 2020.
iv)	<b>Board Meeting for Consideration of unaudited results for first three quarters</b>	Within 45 days from the end of the each quarter
v)	<b>Listing on Stock Exchanges and Scrip code/Symbol:</b>	
	a) BSE Ltd. Phiroze Jeejibhoy Towers 25 <sup>th</sup> Floor, Dalal Street, Mumbai 400 001.	539785
	b) The National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), MUMBAI 400 051.	PDMJEPAPER
vi)	<b>NSDL and CDSL Demat stock code</b>	INE865T01018
vii)	<b>E-mail ID for Investor Complaints</b>	investors.relations@pudumjee.com
viii)	<b>Any other inquiry:</b>	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
ix)	<b>Plant Location</b>	Thergaon, Pune 411 033.
x)	<b>Corporate Identification Number</b>	L21098PN2015PLC153717
	<b>Registrars &amp; Share Transfer Agents:</b>	KFin Technologies Pvt. Ltd Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008 Tel. : 91-40-44655000 Fax : 91-40-23420814 E-mail: einward.ris@kfintech.com

## PUDUMJEE PAPER PRODUCTS LIMITED

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. KFin Technologies Pvt. Ltd. at any of its service centres throughout 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 2020-21 have been paid in full to BSE Limited and National Stock Exchange of India Limited.

### **Share Transfer System:**

Pursuant to Regulation 40(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the securities can be transferred only in dematerialized form w.e.f. 01<sup>st</sup> April, 2019 (except in case of Transmission or Transposition of Securities).

### **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,

Place: Pune

Date : 12<sup>th</sup> June, 2020

**A. K. Jatia,**

Executive Chairman.

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## **DECLARATION BY THE EXECUTIVE CHAIRMAN REGARDING AFFIRMATION OF CODE OF CONDUCT**

To

The Members of Pudumjee Paper Products Limited

I, Arunkumar Mahabirprasad Jatia, Executive Chairman 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 31<sup>st</sup> March, 2020.

**A. K. Jatia,**

Executive Chairman

Place: Pune

Date : 12<sup>th</sup> June, 2020

**CERTIFICATE ON CORPORATE GOVERNENCE**

To,  
The Members of  
PUDUMJEE PAPER PRODUCTS LIMITED  
Thergaon, Pune, MH 411033IN

We have examined the compliance with conditions of Corporate Governance by PUDUMJEE PAPER PRODUCTS LIMITED, for the year ended on 31<sup>st</sup> March, 2020, as stipulated in Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation 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 implementation thereof, as adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. 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 Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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

Place : Pune  
Date : 12<sup>th</sup> June, 2020

**ANNEXURE - 8****FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> March, 2020

[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:	L21098PN2015PLC153717
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.: 91-20-40773433 Fax.: 91-20-40773388
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. KFin Technologies 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	Specialty Paper	1701	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 01-04-2019				No. of Shares held at the end of the year 31-03-2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoters</b>									
(1)	<b>Indian</b>									
a)	Individual/HUF	42,06,950	0	42,06,950	4.43	42,06,950	0	42,06,950	4.43	0.00
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.	4,78,52,962	0	4,78,52,962	50.40	4,78,52,962	0	4,78,52,962	50.40	0.00
e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f)	Any Other (Trust)	1,16,60,101	0	1,16,60,101	12.28	1,16,60,101	0	1,16,60,101	12.28	0.00
	<b>Sub-total (A) (1):-</b>	<b>6,37,20,013</b>	<b>0</b>	<b>6,37,20,013</b>	<b>67.11</b>	<b>6,37,20,013</b>	<b>0</b>	<b>6,37,20,013</b>	<b>67.11</b>	<b>0.00</b>
(2)	<b>Foreign</b>									
a)	NRIs - Individuals	0	0	0	0.00	0.00	0	0	0	0.00
b)	Other - Individuals	0	0	0	0.00	0.00	0	0	0	0.00
c)	Bodies Corp.	0	0	0	0.00	0.00	0	0	0	0.00
d)	Banks / FI	0	0	0	0.00	0.00	0	0	0	0.00
e)	Any Other....	0	0	0	0.00	0.00	0	0	0	0.00
	<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>		<b>6,37,20,013</b>	<b>0</b>	<b>6,37,20,013</b>	<b>67.11</b>	<b>6,37,20,013</b>	<b>0</b>	<b>6,37,20,013</b>	<b>67.11</b>	<b>0.00</b>
<b>B</b>	<b>Public Shareholding</b>									
1)	<b>Institutions</b>									
a)	Mutual Funds	0	462	462	0.00	0	462	462	0.00	0.00
b)	Banks / FI	3,368	973	4,341	0.00	3,358	973	4,331	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	462	462	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	0	0	0	0.00	0.00
	<b>Sub-total (B)(1):-</b>	<b>3,368</b>	<b>1,897</b>	<b>5,265</b>	<b>0.00</b>	<b>3,358</b>	<b>1,897</b>	<b>5,255</b>	<b>0.00</b>	<b>0.00</b>
2)	<b>Non-Institutions</b>									
a)	Bodies Corp.									
i)	Indian	56,08,079	9,914	56,17,993	5.92	51,27,710	9,452	51,37,162	5.41	(0.51)
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 lakhs.	2,03,08,871	17,93,839	2,21,02,710	23.28	2,03,54,327	16,97,595	2,20,51,922	23.23	(0.05)
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakhs.	22,91,118	0	22,91,118	2.41	27,91,666	0	27,91,666	2.94	0.53
c)	Others (specify)									
	Non Resident Indians	11,10,200	81,861	11,92,061	1.26	11,03,269	78,753	11,82,022	1.24	(0.02)
	Clearing Members	16,177	945	17,122	0.02	61,015	945	61,960	0.07	0.05
	NBFC	3,718	0	3,718	0.00	0	0	0	0.00	0.00
	Trust	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-total (B)(2):-</b>	<b>2,93,38,163</b>	<b>18,86,559</b>	<b>3,12,24,722</b>	<b>32.89</b>	<b>2,94,37,987</b>	<b>17,86,745</b>	<b>3,12,24,732</b>	<b>32.89</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>		<b>2,93,41,531</b>	<b>18,88,456</b>	<b>3,12,29,987</b>	<b>32.89</b>	<b>2,94,41,345</b>	<b>17,88,642</b>	<b>3,12,29,987</b>	<b>32.89</b>	<b>(0.00)</b>
<b>C</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>		<b>9,30,61,544</b>	<b>18,88,456</b>	<b>9,49,50,000</b>	<b>100.00</b>	<b>9,31,61,358</b>	<b>17,88,642</b>	<b>9,49,50,000</b>	<b>100</b>	<b>0.00</b>

(ii) Shareholding of Promoters

Sl. 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 Mahabirprasad Jatia	42,06,850	4.43	0	42,06,850	4.43	0	0.00
2.	Vrinda Jatia	0	0	0	0	0	0	0.00
3.	Vasudha Jatia	0	0	0	0	0	0	0.00
4.	Yashvardhan Jatia	100	0	0	100	0	0	0.00
5.	Pudumjee Investment & Finance Company Limited	17,75,605	1.87	0	17,75,605	1.87	0	0.00
6.	Thacker and Company Limited	1,29,15,362	13.60	0	1,29,15,362	13.60	0	0.00
7.	Suma Commercial Private Limited	1,03,09,452	10.86	0	1,03,09,452	10.86	0	0.00
8.	Fujisan Technologies Limited	3,94,056	0.42	0	9,00,000	0.95	0	0.53
9.	Chem Mach Private Limited	47,14,192	4.96	0	77,00,000	8.11	0	3.15
10.	3P Land Holdings Limited	1,70,58,769	17.97	0	1,35,67,017	14.29	0	(3.68)
11.	AMJ Land Holdings Limited	6,85,526	0.72	0	6,85,526	0.72	0	0.00
12.	Yashvardhan Jatia Trust (ArunKumar MahabirPrasad Jatia, Gautam N Jajodia, Trustees of the Trust)	96,75,101	10.19	0	96,75,101	10.19	0	0.00
13.	Vasudha Jatia Trust (ArunKumar Mahabirprasad Jatia, Gautam N. Jajodia and Smita Gupta, Trustees of the Trust)	9,92,500	1.05	0	9,92,500	1.05	0	0.00
14.	Vrinda Jatia Trust (ArunKumar Mahabirprasad Jatia, Gautam N. Jajodia and Smita Gupta, Trustees of the Trust)	9,92,500	1.05	0	9,92,500	1.05	0	0.00

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name of the Promoter	Shareholding at beginning of the year (01-04-2019)		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 (31-03-2020)	
	No. of Shares	% of total shares of the Company	Increase / Decrease	Reasons for change	No. of shares increasing/ decreased	Date of change in shareholding D/M/Y	No. of shares	% of total shares of the Company	No. of Shares	% of Shares held
3P Land Holdings Limited	1,70,58,769	17.97	Decrease	Sold Equity Share to Chem Mach Private Limited	29,85,808	26/08/2019	1,40,72,961	14.82	1,35,67,017	14.29
			Decrease	Sold Equity to Fujisan Technologies Limited	5,05,944	25/09/2019	1,35,67,017	14.29		
Chem Mach Private Limited	47,14,192	4.96	Increase	Acquisition of Equity Shares from 3P Land Holdings Limited	29,85,808	26/08/2019	77,00,000	8.11	77,00,000	8.11
Fujisan Technologies Limited	3,94,056	0.42	Increase	Acquisition of Equity Shares from 3P Land Holdings Limited	5,05,944	25/09/2019	9,00,000	0.95	9,00,000	0.95

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

(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 (01-04-2019)		Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year	
Sr. No.	Name of the Shareholders	No of Shares	% of total shares of the Company	Reasons for change	Date of change in shareholding D/M/Y	No. of shares-increase/decrease @	No. of shares% of total	shares of the Company
1	Halan Properties Private Limited	28,67,615	3.02	At the End of the Year	31-03-2020	---	28,67,615	3.02
2	Sanjay M Jatia	4,55,000	0.48	Increase	30-08-2019	5,000	4,60,000	0.48
				At the End of the Year	31-03-2020	---	4,60,000	0.48
3	Muktial Ganulal Paldiwal	3,81,472	0.40	Increase	17-05-2019	450	3,81,922	0.40
				Increase	24-05-2019	1,000	3,82,922	0.40
				Increase	31-05-2019	800	3,83,722	0.40
				Increase	30-09-2019	1,000	3,84,722	0.41
				Increase	15-11-2019	1,000	3,85,722	0.41
				Increase	24-01-2020	5,000	3,90,722	0.41
				At the End of the Year	31-03-2020	---	3,90,722	0.41
4	Vineet Nahata	3,75,900	0.40	Increase	12-04-2019	15,000	3,90,900	0.41
				Decrease	17-05-2019	10,000	3,80,900	0.40
				Increase	31-05-2019	400	3,81,300	0.40
				Decrease	14-06-2019	10,000	3,71,300	0.39
				Decrease	02-08-2019	1,19,005	2,52,295	0.27
				Decrease	27-09-2019	10,000	2,42,295	0.26
				Increase	18-10-2019	14,500	2,56,795	0.27
				Decrease	18-10-2019	15,000	2,41,795	0.25
				Increase	25-10-2019	21,000	2,62,795	0.28
				Decrease	25-10-2019	1,43,059	1,19,736	0.13
				Increase	01-11-2019	5581	1,25,317	0.13
				Increase	08-11-2019	36,300	1,61,617	0.17
				Decrease	08-11-2019	58,669	1,02,948	0.11
				Decrease	15-11-2019	21,158	81,790	0.09
				Increase	22-11-2019	4,885	86,675	0.09
				Decrease	22-11-2019	14,112	72,563	0.08
				At the End of the Year	31-03-2020	---	72,563	0.08
5	Hanuman Prasad Birla	3,38,291	0.36	At the End of the Year	31-03-2020	---	3,38,291	0.36
6	Krishna Vishvanath	2,79,589	0.29	Decrease	21-06-2019	6,681	2,86,270	0.30
				At the End of the Year	31-03-2020	---	2,86,270	0.30
7	Subramanian P	2,33,890	0.25	Decrease	08-11-2019	2,33,890	0	0.00
				At the End of the Year	31-03-2020	---	0	0.00
8	Sangitadevi Kailashchandra Lohia	2,26,976	0.24	At the End of the Year	31-03-2020	---	2,26,976	0.24
9	Swavin Business Consultants Private Limited	1,72,015	0.18	Increase	19-07-2019	25,000	1,97,015	0.21
				Decrease	04-10-2019	16,000	1,81,015	0.19
				Increase	18-10-2019	16,000	1,97,015	0.21
				Increase	15-11-2019	3,027	2,00,042	0.21
				Increase	22-11-2019	1,400	2,01,442	0.21
				Increase	29-11-2019	9,600	2,11,042	0.22
				At the End of the Year	31-03-2020	---	2,11,042	0.22
10	Streamline Finance & Investment Private Limited	1,72,050	0.18	At the End of the Year	31-03-2020	---	1,72,050	0.18

@Based on the beneficiary positions as at end of the each week (purchase /sale).

## (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 during the year		Shareholding At the End of 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 Mahabirprasad Jatia	42,06,850	4.43	-----	-----	42,06,850	4.43
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. B. K. Khaitan	-----	-----	-----	-----	-----	-----
8	Dr. Ashok Kumar	-----	-----	-----	-----	-----	-----
9	Mr. H. P. Birla	3,38,291	0.36	-----	-----	3,38,291	0.36
10	Mr. Vinay Jadhav	-----	-----	-----	-----	-----	-----

## 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	2,21,11,385	45,68,32,699	0	28,63,27,000	76,52,71,084
ii) Interest due but not paid	0	0	0	1,24,561	1,24,561
iii) Interest accrued but not due	0	0	0	77,39,165	77,39,165
Total (i+ii+iii)	2,21,11,385	45,68,32,699	0	29,41,90,726	77,31,34,810
Changes in indebtedness during the financial year					
Addition	7,67,12,937	0	0	1,77,48,468	9,44,61,405
Reduction	0	13,95,29,808	0	1,30,10,726	15,25,40,534
Net Change	7,67,12,937	-13,95,29,808	0	47,37,742	-5,80,79,129
Indebtedness at the end of the year					
i) Principal amount	9,88,24,322	31,73,02,891	0	28,18,55,000	69,79,82,213
ii) Interest due but not paid	0	0	0	1,68,085	1,68,085
iii) Interest accrued but not due	0	0	0	1,69,05,383	1,69,05,383
Total (i+ii+iii)	9,88,24,322	31,73,02,891	0	29,89,28,468	71,50,55,681

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

a) Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

Sl No.	Name of the Directors and Particulars of Remuneration	Name of MD/WT/ Manager			Total
		Mr. Arunkumar Mahabirprasad Jatia (Whole Time Director)	Mr. Ved Prakash Leekha (Managing Director) (upto 30.04.2019)	Dr. Ashok Kumar (Executive Director)	Amount
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,20,60,000	6,45,000	69,84,000	1,96,89,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	61,53,179	8,64,866	24,22,785	94,40,830
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission as % of profit others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify (Insurance Premium, PF and Superannuation contribution, if any)	26,53,200	1,00,60,842	15,36,480	1,42,50,522
	<b>Total</b>	<b>2,08,66,379</b>	<b>1,15,70,708</b>	<b>1,09,43,265</b>	<b>4,33,80,352</b>
	<b>Ceiling as per the Act (I)</b>	<b>₹ 2,40,00,000/-</b>	<b>₹ 2,40,00,000/-</b>	<b>₹ 2,40,00,000/-</b>	<b>--</b>

## B. Remuneration to other Directors:

(In ₹)

Sr. No.	Particulars of Remuneration and Name of the Directors	Name of other Directors				Total Amount
		Mr. Nandan Damani	Mr. V. K. Beswal	Mrs. Madhu Dubhashi	Mr. B. K. Khaitan	
1	Independent Directors					
	Fee for attending board / committee meetings	98,000	85,000	60,000	50,000	2,93,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	98,000	85,000	60,000	50,000	2,93,000
	<b>Ceiling limit as per Act being Maximum sitting fees at ₹ 1 Lakh per Meeting (II)</b>	15,00,000	10,00,000	7,00,000	6,00,000	-
2	<b>Name of the Non – Executive Directors</b>					
	Other Non-Executive Directors	<b>Mr. Surendra Kumar Bansal</b>	<b>Mr. Ved Prakash Leekha (w.e.f 27.07.2019)</b>			<b>Total Amount</b>
	Fee for attending board / committee meetings	-	20,000	-	-	20,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	20,000	-	-	20,000
	<b>Total (B)=(1+2)</b>	98,000	1,05,000	60,000	50,000	3,13,000
	Ceiling limit as per Act being Maximum sitting fees at ₹ 1 Lakh per Meeting (II)	-	2,00,000	-	-	-

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	27,93,000	11,24,423	39,17,423
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	7,13,611	Nil	7,13,611
(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	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>35,06,611</b>	<b>11,24,423</b>	<b>46,31,034</b>

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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On Behalf of the Board of Directors,

Place: Pune

Date : 12<sup>th</sup> June, 2020

**A. K. Jatia,**

Executive Chairman.



## ANNEXURE - 9

### 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 14.11.2015, constituted the Nomination and Remuneration Committee of the Board of Directors (Committee) and also stipulated 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 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 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;
- 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, 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;

The Committee should also verify that the said person is not debarred from holding the office of Director pursuant to any SEBI order or any other such authority.

#### **Criteria for Selection of Senior Management Personnel:**

The term 'Senior Management' shall have the meaning provided under the explanation to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended with effect from 1st April, 2019, as provided herewith –

As per Section 178 of the Companies Act, 2013,

The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended with effect from 1<sup>st</sup> April, 2019

- “senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

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 finds that the candidate meets the above criteria for appointment as part of Senior Management or as a Director on the Board, as the case may be, the Committee shall make its recommendation to the Board.

### **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 Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of Pudumjee Paper Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing(SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Provisions and contingencies</b></p> <p>The Company has received a demand of ₹1580.34 lakhs from MSEDCL on power purchased from outside vendor under group captive power mechanism. During the year the Company has made payment in protest of 431.70 lakhs, required as per APTEL order and made a provision of 863.39 lakhs in books. Balance amount is disclosed as contingent liability. The matter is pending in with APTEL/ MERC where the Company's appeal/petition are pending.</p> <p>Refer Note 10(e) and 28 of the financial statements.</p>	<p><b>Our procedure included, but were not limited to the following:</b></p> <p>We assessed the management's judgement in determining the probability of the outcome of the pending litigation, and an ultimate probability of economic outflow. We evaluated adequacy of the provision made in books.</p> <p>We have obtained information on the pending litigation and its status. We have obtained explanations from management to understand the merits in the demand and appeal filled.</p> <p>We have also considered the adequacy of the disclosures in respect of the pending demand and the sub-judice matter.</p>
<p><b>Assessment of impairment of Goodwill</b></p> <p>Goodwill of ₹ 7793.05 has arisen as per the Scheme of arrangement and reconstruction approved by high court dated January 8, 2016.</p> <p>The management monitors goodwill at the company level by considering entire business. Consequently, goodwill is not allocable to any segment or cash-generating unit.</p> <p>Goodwill is tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions.</p> <p>Management has considered impact of the possible effects that may result from the pandemic relating to COVID-19. No impairment visualized by the Management once economic activity achieves normalcy.</p> <p>Refer note 31 of the financial statements.</p>	<p><b>Our audit procedures</b> related to forecasts of future revenue and operating margin and selection of the discount rate for these assets included the following, among others:</p> <p>We tested the design, implementation and operating effectiveness of controls over impairment assessment process, including those over the forecasts of future revenue and operating margin, and the selection of the discount rate.</p> <p>We evaluated the reasonableness of management's revenue and operating margin forecasts by comparing the forecasts to:</p> <ul style="list-style-type: none"> <li>– Historical revenues and operating margins.</li> <li>– Internal communications to management, Audit Committee and the Board of Directors.</li> </ul> <p>Assessed the reasonableness of assumptions used, including assumptions relating to revenue growth rate, gross margins, discount rates, long-term growth rate etc. based on historical results, current developments and future plans of the business estimated by management.</p> <p>Assessed cash flow forecasts to ensure consistency with current operations of the Company and performed sensitivity analysis on key assumptions used in management's calculated recoverable value.</p> <p>Considered the adequacy of disclosures in respect of goodwill impairment in the notes to the financial statements.</p>

#### Other Information

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report but does not include the financial statements and our auditor's report thereon.

The Annual Report is expected to be made available to us after the date of our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, the profit and total comprehensive income, changes in equity and its cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act.
  - (d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (e) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the adequacy of the internal financial controls reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- (h) With respect to the other matters to be included in the Auditors' 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 does not have any pending litigations as at March 31, 2020 which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2020;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020;

**For J M Agrawal & Co.**

Chartered Accountants

Firm Registration Number : 100130W

Place : Pune

Date : 12<sup>th</sup> June, 2020.

**Punit Agrawal**

Partner

Membership No. 148757

UDIN : 20148757AAAAAM5599

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

### Referred to in the Independent Auditors' Report of even date to the members of Pudumjee Paper Products Limited on the financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
- (b) The property, plant and equipment are physically verified by the Management according to a phased program designed to cover all the items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program a portion of the property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as Right of Use Assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- ii. The physical verification of inventory excluding stocks with third parties, have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. No material discrepancies were noticed on such physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to 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 in respect of the loans and investments made, and guarantees and security provided by it.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act to the extent notified. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, professional tax, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, and other material statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, duty of customs, goods and service tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date.
- ix. During the year ended March 31, 2020, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections



177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- xiv. The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Place : Pune  
Date : 12<sup>th</sup> June, 2020.

**For J M Agrawal & Co.**  
Chartered Accountants  
Firm Registration Number : 100130W

**Punit Agrawal**  
Partner  
Membership Number: 148757  
UDIN : 20148757AAAAAM5599

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

**Referred to in the Independent Auditors' Report of even date to the members of Pudumjee Paper Products Limited on the financial statements for the year ended March 31, 2020**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Pudumjee Paper Products Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

2. 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 Act.

### **Auditors' Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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**

6. 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**

7. 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**

8. 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 March 31, 2020, 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 : Pune  
Date : 12<sup>th</sup> June, 2020.

**For J M Agrawal & Co.**  
Chartered Accountants  
Firm Registration Number : 100130W

**Punit Agrawal**  
Partner  
Membership Number: 148757  
UDIN : 20148757AAAAAM5599

**BALANCE SHEET AS AT 31ST MARCH, 2020**

(All amounts in INR Lakhs unless otherwise stated)

	Notes	31-Mar-20	31-Mar-19
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	13,505.12	12,542.79
Right-of-use Assets	3	1,682.07	1,220.15
Capital work-in-progress	3	2,901.70	4,220.46
Goodwill	3	7,793.05	7,793.05
Intangible assets under development	3	0.70	0.70
Other intangible assets	3	56.03	34.88
Financial assets			
(i) Investments	4(a)	244.75	4.75
(ii) Other financial assets	4(g)	23.28	49.49
Other non-current assets	5	1,657.66	1,688.75
<b>Total non-current assets</b>		<b>27,864.36</b>	<b>27,555.02</b>
<b>Current assets</b>			
Inventories	6	9,192.90	9,457.35
Financial assets			
(i) Investments	4(b)	5,064.30	2,378.24
(ii) Trade receivables	4(c)	5,347.12	6,766.39
(iii) Cash and cash equivalents	4(e)	390.87	341.26
(iv) Bank balances other than (iii) above	4(f)	511.37	405.86
(v) Loans	4(d)	1,989.64	225.00
(vi) Other financial assets	4(g)	72.45	71.84
Other current assets	7	645.83	617.66
Advance Income tax (net)	13	511.18	513.93
Assets classified as held for sale	8	-	62.85
<b>Total current assets</b>		<b>23,725.66</b>	<b>20,840.38</b>
<b>Total assets</b>		<b>51,590.02</b>	<b>48,395.40</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9(a)	949.50	949.50
<b>Other equity</b>			
Reserves and surplus	9(b)	27,046.18	24,859.39
<b>Total equity</b>		<b>27,995.68</b>	<b>25,808.89</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	10(a)	4,464.21	6,897.70
(ii) Other financial liabilities	10(c)	390.07	-
Provisions	10(e)	941.03	479.72
Employee benefit obligations	11	806.29	697.75
Deferred tax liabilities (net)	12	3,067.32	2,457.32
Other non current liabilities	14	240.00	-
<b>Total non-current liabilities</b>		<b>9,908.92</b>	<b>10,532.49</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	10(b)	988.24	300.03
(ii) Trade payables	10(d)		
a. Total outstanding dues of micro enterprises and small enterprises		19.50	56.77
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		8,179.91	8,227.95
(iii) Other financial liabilities	10(c)	3,369.01	2,360.28
Employee benefit obligations	11	598.50	588.29
Other current liabilities	14	530.26	520.70
<b>Total current liabilities</b>		<b>13,685.42</b>	<b>12,054.02</b>
<b>Total liabilities</b>		<b>23,594.34</b>	<b>22,586.51</b>
<b>Total equity and liabilities</b>		<b>51,590.02</b>	<b>48,395.40</b>

The accompanying notes are an integral part of the financial statements  
As per our report of date attached

For and on behalf of the board of directors of  
Pudumjee Paper Products Limited

**For J M AGRAWAL & CO.**  
Chartered Accountants  
Firm Registration No - 100130W

**V. K. BESWAL**  
Director

**A. K. JATIA**  
Executive Chairman

**PUNIT AGRAWAL**  
Partner  
Membership No. 148757

**VINAY JADHAV**  
Company Secretary

**DR. ASHOK KUMAR**  
Executive Director

Place : Pune  
Date : 12<sup>th</sup> June, 2020

**H. P. BIRLA**  
Chief Financial Officer

Place : Pune  
Date : 12<sup>th</sup> June, 2020

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

(All amounts in INR Lakhs unless otherwise stated)

	Notes	31-Mar-20	31-Mar-19
<b>Revenue</b>			
Revenue from operations	15	60,448.22	58,952.13
Other income (net)	16	520.39	326.09
<b>Total income</b>		<b>60,968.61</b>	<b>59,278.22</b>
<b>Expenses</b>			
Cost of materials consumed	17(a)	34,494.40	34,761.18
Purchases of stock-in-trade		676.34	1,380.18
Changes in inventories of work-in-progress, stock-in-trade and finished goods	17(b)	(972.96)	436.03
Power, Fuel & Water expenses		10,537.73	8,784.67
Employee benefit expense	18	4,557.96	4,548.99
Net foreign exchange loss / (gain)		177.65	387.30
Finance costs	21	769.33	795.74
Depreciation, amortisation and impairment expense	19	1,217.61	725.07
Other expenses	20	5,405.42	4,896.99
<b>Total expenses</b>		<b>56,863.48</b>	<b>56,716.15</b>
<b>Profit before tax</b>		<b>4,105.13</b>	<b>2,562.07</b>
Income tax expense	22		
- Current tax		702.00	551.00
- Deferred tax		681.88	336.83
<b>Total tax expense</b>		<b>1,383.88</b>	<b>887.83</b>
<b>Profit for the year</b>		<b>2,721.25</b>	<b>1,674.24</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>		-	-
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurements of post-employment benefit obligations	11(aa)	(205.70)	57.72
- Income tax relating to these items	12(b)	71.88	(20.17)
<b>Other comprehensive income for the year, net of tax</b>		<b>(133.82)</b>	<b>37.55</b>
<b>Total comprehensive income for the Period</b>		<b>2,587.43</b>	<b>1,711.79</b>
<b>Earning per equity share:(Face value ₹ 1 per share)</b>			
(1) Basic	30	2.87	1.76
(2) Diluted	30	2.87	1.76

The accompanying notes are an integral part of the financial statements

As per our report of date attached

For and on behalf of the board of directors of  
Pudumjee Paper Products Limited

**For J M AGRAWAL & CO.**  
Chartered Accountants  
Firm Registration No - 100130W

**V. K. BESWAL**  
Director

**A. K. JATIA**  
Executive Chairman

**PUNIT AGRAWAL**  
Partner  
Membership No. 148757

**VINAY JADHAV**  
Company Secretary

**DR. ASHOK KUMAR**  
Executive Director

Place : Pune  
Date : 12<sup>th</sup> June, 2020

**H. P. BIRLA**  
Chief Financial Officer

Place : Pune  
Date : 12<sup>th</sup> June, 2020

**STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2020**

(All amounts in INR Lakhs unless otherwise stated)

Particulars	31-Mar-20	31-Mar-19
<b>Cash flow from operating activities</b>		
Profit before taxation	4,105.13	2,562.07
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment expense	1,217.61	725.07
(Profit) / Loss on sale of property, plant and equipment / investments (net)	7.58	6.40
Dividend income	(171.31)	(77.43)
Remeasurements of post-employment benefit obligations	(205.70)	57.72
Interest income	(348.75)	(243.92)
Finance costs	769.33	795.74
Provision for doubtful debts	41.77	1,273.62
<b>Operating profit before working capital changes</b>	<b>5,415.66</b>	<b>3,835.69</b>
<b>Change in operating assets and liabilities</b>		
(Increase)/ decrease in other non current financial assets	26.21	(31.85)
(Increase)/ decrease in other non current assets	31.09	210.27
(Increase)/ decrease in inventories	264.45	(2,635.65)
(Increase)/decrease in trade receivables	1,374.57	(510.15)
(Increase)/decrease in other current financial assets	(1,867.83)	801.38
(Increase)/ decrease in other current assets	(28.17)	(166.03)
Increase/(decrease) in non current employee benefit obligations	108.54	(449.89)
Increase/(decrease) in trade payables	616.00	778.68
Increase/ (decrease) in other current financial liabilities	(35.58)	137.31
Increase/ (decrease) in current employee benefit obligations	(1.89)	73.49
Increase/ (decrease) in other current liabilities	9.57	(1,929.86)
<b>Cash generated from operations</b>	<b>5,912.62</b>	<b>1,905.83</b>
Income taxes paid (net of refunds)	(685.26)	(523.10)
<b>Net cash inflow from operating activities</b>	<b>5,227.36</b>	<b>1,382.73</b>

**STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2020 (contd.)**

(All amounts in INR Lakhs unless otherwise stated)

Particulars	31-Mar-20	31-Mar-19
<b>Cash flow from investing activities</b>		
Purchase of property, plant & equipments/intangible assets	(755.17)	(2,110.44)
Proceeds from sale of property, plant & equipment	71.62	32.20
Purchase of non current investments	(80.79)	(4.50)
Purchase of current investments	(2,845.27)	(346.85)
Interest income	334.76	234.01
Dividend income	171.31	77.43
<b>Net cash used in investing activities</b>	<b>(3,103.54)</b>	<b>(2,118.15)</b>
<b>Cash flow from financing activities</b>		
Interest paid (including interest pertaining to Ind AS 116)	(683.86)	(980.35)
Proceeds of short-term borrowings	723.56	165.05
Proceeds of long-term borrowings	6.75	5,517.94
Repayment of leases liabilities	(110.57)	-
Repayment of short-term borrowings	(35.35)	(0.06)
Repayment of long-term borrowings	(1,574.10)	(3,816.40)
Dividend on equity shares and tax thereon	(400.64)	(171.70)
<b>Net cash used in financing activities</b>	<b>(2,074.21)</b>	<b>714.48</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>49.61</b>	<b>(20.94)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>341.26</b>	<b>362.20</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>390.87</b>	<b>341.26</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 – Statement of Cash flows is presented under in Note 32.
- Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.
- For details of Cash and cash equivalents refer note 4(e).

The accompanying notes are an integral part of the financial statements

As per our report of date attached

For and on behalf of the board of directors of  
Pudumjee Paper Products Limited

**For J M AGRAWAL & CO.**  
Chartered Accountants  
Firm Registration No - 100130W

**V. K. BESWAL**  
Director

**A. K. JATIA**  
Executive Chairman

**PUNIT AGRAWAL**  
Partner  
Membership No. 148757  
Place : Pune  
Date : 12<sup>th</sup> June, 2020

**VINAY JADHAV**  
Company Secretary  
**H. P. BIRLA**  
Chief Financial Officer

**DR. ASHOK KUMAR**  
Executive Director  
Place : Pune  
Date : 12<sup>th</sup> June, 2020

# Statement of changes in equity

(All amounts in INR Lakhs unless otherwise stated)

Particulars	Notes	Other Equity					Total other equity
		Equity share capital	Reserves & Surplus			General reserve	
			Capital reserve	Securities premium	Retained earnings		
Balance as at April 1, 2018		949.50	17,945.50	95.00	4,678.80	600.00	23,319.30
Profit for the year	9(b)				1,674.24		1,674.24
Fair value changes on cash flow hedge, net of tax	9(c)						-
Remeasurement of net defined benefit liability / asset, net of tax effect	9(b)				37.55		37.55
Total comprehensive income for the year					1,711.79	-	1,711.79
Transaction with owners in their capacity as owners:							
Dividends paid (incl. tax on Dividend)	9(b)				(171.70)		(171.70)
Transfer to general reserve	9(b)				(200.00)	200.00	-
Balance as at March 31, 2019		949.50	17,945.50	95.00	6,018.89	800.00	24,859.39
Profit for the year	9(b)				2,721.25		2,721.25
Remeasurement of net defined benefit liability / asset, net of tax effect	9(b)				(133.82)		(133.82)
Total comprehensive income for the year					2,587.43	-	2,587.43
Transaction with owners in their capacity as owners:							
Dividends paid (incl. tax on Dividend)	9(b)				(400.64)		(400.64)
Transfer to general reserve	9(b)				(200.00)	200.00	-
Balance as at March 31, 2020		949.50	17,945.50	95.00	8,005.68	1,000.00	27,046.18

Note: the nature and purpose of each reserves is disclosed in notes. Refer note 9 (c)  
The above statement of changes in equity should be read in conjunction with the accompanying notes.  
This is the statement of changes in equity referred to in our report of even date.

For and on behalf of the board of directors of  
Pudumjee Paper Products Limited

**For J M AGRAWAL & CO.**  
Chartered Accountants  
Firm Registration No - 100130W

**PUNIT AGRAWAL**  
Partner  
Membership No. 148757  
Place : Pune  
Date : 12<sup>th</sup> June, 2020

**V. K. BESWAL**  
Director

**VINAY JADHAV**  
Company Secretary  
**H. P. BIRLA**  
Chief Financial Officer

**A. K. JATIA**  
Executive Chairman

**DR. ASHOK KUMAR**  
Executive Director  
Place : Pune  
Date : 12<sup>th</sup> June, 2020



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

### Note 1 : General Information

Pudumjee Paper Products Limited (the “Company”) The Company, mainly belongs to Paper Industry and operates in Specialty Paper segment for Wrapping and Food Grade Packaging Paper, household and Sanitary Paper etc. The Company’s manufacturing facilities located at Thergaon, Pune produces wide range of Specialty Papers of varying basis weight and is ably supported by a dedicated team and country wide network of distribution channels. Manufacturing tailor made products of varying properties to suit various applications in a short and committed period of delivery is Company’s hallmark. Such applications (with more possibilities for inclusion), can be broadly categorized as 1) Opaque Laminating Base used for Laminating, printing, packaging, Chocolate and Toffee wrapping 2) Glassine for packing of food products soaps etc. 3) Base paper for melamine tableware, 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 labels, Interleaving for steel and Glass industry etc. 7) Tissue paper used as napkins, kitchen towel, Toilet rolls products and several others.

The Hygiene Products Division of the Company markets its Away-from-Home converted tissue products such as Bathroom roll, Kitchen towel, Napkins, dispensers etc. under well received brand name ‘Greenlime’ and mainly focuses on institutional buyers, comprising Luxury Hotels, Airports, Corporate Offices etc.

The Company is public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on June 12, 2020.

### Note 2 : Summary of significant accounting policies

#### a. Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### **b. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within the operating cycle or twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within the operating cycle or twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Provisions where timing of cash out-flow is not certain is classified as non-current.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

### **c. Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligator in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

#### Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Amounts disclosed are net of returns and allowances, trade discounts, volume rebates goods & service tax and amounts collected on behalf of third parties. Insurance/freight charged on sales and recovered is included in revenue as a part of Other operating revenue.

Goods are often sold with retrospective volume discounts based on aggregate sale over the contract period. Revenue from these sales is based on the price specified in the sales contracts, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

A refund liability (included in other financial liability) is recognised for expected volume discounts payable to customers in relation to sales made until the end of reporting period.

No element of financing is deemed present as the sales are made with a credit term consistent with market practice. Further the Company charges interest to customers on delayed payment, if any.

### Export incentive:

Export incentive related to export of goods, is recognised as income when the right to receive such incentive is established in principle, i.e. at the time of export sale is complete.

### Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in Other income in the statement of profit and loss.

### Dividends

Income from dividend on investments is accrued in the year in which it is declared, whereby the Company's right to receive is established.

### **d. Property, plant and equipment**

Property, plant and equipment, Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Category	Useful Life considered	Useful life as per Schedule II
Factory Building	30	30
Factory Building (on lease hold land)*	8.5	30
plant & Machinery	25	25
plant & Machinery (used in generation, transmission & distribution of power)	40	40
Data Processing Units	3	3
Computer softwares	6	6
Laboratory Equipment	10	10
Vehicles	8	8
Furniture & fixtures (office Equipment)	5	5
Furniture & fixtures (including Electrical equipments)	10	10

\* Lower of useful life of the asset or lease term.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

The Company, based on technical assessment made by technical expert and management estimate, depreciates all the assets over estimated useful life which is also the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### e. **Impairment**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

### f. **Intangible Assets**

#### **Goodwill**

The goodwill represent arising on demerger prior to Ind AS transition. The Company has availed exemption available in Ind AS 101 from retrospective application of Ind AS 103 Business Combination.

Goodwill recognised in a business combination is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. It is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The Company's Management monitors goodwill at the Company level, hence Goodwill is not allocated to any single cash-generating units or segment.

The recoverable amount is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins. (Refer to Note no. 31)

#### **Patents, copyrights and other rights**

Separately acquired patents and copyrights as well as internally developed ones are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

#### **Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Separately acquired software are recorded as intangible assets and amortised from the point at which the asset is available for use.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

### Research and development

Research expenditure and development expenditure that do not meet the recognition criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

### Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Patents, copyrights and other rights : 10 years

Computer software : 6 years

### g. Inventory

Inventory comprises of stock of raw material, finish goods, traded goods, work-in-progress, consumables, packing material, and stores. Inventory is valued at cost or net realizable value whichever is lower.

Cost of raw materials, consumables, packing material, stores and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### h. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

### i. Leases

#### Company as a lessee

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company's lease asset classes primarily consist of leases for land, building, and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows. Further information is disclosed in Note 29 (b).

### j. **Taxes**

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rate enacted or substantially enacted at the reporting date.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which those can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

### k. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### l. Provisions and Contingent liability

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation but, there is uncertainty about the timing or amount of the future expenditure required in settlement. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for

- i. possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- ii. present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

### m. Employee benefits

#### Short-term obligations

Short-term employee benefit are expensed as the related service is provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within one year after the end of the period in which the employees render the related service are the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

#### Post-employment obligations

The Company operates the following post-employment schemes:

- i. defined benefit plans such as gratuity, pension, and

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

- ii. defined contribution plans such as provident fund, superannuation fund,

### Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## **n. Financial instruments**

### Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value.

The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. The Company classifies its financial assets in the following measurement categories:

- i. those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- ii. those measured at amortised cost,

### Subsequent measurement

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. All other financial assets are measured at amortised cost, using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss.

### Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss financial assets that are not fair valued.



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

The Company follows 'simplified approach' for recognition of impairment loss for trade receivables that have no significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, is recognized under the head 'other expenses' in the statement of profit and loss.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### De-recognition of financial assets

The Company derecognizes a financial asset when -

- i. the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under IND AS 109.
- ii. it retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

### Financial liabilities

#### Initial recognition

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within one year after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Borrowings are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least one year after the reporting period.

### Derivative financial instruments

Derivative financial instruments such as forward contracts, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

#### **o. Earnings per share**

The basic earnings per share is computed by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any potential equity share or warrant outstanding for the periods reported, hence diluted earnings per share is same as basic earnings per share of the Company.

#### **p. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors of the Company, assesses the financial performance and position of the Company, and makes strategic decisions. The Board of Directors is therefore considered to be the chief operating decision maker.

#### **q. Critical estimated and judgements**

##### **i Goodwill**

Goodwill is tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Also refer note 31

##### **ii Defined benefit obligation**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, employee turnover rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Also refer note 11.

##### **iii Impairment of Trade receivables & Other financial assets**

The impairment allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the COVID -19 pandemic. Assumptions are reviewed at each reporting date. Refer note 24(a).

### iv Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### v Estimation of provision for Electricity surcharge

Maharashtra State Electricity Distribution Company Limited (MSEDCL) had levied in the bills raised on the Company, Cross Subsidy Surcharge (CSS) and Additional Surcharge (ASC) on power purchased from outside vendor under group captive mechanism. The matter is sub judice being disputed before appropriate authorities. Based on management's estimate, no provision has been made in the books against the said demand. The matter is disclosed and further explained in Note n0. 10(e) and 28.

### vi Non-current assets held for sale

The Company classify a non-current asset (or disposal group) as held for sale if, (i) the Company intends to sell the asset, (ii) the asset is available for immediate sale in its present condition, (iii) the Management has initiated a plan to sell and (iv) the sale is highly probable.

Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques including using the comparative price approach, which includes unobservable inputs.

An asset that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the asset no longer meets the "Held for sale" criteria. Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs.

### vii Estimation of uncertainties relating to the global health pandemic from COVID-19 ( COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investments and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

**NOTE 3 (a) : Property, Plant & Equipment, ROU asset, Capital Work in Progress, Goodwill, Other Intangible Assets, Intangible Assets under Development**

TYPE OF ASSETS	Gross Block			Accumulated depreciation, impairment, amortisation					Net Block	
	As at 31.03.2019	Additions during the year	Deductions during the year	As at 31.03.2020	Charge for the year	Disposal / Adjust- ment during the year	Impair- ment Charge during the year	As at 31.03.2020	Value As at 31.03.2020	Value As at 31.03.2019
<b>Property, Plant &amp; Equipment</b>										
Buildings (On leasehold land)	2,962.73	46.79	-	3,009.52	115.33	-	-	398.67	2,610.85	2,679.39
Plant & Machinery	10,932.97	1,724.20	37.11	12,620.06	564.12	26.07	78.72	2,132.09	10,487.97	9,417.65
Data Processing Units	92.50	14.75	0.55	106.70	18.13	0.53	-	58.35	48.35	51.75
Laboratory Equipments	60.99	0.22	-	61.21	7.02	-	-	25.64	35.57	42.37
Furniture & Fixtures	106.94	7.34	3.77	110.51	14.37	0.95	-	60.71	49.80	59.65
Vehicles	366.29	22.07	49.48	338.88	39.00	47.01	-	66.30	272.58	291.98
<b>Total Property, Plant &amp; Equipment</b>	<b>14,522.42</b>	<b>1,815.37</b>	<b>90.91</b>	<b>16,246.88</b>	<b>757.97</b>	<b>74.56</b>	<b>78.72</b>	<b>2,741.76</b>	<b>13,505.12</b>	<b>12,542.79</b>
<b>Right to use Assets</b>										
Leasehold-Land	1,272.14	188.33	-	1,460.47	45.25	-	-	97.24	1,363.23	1,220.15
Leasehold-Land & Building	-	311.03	-	311.03	54.37	-	-	54.37	256.66	-
Leasehold-Premises	-	106.08	-	106.08	43.90	-	-	43.90	62.18	-
<b>Total Right-of-use (ROU) Assets</b>	<b>1,272.14</b>	<b>605.44</b>	<b>-</b>	<b>1,877.58</b>	<b>143.52</b>	<b>-</b>	<b>-</b>	<b>195.51</b>	<b>1,682.07</b>	<b>1,220.15</b>
<b>Capital Work in Progress</b>	<b>4,220.46</b>	<b>-</b>	<b>1,090.57</b>	<b>3,129.89</b>	<b>228.19</b>	<b>-</b>	<b>-</b>	<b>228.19</b>	<b>2,901.70</b>	<b>4,220.46</b>
<b>Goodwill</b>	<b>7,793.05</b>	<b>-</b>	<b>-</b>	<b>7,793.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,793.05</b>	<b>7,793.05</b>
<b>Other Intangible Assets</b>										
Patents, copyrights and other rights	80.97	15.92	-	96.89	2.46	-	-	78.74	18.15	4.69
Computer Software	44.99	14.45	-	59.44	6.76	-	-	21.56	37.88	30.19
<b>Total Other Intangible Assets</b>	<b>125.96</b>	<b>30.37</b>	<b>-</b>	<b>156.33</b>	<b>9.22</b>	<b>-</b>	<b>-</b>	<b>100.30</b>	<b>56.03</b>	<b>34.88</b>
<b>Intangible Assets under Development</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.70</b>	<b>0.70</b>
<b>Grand Total</b>	<b>27,934.73</b>	<b>2,451.18</b>	<b>1,181.48</b>	<b>29,204.43</b>	<b>1,138.90</b>	<b>74.56</b>	<b>78.72</b>	<b>3,265.76</b>	<b>25,938.67</b>	<b>25,812.03</b>
Previous year	26,015.57	2,111.12	191.96	27,934.73	725.08	89.83	-	2,122.70	25,812.03	24,528.12

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### NOTE 3 (b) : Capital Work in Progress

Capital Work in progress mainly includes building & machinery at Mahad, new projects at Pune plant and Guest house at Mumbai.

### NOTE 3 (c) : Property, plant and equipment hypothicated as security

Refer to note 10(a) for information on property, plant and equipment hypothicated as security by the company.

### NOTE 3 (d) : Contractual obligations

Refer to note 29(a) for disclosure of contractual commitments for the acquisition of Property, plant and equipments.

### NOTE 3 (e) : Impairment loss

In current year the Company has recognised impairment loss of ₹ 78.72 lakhs in the Statement of profit and loss on items from Plant and machinery group of assets; for assets retired from active use and on reclassification from Non-current assets held for sale.

### Note 3(f): CWIP Amortisation

The future economic benefits embodied in an asset are consumed by an entity principally through its use. Depreciation of an asset begins when it is available for use. However, other factors, such as technical or commercial obsolescence and wear and tear while an asset remains idle, often result in the diminution of the economic benefits that might have been obtained from the asset. To account for such diminution the Management has recognised amortisation of ₹ 228.19 lakhs in FY 2019-20, on the idle assets of CWIP - Plant and machinery at Mahad location.

### NOTE 3 (g) : Additional disclosure for PPE and Other Intangible assets

TYPE OF ASSETS	Gross Block As at 31-03-2019	Accumulated Depreciation 31-03-2019	Net Block As at 31-03-2019	Gross Block As at 31-03-2020	Accumulated Depreciation 31-03-2020	Net Block As at 31-03-2020
<b>Property, Plant &amp; Equipment</b>						
Buildings (On leasehold land)	2,986.03	306.64	2,679.39	3,032.82	421.97	2,610.85
Plant & Machinery	29,248.95	19,831.30	9,417.65	30,936.04	20,448.07	10,487.97
Data Processing Units	365.51	313.76	51.75	379.71	331.36	48.35
Laboratory Equipments	92.68	50.31	42.37	92.90	57.33	35.57
Furniture & Fixtures	658.22	598.57	59.65	661.79	611.99	49.80
Vehicles	476.08	184.10	291.98	448.67	176.09	272.58
<b>Total Property, Plant &amp; Equipment</b>	<b>33,827.47</b>	<b>21,284.68</b>	<b>12,542.79</b>	<b>35,551.93</b>	<b>22,046.81</b>	<b>13,505.12</b>
<b>Right to use Assets</b>						
Leasehold-Land	1,336.59	116.44	1,220.15	1,524.92	161.69	1,363.23
Leasehold-Land & Building	-	-	-	311.03	54.37	256.66
Leasehold-Premises	-	-	-	106.08	43.90	62.18
<b>Total Right-of-use (ROU) Assets</b>	<b>1,336.59</b>	<b>116.44</b>	<b>1,220.15</b>	<b>1,942.03</b>	<b>259.96</b>	<b>1,682.07</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>35,164.06</b>	<b>21,401.12</b>	<b>13,762.94</b>	<b>37,493.96</b>	<b>22,306.77</b>	<b>15,187.19</b>
<b>Capital Work in Progress</b>	4,220.46	-	4,220.46	3,129.89	228.19	2,901.70
<b>Goodwill</b>	7,793.05	-	7,793.05	7,793.05	-	7,793.05
<b>Other Intangible Assets</b>						
Patents, copyrights and other rights	9.09	4.40	4.69	25.01	6.86	18.15
Computer Software	186.79	156.60	30.19	201.24	163.36	37.88
<b>Total Other Intangible Assets</b>	<b>195.88</b>	<b>161.00</b>	<b>34.88</b>	<b>226.25</b>	<b>170.22</b>	<b>56.03</b>
Intangible Assets under Development	0.70	-	0.70	0.70	-	0.70
<b>Grand Total</b>	<b>47,374.15</b>	<b>21,562.12</b>	<b>25,812.03</b>	<b>48,643.85</b>	<b>22,705.18</b>	<b>25,938.67</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-20	31-Mar-19
<b>NOTE 4 : FINANCIAL ASSETS</b>		
<b>4 (a) Non Current investments</b>		
2,500 (31 March 2019 : 2,500) equity shares of Saraswat Co-Operative Bank of ₹ 10/- each fully paid	0.25	0.25
12,04,999 (31 March 2019 : 4,999 ) equity shares of Mitcon Solar Alliance Limited of ₹ 10/- each fully paid	240.50	0.50
4,002 (31 March 2019 : 4,002) equity shares of MMA CETP Co-Op Society Limited of ₹ 10/- each fully paid	4.00	4.00
<b>Total</b>	<b>244.75</b>	<b>4.75</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	244.75	4.75
Aggregate amount of impairment in the value of investments	-	-
<b>4 (b) Current investments</b>		
<b>Investment in equity instruments (unquoted) (at fair value)</b>		
15,92,073 (31 March 2019 : 15,92,073) equity shares of Sai Wardha Power Generation Limited of ₹ 10/- each fully paid *	159.21	159.21
Less : Provision for Value reduction	(159.21)	-
<b>Total</b>	<b>-</b>	<b>159.21</b>
<b>Investment in mutual funds Unquoted (at fair value)</b>		
Nil (31 March 2019: 59,381) units in Reliance Liquid Fund of ₹1000/-each fully paid	-	908.14
4,45,373 (31 March 2019: 48,62,964) units in L & T Arbitrage opportunities fund of ₹ 10/-each fully paid	46.26	500.79
1,51,374 (31 March 2019: Nil ) units in ICICI Prudential liquid fund of ₹100 /-each fully paid	151.54	-
1,91,648 (31 March 2019: Nil ) units in ICICI Prudential Saving fund of ₹100 /-each fully paid	202.64	-
19,77,667 (31 March 2019: Nil ) units in Kotak money market fund of ₹ 10 /-each fully paid	200.52	-
82,048 (31 March 2019: Nil) units in Nippon india liquid fund of ₹1000 /-each fully paid	1,254.29	-
28,87,423 (31 March 2019: Nil) units in HDFC short term debt fund of ₹10 /-each fully paid	300.15	-
39,01,845 (31 March 2019: Nil) units in Axis short term fund of ₹ 10 /-each fully paid	400.51	-
19,94,427 (31 March 2019: Nil) units in Axis ultra short term fund of ₹10 /-each fully paid	200.54	-
28,01,524 (31 March 2019: Nil) units in L & T banking & psu debt fund of ₹10 /-each fully paid	299.10	-
25,22,873 (31 March 2019: Nil) units in Aditya Birla sunlife corporate band fund of ₹10 /-each fully paid	299.62	-
9,49,493 (31 March 2019: Nil) units in IDFC Mutual fund of ₹10 /-each fully paid	100.13	-

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-20	31-Mar-19
<b>NOTE 4 : FINANCIAL ASSETS (Contd.)</b>		
<b>Investment in mutual funds Unquoted (at fair value)(Contd.)</b>		
97,733 (31 March 2019: Nil) units in L & T overnight fund of ₹ 1000/-each fully paid	1,000.11	-
19,821 (31 March 2019: Nil) units in Kotak money market fund of ₹ 1000 /-each fully paid	200.52	-
13,52,667 (31 March 2019: Nil) units in HDFC short term debt fund of ₹ 10 /-each fully paid	205.90	-
Nil (31 March 2019: 79,947) units in L & T Mutual fund of ₹1000/-each fully paid	-	810.10
19,971 (31 March 2019: Nil) units in SBI low duration fund of ₹1000/-each fully paid	202.47	-
<b>Total</b>	<b>5,064.30</b>	<b>2,219.03</b>
<b>Total current investments</b>	<b>5,064.30</b>	<b>2,378.24</b>
Aggregate amount of unquoted investments	<b>5,064.30</b>	<b>2,378.24</b>

\* This investment represent investment in class A equity shares of Sai Wardha Power Generation Limited (SWPGL), that gives the Company entitlement to purchase power from SWPGL. As per the share purchase agreement, the Company cannot sell these shares to any person without prior written approval from KSK Energy Ventures Limited (KSK, holding company of SWPGL). Further at the time of completion/termination of the power supply agreement, SWPGL either will arrange the buy-back of these shares or will arrange to transfer the shares to KSK's nominee for a total consideration that is equal to its cost of acquisition to the Company (i.e. ₹ 10/- per share). Hence, historically the company carried this investment at fair value, which was equal to cost for the company. However insolvency order has been passed for SWPGL and the company may not recover the amount of investment, Hence appropriate provision has been made.

	31-Mar-20	31-Mar-19
<b>4(c) Trade receivables</b>		
Trade receivables	6,079.85	7,454.46
Receivables from related parties (refer note 27)	0.04	-
Less: Allowance for doubtful debts	(732.77)	(688.07)
<b>Total receivables</b>	<b>5,347.12</b>	<b>6,766.39</b>
Current portion	5,347.12	6,766.39
Non-current portion	-	-
<b>Break-up of security details</b>		
Secured, considered good	368.14	893.73
Unsecured, considered good	4,978.98	5,872.66
Trade receivables which have significant increase in credit risk	262.01	194.97
Trade receivables - credit impaired	470.76	493.10
<b>Total</b>	<b>6,079.89</b>	<b>7,454.46</b>
Less: Allowance for trade receivables with credit risk	(262.01)	(194.97)
Less: Allowance for trade receivables credit impaired	(470.76)	(493.10)
	<b>5,347.12</b>	<b>6,766.39</b>

- No amounts are receivable from directors or other officers of the company either severally or jointly with any other person.
- Amounts receivable from firms or private companies in which any director is a partner, a director or a member - ₹ Nil (March 31, 2019 - ₹ Nil)

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-20	31-Mar-19
<b>NOTE 4 : FINANCIAL ASSETS (Contd.)</b>		
<b>4(d) Loans</b>		
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loan to Related Parties	-	-
Loan to Others	1,989.64	225.00
<b>Loan receivables which have significant increase in credit risk</b>		
Loan to Others	34.99	34.99
Less: Allowance for loan receivable with credit risk	(34.99)	(34.99)
<b>Loan receivables- Credit impaired</b>		
Loan to Others	-	-
Less: Allowance for loan receivables credit impaired	-	-
<b>Total</b>	<u>1,989.64</u>	<u>225.00</u>
<b>4(e) Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	358.04	194.93
- in EEFC accounts	0.04	34.38
- in Other accounts	0.25	43.86
- in Unpaid Dividend Account	18.60	8.59
Deposits with original maturity of less than three months	1.15	3.15
Cash on hand	12.79	5.21
Cheque on hand	-	51.14
<b>Total</b>	<u>390.87</u>	<u>341.26</u>
<b>4(f) Other Bank Balances</b>		
Deposits with original maturity of more than twelve months	89.57	91.62
Margin Money Deposits **	421.80	314.24
<b>Total</b>	<u>511.37</u>	<u>405.86</u>
** Margin money deposits are subject to first charge to secure the Company's working capital Loans		
<b>4(g) Other financial assets</b>		
<b>Non Current</b>		
Security deposits	23.28	49.49
<b>Total</b>	<u>23.28</u>	<u>49.49</u>
<b>Current</b>		
Accrued Interest receivables	12.16	3.40
Other advances	5.64	3.54
Security deposits	54.65	64.90
<b>Total</b>	<u>72.45</u>	<u>71.84</u>



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-20	31-Mar-19
<b>NOTE 5: OTHER NON-CURRENT ASSETS</b>		
Capital advances	1,657.66	1,688.75
<b>Total</b>	<u>1,657.66</u>	<u>1,688.75</u>
<b>NOTE 6: INVENTORIES</b>		
Raw materials (including goods in transit ₹ 836.83 lacs (31 March 2019 : ₹1504.46 lacs)	4,354.42	5,349.33
Work-in-progress	672.79	884.77
Finished goods	2,760.07	1,559.83
Traded goods	104.99	120.29
Stores and spares (including goods in transit ₹ 23.04 lacs (31 March 2019 : ₹ 107.97 lacs)	1,300.63	1,543.13
<b>Total</b>	<u>9,192.90</u>	<u>9,457.35</u>

### Amounts recognised in profit or loss:

Write-downs of inventories to net realisable value amounted to ₹ 51.50 lacs (31 March 2019 ₹ Nil). These were recognised as an expense during the year and included in '(increase)/decrease in inventories' in statement of profit and loss.

### NOTE 7: OTHER CURRENT ASSETS

Input VAT/GST Recoverable	87.66	20.73
Advances to employees	1.20	1.16
Advances to suppliers	488.70	428.49
Prepaid expenses	68.27	167.28
<b>Total</b>	<u>645.83</u>	<u>617.66</u>

### NOTE 8: ASSETS CLASSIFIED AS HELD FOR SALE

Disposal group	-	62.85
<b>Total</b>	<u>-</u>	<u>62.85</u>

In previous year 2018-19, the management of the Company decided to sell certain items of machines (the "Machines") that were used for paper manufacturing. The Machines are presented within total assets of the Paper manufacturing segment. The Machines classified as held for sale were measured at its carrying amount, being lower than fair value less costs to sell at the time of the reclassification. The fair value of the Machines was determined using the comparative price approach. This is a level 2 measurement as per the fair value hierarchy set out in fair value measurement disclosures (note 23).

In current year 2019-20, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Machines does not meet the criteria for "Held for Sale" classification. In absence of active market and current market scenario it is not probable that sale would be consummated. On reclassification the Machines is measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the asset no longer meets the "Held for sale" criteria.

Accordingly the Company has recognised an impairment loss of ₹ 59.71 lakhs to bring down the carrying amount of the machines to its recoverable amount. Refer note 3 (e).

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-20	31-Mar-19
<b>NOTE 9 (a) : EQUITY SHARE CAPITAL</b>		
<b>(i) Authorised equity share capital</b>		
10,00,00,000 equity shares of ₹ 1 each	1,000.00	1,000.00
(10,00,00,000 shares of ₹ 1 each at 31 March 2019)		
	<u>1,000.00</u>	<u>1,000.00</u>
<b>(ii) Issued, subscribed and Paid up :</b>		
9,49,50,000 equity shares of ₹ 1 each	949.50	949.50
(9,49,50,000 shares of ₹ 1 each at 31 March 2019)		
	<u>949.50</u>	<u>949.50</u>

**(iii) Terms/Rights attached to Equity Shares :**

The Company has only one class of equity shares having a par value of ₹ 1 per share. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**(iv) Details of shareholders holding more than 5% shares in the company**

	31-Mar-20		31-Mar-19	
	Number of Shares	%	Number of Shares	%
	(In Lakhs)	Holding	(In Lakhs)	Holding
3P Land Holdings Limited	135.67	14.29%	170.59	17.97%
Thacker and Co.Ltd	129.15	13.60%	129.15	13.60%
Suma Commercial Pvt. Ltd.	103.09	10.86%	103.09	10.86%
Yashvardhan Jatia Trust	96.75	10.19%	96.75	10.19%
Chem Mach Private Limited	77.00	8.11%	47.14	4.96%

**Note 9 (b) : Reserves and surplus**

	31-Mar-20	31-Mar-19
Securities premium	95.00	95.00
General Reserves	1,000.00	800.00
Capital Reserve	17,945.50	17,945.50
Retained earnings	8,005.68	6,018.89
<b>Total</b>	<u>27,046.18</u>	<u>24,859.39</u>
<b>(i) Securities premium reserve</b>		
	31-Mar-20	31-Mar-19
Opening balance	95.00	95.00
Movement during the year	-	-
<b>Closing balance</b>	<u>95.00</u>	<u>95.00</u>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-20	31-Mar-19
<b>(ii) General Reserves</b>		
Opening balance	800.00	600.00
Add: Transfer from retained earning	200.00	200.00
<b>Closing balance</b>	<u>1,000.00</u>	<u>800.00</u>
<b>(iii) Capital Reserve</b>		
	31-Mar-20	31-Mar-19
Opening balance	17,945.50	17,945.50
Movement during the year	-	-
<b>Closing balance</b>	<u>17,945.50</u>	<u>17,945.50</u>
<b>(iv) Retained earnings</b>		
	31-Mar-20	31-Mar-19
Opening balance	6,018.89	4,678.80
Net profit for the period	2,721.25	1,674.24
Items of other comprehensive income recognised directly in retained earnings	(133.82)	37.55
Transfer to General reserve	(200.00)	(200.00)
Dividends	(332.33)	(142.43)
Tax on Dividend	(68.31)	(29.27)
<b>Closing balance</b>	<u>8,005.68</u>	<u>6,018.89</u>

### Note 9 (c) : Reserves and surplus - Additional disclosures

**(i) Securities premium reserve:**

Securities premium reserve is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**(ii) General Reserve:**

General reserve is a free reserve and it represents amount transferred from retained earning.

**(iii) Capital reserve:**

Capital reserve was created on account of demerger, as per scheme approved by High court.

**(iv) Retained earnings:**

Retained earnings comprises of the Company's undistributed earnings after taxes.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 10: FINANCIAL LIABILITIES****10(a) Non-current borrowings**

	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>Secured</b>		
<b>Term loans</b>		
<b>From banks</b>		
Term loan-1	-	163.16
Term loan-2	<b>734.34</b>	1,086.35
Term loan-3	-	346.63
Term loan-4	<b>1,040.43</b>	1,249.70
Term loan-5	<b>423.26</b>	616.22
<b>From financial institutes</b>		
Vehicle loan - 1	<b>32.82</b>	69.12
Vehicle loan - 2	<b>25.28</b>	38.66
<b>Total Secured loans</b>	<u><b>2,256.13</b></u>	<u><b>3,569.84</b></u>
<b>Unsecured</b>		
Public Deposits	<b>1,816.50</b>	2,830.95
Deferred sales tax loan	<b>391.58</b>	496.91
<b>Total unsecured loan</b>	<u><b>2,208.08</b></u>	<u><b>3,327.86</b></u>
<b>Total non-current borrowings</b>	<u><b>4,464.21</b></u>	<u><b>6,897.70</b></u>
<b>Current Maturities</b>		
<b>Secured</b>		
<b>Term loans</b>		
<b>From banks</b>		
Term loan-1	-	667.20
Term loan-2	<b>352.50</b>	-
Term loan-3	-	100.00
Term loan-4	<b>212.50</b>	-
Term loan-5	<b>270.00</b>	135.00
<b>From financial institutes</b>		
Vehicle loan - 1	<b>36.29</b>	33.19
Vehicle loan - 2	<b>13.38</b>	12.21
<b>Unsecured</b>		
Public Deposits	<b>985.45</b>	-
Deferred sales tax loan	<b>105.34</b>	161.72
<b>Total current maturities</b>	<u><b>1,975.46</b></u>	<u><b>1,109.32</b></u>
Amount disclosed under the note 10(c) Other financial liabilities	<u><b>1,975.46</b></u>	<u><b>1,109.32</b></u>
<b>Net amount</b>	-	-

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### Notes :

- a) Term loan - 1 carries interest at (Prime lending rate) PLR - 4.75% p.a.
- b) Term loan - 2 from banks carries interest at (Prime lending rate) PLR - 6.10 % p.a. Loan amount is repayable in equated quarterly installments after a moratorium period of 24 months from 1<sup>st</sup> disbursement. The term loan is secured by certain immovable properties to be purchased using this loan.
- c) Term loan - 3 carries interest at (Prime lending rate) PLR - 4.40% p.a.
- d) Term loan - 4 carries interest at (Prime lending rate) PLR - 4.90% p.a. Loan amount is repayable in 11 quarterly instalments of ₹ 106.25 lakhs (excluding interest) starting from Sept.2020 till March 2023 and last instalment of ₹ 90.00 lakhs in June 2023
- e) Term loan - 5 carries interest at (Prime lending rate) PLR - 4.90% p.a. Loan amount is repayable in 20 quarterly instalments starting from Dec. 2019. The loan is secured against hypothecation of plant & machinery purchased therefrom.
- f) Term loan - 1, Term Loan -3, & Term Loan -4 are secured by first pari passu charge of all plant & machinery (both present and future) and immovable properties of the Company.
- g) Vehicle loan 1 carries interest @ 8.97% p.a. Loan amount is repayable in 60 monthly instalments of ₹3.42 lakhs (including interest) from February 2017. Vehicle loan 2 carries interest @ 9.22% p.a. Loan amount is repayable in 37 monthly instalments of ₹ 1.37 lakhs (including interest) from February 2019. The vehicle loans are secured against the respective vehicles.
- h) Public deposits :Public Deposits are unsecured deposits accepted from public, in compliance with provisions of Companies Act, 2013. The rate of interest is 8.25 % to 9 % p.a. (31-03-2019 : 9% to 10% p.a.).
- i) Deferred sales tax loan :Deferred sales tax loan is interest free loan from the Government of Maharashtra.

**31-Mar-20**

**31-Mar-19**

### 10(b) Current borrowings

#### Loans repayable on demand

##### Secured

Working capital loans from banks	<b>988.24</b>	264.68
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##### Unsecured

From related parties	-	35.35
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From Others	-	-
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<b>Total Unsecured</b>	-	35.35
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<b>Total</b>	<b>988.24</b>	<b>300.03</b>
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### Notes:

- a) Working capital loan from banks is secured by first pari passu charge on entire current assets of the Company (both present and future) and second pari passu charge on all fixed assets of the Company and corporate guarantee of 3P Land Holdings Limited (formerly Pudumjee Industries Limited). The loans are repayable on demand and carries interest @ 9.55% - 10.50% p.a.
- b) Unsecured loans from related parties are repayable on demand and carries interest Nil as on 31<sup>st</sup> March 2020 (31<sup>st</sup> March 2019@ 11.25% p.a.)

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-20	31-Mar-19
<b>10(c) Other financial liabilities</b>		
<b>Non-current</b>		
Lease liabilities	390.07	-
<b>Total other non-current financial liabilities</b>	<u>390.07</u>	<u>-</u>
<b>Current</b>		
Current maturities of long-term debt	884.67	947.60
Current maturities of Deferred sales Tax loan	105.34	161.72
Current maturities of Public Deposits	985.45	-
Current maturities of Lease Liabilities	104.80	-
Employees Dues	366.59	378.69
Unclaimed Public deposits *	16.60	32.32
Unclaimed Interest on Public deposits *	6.53	7.10
Unclaimed dividend *	18.60	8.59
Interest accrued but not due	160.32	74.85
Capital creditors	18.91	245.12
GST Payable	-	122.85
Refund Liabilities #	631.67	213.71
Other Financial Liabilities	69.53	167.73
<b>Total current financial liabilities</b>	<u>3,369.01</u>	<u>2,360.28</u>

\* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

# The company recognise refund liability for the expected quality claim settlements. Refund liabilities are also recognised for expected volume discount payable to wholesale customers.

**10(d) Trade payables**

	31-Mar-20	31-Mar-19
<b>Current</b>		
Trade payables	8,199.41	8,256.96
Trade payables to related parties	-	27.76
<b>Total</b>	<u>8,199.41</u>	<u>8,284.72</u>
(i) Total outstanding dues of micro & small enterprises	19.50	56.77
(ii) Total outstanding dues of creditors other than micro & small enterprises	8,179.91	8,227.95

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-20	31-Mar-19
<b>Details of total outstanding dues of micro, small and medium enterprises:</b>		
<b>Particulars</b>		
(a) (i) Principal amount of outstanding dues to MSME	19.50	56.77
(a) (ii) Interest on above outstanding amount	-	-
(b) Amount of interest paid in terms of section 16 of Micro, Small and Medium Enterprise Development Act, 2006 (27 of 2006), along with the payment made to the supplier beyond appointed day	-	-
(c) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
<b>Total</b>	<u><u>19.50</u></u>	<u><u>56.77</u></u>

As at March 31, 2020 and March 31, 2019, there are no outstanding dues to Micro, Small and Medium Enterprises, other than the amount disclosed. There is no interest due or outstanding on the same.

### 10(e) Provisions

	31-Mar-20	31-Mar-19
<b>Non Current</b>		
Provisions against litigations	289.80	289.80
Other provisions	<u>651.23</u>	<u>189.92</u>
<b>Total</b>	<u><u>941.03</u></u>	<u><u>479.72</u></u>

### Note : Information about individual provisions

#### (i) Provision against litigation:

Provision for disputed statutory liabilities comprises electricity duties matters under litigation with Maharashtra Electricity department. Explained in detail in note 28(e)

The amount of provisions made by the Company is based on the estimates made by the Management considering the facts and circumstances of each case. To the extent the Company is confident that it has a strong case, that portion is disclosed under contingent liabilities.

The timing and the amount of cash flows that will arise from these matters will be determined by the Appellate Authorities only on settlement of these cases.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### (ii) Other provision

Other provision is for probable liability of electricity duty on power generated by the company. As on balance sheet date no demand has been raised on the company, but on prudent basis a provision has been recognised in compliance with IndAS 37. The management estimates that no cash outflow is expected within 12 months from the balance sheet date, hence entire provision is classified as non-current.

### (iii) Movements in provisions

Movements in provisions during the financial year, are set out below

Particulars	Amount
<b>As at March 31, 2019</b>	<b>479.72</b>
Additional provisions recognised	893.01
Unused amounts reversed	-
Amounts paid under protest	431.70
<b>As at March 31, 2020</b>	<b>941.03</b>

### NOTE 11: EMPLOYEE BENEFIT OBLIGATIONS

#### Non Current

Leave obligations	272.87	241.10
Defined pension benefits	127.60	122.25
Gratuity	405.82	334.40
<b>Total</b>	<b>806.29</b>	<b>697.75</b>

#### Current

Leave obligations	78.11	86.25
Defined pension benefits	17.40	17.40
Gratuity	502.99	484.64
<b>Total</b>	<b>598.50</b>	<b>588.29</b>

### (i) Leave obligations -

The leave obligation covers the Company's liability for accumulated leaves that can be encashed or availed. The company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non-current based on actuarial valuation report.

### (ii) Defined benefit plans:

- a **Gratuity** - The Company provides for gratuity for employees as per the terms of employment. Employees who are in continuous service at least for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is calculated at the last drawn monthly basic salary multiplied by 15 days salary for each completed years of service of the employee. The scheme is funded with Life Insurance Corporation of India (LIC). The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimate of expected gratuity payments.

In addition, employees who have completed 20 years of service are eligible to additional gratuity computed at last drawn monthly basic salary multiplied by 7 days salary for each completed years of service of the employee. The additional gratuity benefit is unfunded.



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

**Pension** - The Company operates defined benefit pension plan for the Managing director (retired in FY 2019-20). The amount of pension per month is a fixed amount and is paid to the retired director.

After his death, the family pension will be payable to his spouse, and this family pension per month will also be the same fixed amount, and is payable as long as the spouse survives. The Company has not funded the liability.

- aa **The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:**

Particulars	Gratuity			Pension		
	Present value of obligation	Fair value of plan assets	Net liability amount	Present value of obligation	Fair value of plan assets	Net liability amount
<b>April 1, 2018</b>	1,345.29	(190.78)	1,154.51	124.53	-	124.53
Current service cost	89.89	-	89.89	7.35	-	7.35
Past service cost	-	-	-	-	-	-
Interest expense / (income)	100.96	(11.38)	89.58	9.71	-	9.71
<b>Total amount recognised in profit and loss</b>	<b>190.85</b>	<b>(11.38)</b>	<b>179.47</b>	<b>17.06</b>	<b>-</b>	<b>17.06</b>
<b>Remeasurements</b>						
Return on plan assets	-	2.00	2.00	-	-	-
(Gain) / loss from change in demographic assumptions	(14.28)	-	(14.28)	-	-	-
(Gain) / loss from change in financial assumptions	(48.57)	-	(48.57)	(2.37)	-	(2.37)
Experience (gains) / losses	5.07	-	5.07	0.43	-	0.43
Change in asset ceiling	-	-	-	-	-	-
<b>Total amount recognised in OCI</b>	<b>(57.78)</b>	<b>2.00</b>	<b>(55.78)</b>	<b>(1.94)</b>	<b>-</b>	<b>(1.94)</b>
Contributions - employer	-	(424.51)	(424.51)	-	-	-
Contributions - employee /participant	-	-	-	-	-	-
Transfer in **	13.97	-	13.97	-	-	-
Benefit payments	144.92	(96.30)	48.62	-	-	-
<b>April 1, 2019</b>	<b>1,347.41</b>	<b>(528.37)</b>	<b>819.04</b>	<b>139.65</b>	<b>-</b>	<b>139.65</b>
Current service cost	89.55	-	89.55	-	-	-
Past service cost	-	-	-	-	-	-
Interest expense / (income)	98.56	(44.77)	53.79	10.53	-	10.53
<b>Total amount recognised in profit and loss</b>	<b>188.11</b>	<b>(44.77)</b>	<b>143.34</b>	<b>10.53</b>	<b>-</b>	<b>10.53</b>
<b>Remeasurements</b>						
Return on plan assets	-	10.24	10.24	-	-	-
(Gain) / loss from change in demographic assumptions	-	-	-	-	-	-
(Gain) / loss from change in financial assumptions	96.81	-	96.81	9.32	-	9.32
Experience (gains) / losses	87.89	-	87.89	1.44	-	1.44
Change in asset ceiling	-	-	-	-	-	-
<b>Total amount recognised in OCI</b>	<b>184.70</b>	<b>10.24</b>	<b>194.94</b>	<b>10.76</b>	<b>-</b>	<b>10.76</b>
Contributions - employer	-	(148.64)	(148.64)	-	-	-
Contributions - employee /participant	-	-	-	-	-	-
Benefit payments	158.58	(58.70)	99.88	15.95	-	15.95
<b>March 31, 2020</b>	<b>1,561.64</b>	<b>(652.84)</b>	<b>908.80</b>	<b>144.99</b>	<b>-</b>	<b>144.99</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

The net liability disclosed above relates to both funded and unfunded plans. The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional contribution. The Company intends to contribute in line with the recommendations of the fund administrator and the actuary.

- ab As at March 31, 2019 and March 31, 2020, plan assets were primarily invested in insurer managed funds.
- ac Through its defined benefit plans, the Company is exposed to number of risks, the most significant of which are detailed below:

**Asset Volatility:** The Plan liabilities are calculated using a discount rate set with reference to government bond yields. If plan assets underperform, this yield will create a deficit. The plan asset investments are in funds managed by insurer. These are subject to interest rate risk.

**Changes in bond yield:** A decrease in government bond yields will increase plan liabilities, although this may be partially offset by an increase in the returns from plan asset.

**b Defined benefit liability and employer contributions:**

- ba The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within the framework, the Company's ALM objective is to match assets to the gratuity obligations by investing in funds with LIC in the form of a qualifying insurance policy.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the process used to manage its risks from previous periods.

- bb The Company expects to contribute ₹ 482 lakhs to the defined benefit plan during the next annual reporting period.
- bc The weighted average duration of the defined benefit obligation for gratuity and pension is 11.62 and 13.19 years respectively (2019: 10.90 and 13.84 years). The expected maturity analysis of undiscounted pension and gratuity is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
<b>31-Mar-20</b>					
Defined benefit obligation gratuity	262.82	164.94	436.43	5,396.90	6,261.09
Defined benefit obligation pension	17.40	17.40	52.20	174.00	261.00
<b>Total</b>	<b>280.22</b>	<b>182.34</b>	<b>488.63</b>	<b>5,570.90</b>	<b>6,522.09</b>
<b>31-Mar-19</b>					
Defined benefit obligation gratuity	286.28	173.80	405.05	5,147.84	6,012.97
Defined benefit obligation pension	17.40	17.40	52.20	174.00	261.00
<b>Total</b>	<b>303.68</b>	<b>191.20</b>	<b>457.25</b>	<b>5,321.84</b>	<b>6,273.97</b>

The expected benefits are based on the same assumptions used to measure the Company's benefit obligations as of March 31, 2020.

	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>bd Present Value of Defined Benefit Obligation</b>		
<b>Balance as at the beginning of the year</b>	<b>1,487.07</b>	1,469.83
Interest cost	<b>109.09</b>	110.67
Current service cost	<b>89.55</b>	97.24
Transfer in (from other company)	-	13.97
Benefit paid	<b>(174.53)</b>	(144.92)
Actuarial (gains)/losses	<b>195.46</b>	(59.72)
<b>Balance as at the end of the year</b>	<b><u>1,706.64</u></b>	<u>1,487.07</u>

# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-20	31-Mar-19
<b>be Fair value of Plan Assets</b>		
Balance as at the beginning of the year	528.37	190.78
Expected return on plan assets	44.77	11.38
Contributions by the Company	148.64	424.51
Benefit paid	(58.70)	(96.30)
Actuarial gains/(losses)	(10.24)	(2.00)
Balance as at the end of the year	<u>652.84</u>	<u>528.37</u>
<b>bf Net Liabilities recognised in the Balance Sheet</b>	<u>1,053.80</u>	<u>958.70</u>
<b>bg Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	89.55	97.24
Interest cost	109.09	110.67
Expected return on plan assets	(44.77)	(11.38)
Total expenses recognised in the statement of profit and loss	<u>153.87</u>	<u>196.53</u>
<b>bh The principal assumptions used for the purpose of actuarial valuation are as follows:</b>		
<b>Particulars</b>		
<b>India</b>		
Discount Rate *	6.80%	7.70%
Expected Rate of Return on Plan Assets **	0.00%	7.80%
Salary Escalation Rate ***	7.00%	7.00%
Rate of Employee Turnover	<u>4.00%</u>	<u>4.00%</u>

\* Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

\*\* The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

\*\*\* The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

**bi Sensitivity analysis - the increase / (decrease) in present value of defined benefit obligation to changes in principal assumptions:**

Particulars	31-Mar-20		31-Mar-19	
	Amount	%	Amount	%
- 1% increase in discount rate	(114.01)	-6.68%	(67.67)	-4.55%
- 1% decrease in discount rate	130.52	7.65%	127.42	8.56%
- 1% increase in salary escalation rate	105.71	6.19%	106.73	7.17%
- 1% decrease in salary escalation rate	(94.12)	-5.51%	(50.79)	-3.41%
- 1% increase in rate of employee turnover	(6.34)	-0.37%	23.50	1.58%
- 1% decrease in rate of employee turnover	7.57	0.44%	23.94	1.61%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

**iii Defined contribution plans:**

The Company also has certain defined contribution plans. Contributions are made to recognised funds for employees at the prescribed rate of basic salary as per regulations. The contributions are made to registered funds administered/approved by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. In respect of these plans, contributions paid and recognised in the Statement of Profit and Loss are as follows:

	31-Mar-20	31-Mar-19
Contribution to Employees' Provident Fund	216.66	204.24
Contribution to Employees' Superannuation Fund	75.00	61.58
Contribution to ESIC	2.99	3.91
Contribution to Maharashtra labour welfare fund	0.37	0.38

### NOTE 12: DEFERRED TAX ASSETS / LIABILITIES

**a) Net Deferred Tax (Assets) / Liabilities:**

Deferred tax assets and liabilities have been offset.

Accordingly the components of deferred tax assets and liabilities have been disclosed as follows:

	31-Mar-20	31-Mar-19
<b>Major Components of Deferred Tax Assets -</b>		
Employee Benefits -		
- Provision for Gratuity	326.20	294.83
- Provision for Leave Encashment	127.46	119.21
- Bonus on payment basis	48.35	44.29
Allowances for doubtful trade receivables	165.45	150.86
Provision for expenses allowable on payment basis	178.53	168.85
MAT Credit carried forward	161.39	449.66
	<u>1,007.38</u>	<u>1,227.70</u>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-20	31-Mar-19
<b>Major Components of Deferred Tax Liabilities -</b>		
Property, Plant and Equipment and Investment Property	2,083.35	1,954.75
Intangible asset	(0.88)	(2.43)
Goodwill	1,992.23	1,731.99
Amortization of Financial Liability	—	0.71
	<u>4,074.70</u>	<u>3,685.02</u>
<b>Net deferred tax (assets) / liabilities</b>	<u>3,067.32</u>	<u>2,457.32</u>

### b) Movements in deferred tax liabilities

Significant Components of Deferred Tax (Assets) / Liabilities	Property, plant and equipment and investment property	Intangible assets	Employee Benefit	Int.exp on unwinding financial liability	Unutilised tax credit (MAT)	Prov.for expenses allowable on payment basis	Allowances for doubtful receivables	Total
<b>At 1 April 2018</b>	1,735.09	1,373.98	(524.73)	2.73	(181.07)	(160.77)	(144.91)	2,100.32
Charged/(credited)								
- to statement of profit and loss	219.66	355.58	46.23	(2.02)	(268.59)	(8.08)	(5.95)	336.83
- to other comprehensive income	-	-	20.17	-	-	-	-	20.17
<b>At 31 March 2019</b>	1,954.75	1,729.56	(458.33)	0.71	(449.66)	(168.85)	(150.86)	2,457.32
Charged/(credited)								
- to statement of profit and loss	128.60	261.79	28.20	(0.71)	288.27	(9.68)	(14.59)	681.88
- to other comprehensive income	-	-	(71.88)	-	-	-	-	(71.88)
<b>At 31 March 2020</b>	2,083.35	1,991.35	(502.01)	-	(161.39)	(178.53)	(165.45)	3,067.32

Unused Tax Credits for which no deferred tax asset is recognised amounts to ₹ 430.55 Lakhs as at March 31, 2020 and ₹ 430.55 Lakhs as at March 31, 2019. The Unused tax credit will expire after more than 5 years.

	31-Mar-20	31-Mar-19
<b>NOTE 13: ADVANCE INCOME TAX (NET)</b>		
Advance income tax (net)-Opening Balance	288.18	548.93
Less :Income tax payable for the year	(702.00)	(551.00)
Add :Advance tax for current year	925.00	516.00
<b>Closing balance</b>	<u>511.18</u>	<u>513.93</u>

### NOTE 14: OTHER CURRENT LIABILITIES

	31-Mar-20	31-Mar-19
<b>Non-current</b>		
Performance Security *	240.00	-
<b>Total</b>	<u>240.00</u>	<u>-</u>
<b>Current</b>		
Advance from customers #	478.04	484.67
Employee contribution toward provident and other funds	12.03	11.43
Statutory tax payables	40.19	24.60
<b>Total</b>	<u>530.26</u>	<u>520.70</u>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

\* Represents unamortised amount of refundable performance security deposit accepted from Solar power supplier.

# Contract liability i.e. the Company's obligation to transfer goods to customers for which the Company has received consideration from the customers of ₹ 213.46 lakhs (March 31, 2019: ₹160.81 lakhs) is included in Advance from customers.

During the year ended March 31, 2020 the company recognized revenue of ₹ 160.81 lakhs arising from opening Contract liability as of April 1, 2019.

**NOTE 15: REVENUE FROM OPERATIONS**

	31-Mar-20	31-Mar-19
<b>Sale of products</b>		
Finished goods	59,333.42	56,565.57
Traded goods	870.85	2,181.67
	<u>60,204.27</u>	<u>58,747.24</u>
<b>Other operating revenue</b>		
Scrap sales	121.83	90.38
Export incentive	60.41	67.73
Insurance transit Outward	52.00	42.76
Others	9.71	4.02
	<u>243.95</u>	<u>204.89</u>
<b>Total</b>	<u><u>60,448.22</u></u>	<u><u>58,952.13</u></u>

**NOTE 15(A): RECONCILIATION OF REVENUE RECOGNISED WITH CONTRACT PRICE -**

	31-Mar-20	31-Mar-19
Contract Price	61,137.65	59,298.01
Adjustment for :		
Refund liabilities	631.67	213.71
Discounts and price concessions	301.71	337.06
<b>Revenue from operation</b>	<u><u>60,204.27</u></u>	<u><u>58,747.24</u></u>

**NOTE 16: OTHER INCOME**

	31-Mar-20	31-Mar-19
Dividend income in investments in Mutual Funds	171.31	76.77
Interest Income		
-from Debtors	122.33	131.01
-from Bank	36.29	73.59
-from loan to others	190.13	39.32
Others	0.33	5.40
<b>Total</b>	<u><u>520.39</u></u>	<u><u>326.09</u></u>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 17(A): COST OF MATERIALS CONSUMED**

	31-Mar-20	31-Mar-19
Raw materials at the beginning of the year	5,349.33	3,027.81
Add: Purchases	27,344.64	32,512.29
Less: Raw material at the end of the year	(4,354.42)	(5,349.33)
<b>Sub total</b>	<b>28,339.55</b>	<b>30,190.77</b>
Other materials at the beginning of the year	967.63	452.38
Add: Purchases	6,047.89	5,085.66
Less: Other material at the end of the year	(860.67)	(967.63)
<b>Sub total</b>	<b>6,154.85</b>	<b>4,570.41</b>
<b>Total</b>	<b>34,494.40</b>	<b>34,761.18</b>

**NOTE 17(B): CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS**

	31-Mar-20	31-Mar-19
<b>Opening balance</b>		
Work-in progress	884.77	609.80
Finished goods	1,559.83	2,237.90
Traded goods	120.29	153.22
<b>Total opening balance</b>	<b>2,564.89</b>	<b>3,000.92</b>
<b>Closing balance</b>		
Work-in progress	672.79	884.77
Finished goods	2,760.07	1,559.83
Traded goods	104.99	120.29
<b>Total closing balance</b>	<b>3,537.85</b>	<b>2,564.89</b>
Changes in inventories of work-in-progress, finished goods and stock -in-trade	(972.96)	436.03

**NOTE 18: EMPLOYEE BENEFIT EXPENSES**

	31-Mar-20	31-Mar-19
Salaries, wages and bonus	4,084.33	4,106.19
Contribution to provident fund & other funds	313.57	302.07
Staff welfare expenses	160.06	140.73
<b>Total</b>	<b>4,557.96</b>	<b>4,548.99</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 19: DEPRECIATION AND AMORTISATION EXPENSES**

	<b>31-Mar-20</b>	31-Mar-19
Depreciation of Property, Plant and Equipment	<b>757.96</b>	718.40
Amortisation of Intangible Assets	<b>9.22</b>	6.67
Depreciation on Right To use of Assets	<b>143.52</b>	-
Amortisation of CWIP In Property, Plant and Equipment	<b>228.19</b>	-
Impairment of Property, Plant and Equipment	<b>78.72</b>	-
<b>Total</b>	<b><u>1,217.61</u></b>	<u>725.07</u>

**NOTE 20: OTHER EXPENSES**

	<b>31-Mar-20</b>	31-Mar-19
Repairs and maintenance		
Plant and machinery	<b>930.50</b>	828.71
Buildings	<b>78.19</b>	96.68
Others	<b>84.01</b>	83.91
Processing charges	<b>604.26</b>	566.07
Packing material consumed	<b>1,268.08</b>	1,192.29
Carriage outward	<b>310.45</b>	299.54
Directors Fees	<b>3.13</b>	3.64
Legal and professional fees	<b>354.24</b>	305.99
Advertisement & Sales Promotion	<b>480.78</b>	411.54
Rates and taxes	<b>78.56</b>	84.50
Rental charges	<b>100.92</b>	233.43
Research & development expenses	<b>168.57</b>	168.03
Insurance	<b>63.39</b>	54.99
Loss on sales of property, plant & equipment (net)	<b>7.58</b>	6.40
Allowance for doubtful debts /advances	<b>41.77</b>	10.04
Bad debts /advance written off	<b>2.68</b>	18.53
Provision for reduction in value of investment	159.21	-
Loss by fire	<b>91.29</b>	-
Corporate social responsibility expenditure (refer note 20(b) below)	<b>70.00</b>	55.00
Miscellaneous expenses	<b>507.81</b>	477.70
<b>Total</b>	<b><u>5,405.42</u></b>	<u>4,896.99</u>

**NOTE 20(A): DETAILS OF PAYMENTS TO AUDITORS**

	<b>31-Mar-20</b>	31-Mar-19
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee (including limited review)	<b>16.00</b>	12.00
Tax audit fee	<b>1.50</b>	1.00
<b>In other capacities</b>		
Other services (incl.certification fees)	<b>4.35</b>	9.00
Re-imbursement of expenses	<b>0.08</b>	0.05
<b>Total</b>	<b><u>21.93</u></b>	<u>22.05</u>



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### NOTE 20(B): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As required under section 135 of the Companies Act, 2013, the Company has spent an amount of ₹ 60 lakhs by way of contribution to M. P. Jatia Charitable Trust and ₹ 10 lakhs by way of contribution to PM Cares Fund during the year. (31-03-2019: ₹ 55 lakhs by way of contribution to M. P. Jatia Charitable Trust)

	31-Mar-20	31-Mar-19
Amount required to be spent as per Section 135 of the Act	60.00	57.38
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	70.00	55.00

### NOTE 21: FINANCE COSTS

	31-Mar-20	31-Mar-19
Interest on borrowings form banks and financial institutions	255.51	259.24
Interest on intercorporate borrowings	0.78	4.07
Interest on public deposits	262.71	295.53
Interest on lease liabilities	36.25	-
Bank charges & commission	196.66	212.14
Interest others	17.42	24.76
<b>Total</b>	<b><u>769.33</u></b>	<b><u>795.74</u></b>

### NOTE 21(A):

During the year, the Company has capitalised borrowing costs of ₹ 122.86 lakhs (March 31, 2019: ₹ 107.17 lakhs) incurred on the borrowings specifically availed for purchase of guest house at Mumbai and expansion of production facilities @ 8.30% & 9.50 % p.a. respectively. The interest expense disclosed above is net of the interest amount capitalised.

### NOTE 22: INCOME TAX EXPENSE

#### a) Income tax expense

Particulars	31-Mar-20	31-Mar-19
<b>Income tax expense</b>		
Current Tax on profits for the year	702.00	551.00
Current Tax adjustments for prior periods	-	-
<b>Total current tax expense</b>	<b>702.00</b>	<b>551.00</b>
<b>Deferred tax</b>	<b>681.88</b>	<b>336.83</b>
<b>Total deferred tax expense / (benefit)</b>	<b>681.88</b>	<b>336.83</b>
<b>Income tax expense reported in statement of Profit &amp; Loss Account</b>	<b><u>1,383.88</u></b>	<b><u>887.83</u></b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

- b) The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:**

<b>Particulars</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Profit before taxes	<b>4,105.13</b>	2,562.07
Enacted Income tax rate in India	<b>34.944%</b>	34.944%
<b>Computed expected tax expenses</b>	<b>1,434.50</b>	895.29
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :-		
- Section 14A & Other Disallowances	<b>7.78</b>	10.04
Effect of deductions under Chapter VI A	<b>10.52</b>	11.41
Effect of Income exempt from tax	<b>(58.15)</b>	(27.06)
Adjustments of deferred tax/ tax credits of prior periods	<b>(10.77)</b>	(24.00)
Effect of change in tax rate	-	22.15
	<b><u>1,383.88</u></b>	<b><u>887.83</u></b>

- c) Amounts recognised in OCI**

<b>Particulars</b>	<b>31-Mar-20</b>		<b>31-Mar-19</b>	
	<b>Income tax</b>	<b>Deferred tax</b>	<b>Income tax</b>	<b>Deferred tax</b>
<b>OCI</b>				
- on remeasurements of post employment benefit obligations	-	<b>(71.88)</b>	-	20.17
<b>Total</b>	<b>-</b>	<b>(71.88)</b>	<b>-</b>	<b>20.17</b>

- d) Changes in tax rate** - The applicable Indian statutory tax rate for the financial year 2019-20 is 34.944 % and financial year 2018-19 is 34.944%

# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

**NOTE : 23 FAIR VALUE MEASUREMENTS****Financial instruments by category:**

Particulars	31-Mar-20			31-Mar-19		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments:						
- equity instruments	244.75	-	-	163.96	-	-
- mutual funds	5,064.30	-	-	2,219.03	-	-
Trade receivables	-	-	5,347.12	-	-	6,766.39
Cash and cash equivalents	-	-	390.87	-	-	341.26
Other bank balances	-	-	511.37	-	-	405.86
Security deposits	-	-	23.28	-	-	49.49
Loans	-	-	1,989.64	-	-	225.00
Others	-	-	72.45	-	-	71.84
<b>Total financial assets</b>	<b>5,309.05</b>	<b>-</b>	<b>8,334.73</b>	<b>2,382.99</b>	<b>-</b>	<b>7,859.84</b>
<b>Financial liabilities</b>						
Borrowings	-	-	4,129.04	-	-	4,817.47
Public Deposits	-	-	2,825.08	-	-	2,870.37
Deferral Sales Tax	-	-	496.92	-	-	658.63
Lease liabilities	-	-	494.87	-	-	-
Trade payables	-	-	8,199.41	-	-	8,284.72
Capital creditors	-	-	18.91	-	-	245.12
Gst Payable	-	-	-	-	-	122.85
Refund Liability	-	-	631.67	-	-	213.71
Other financial liabilities	-	-	615.04	-	-	629.86
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>17,410.94</b>	<b>-</b>	<b>-</b>	<b>17,842.73</b>

**(i) Fair value hierarchy:**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table provides the fair value measurement hierarchy of the Company's financials assets and liabilities that are measured at fair value or where the fair value disclosure is required.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

<i>Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2020</i>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
<b>Financial investments at FVPL</b>					
Mutual funds	4(b)	5,064.30	-	-	5,064.30
Equity instruments	4(b)	-	-	244.75	244.75
<b>Total financial assets</b>		<b>5,064.30</b>	<b>-</b>	<b>244.75</b>	<b>5,309.05</b>
<b>Financial liabilities</b>		-	-	-	-
<b>Total financial liability</b>		-	-	-	-

<i>Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2019</i>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
<b>Financial investments at FVPL</b>					
Mutual funds	4(b)	2,219.03	-	-	2,219.03
Equity instruments	4(b)	-	-	163.96	163.96
<b>Total financial assets</b>		<b>2,219.03</b>	<b>-</b>	<b>163.96</b>	<b>2,382.99</b>
<b>Financial liabilities</b>		-	-	-	-
<b>Total financial liability</b>		-	-	-	-

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all mutual funds are arrived at by using closing Net Asset Value published by the respective mutual fund houses.

**Level 2:** Fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable data, the instrument is included in level 3.

**(ii) Valuation technique used to determine fair value**

The following methods and assumptions were used to estimate the fair value of the level 3 financial instruments included in the above tables:

The investment in unquoted equity instrument represents investment in class A equity shares of Sai Wardha Power Generation Limited (SWPGL). The investment have some restrictions as per the Share purchase agreement including restriction on sale of these investments to any third party. The fair value arrived at is after taking into account the relevant terms and condition of the Share purchase agreement. Also refer note 4(a) for details.

**(iii) As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-**

1. Trade receivables
2. Cash and cash equivalent
3. Other bank balances

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

(iii) **As per Ind AS 107 “Financial Instrument: Disclosure”, fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-**

4. Security deposits
5. Interest accrued
6. Borrowings
7. Trade payables
8. Capital creditors
9. Unpaid dividends
10. Employee dues
11. Book overdrafts
12. Other payables
13. Refund liabilities

### NOTE 24 : FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

#### a. MANAGEMENT OF CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and other financial instruments.

##### i) Trade receivables:-

Trade receivables are generally unsecured, except for export sales which are generally covered by letters of credit and some parties in Hygiene division where security is obtained in the nature of bank guarantee. Customer credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company. The company have stop supply mechanism in place in case outstanding goes beyond agreed limits. To measure the expected credit loss, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding credit loss experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macro economic factors such as expected industry growth, GDP, unemployment rate etc. affecting the ability of the customer to settle the receivables.

Expected credit loss for trade receivables under simplified approach:

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

Ageing	Not due	0-30 days past due	31-180 days past due	181-365 days past due	More than 365 days past due	Total
Gross carrying amount	3,505.57	1,489.90	412.51	8.10	663.81	6,079.89
Expected loss rate	0.25%	1.00%	10.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	8.76	14.90	41.25	4.05	663.81	732.77
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>3,496.81</b>	<b>1,475.00</b>	<b>371.26</b>	<b>4.05</b>	<b>-</b>	<b>5,347.12</b>

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	31-Mar-20	31-Mar-19
Revenue from top customer	12.43%	13.41%
Revenue from top five customers	31.87%	36.98%

The company's credit period generally ranges from 15-60 days

During the period, the Company made no write-offs of trade receivables. It does not expect to receive future cash flows or recoveries from receivables previously written off.

**ii) Other financial assets:-**

Credit risk on cash and cash equivalents is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, carried at fair value. Other financial assets that are potentially subject to credit risk consists of lease deposits and inter corporate loans. The Company charges interest on such loans at arms length rate considering counterparty's credit rating. The Company assesses the recoverability from these financial assets on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability. An impairment analysis is performed at each reporting date on an individual basis. The Company does not hold collateral as security. During the year, the company made additional provision of ₹ 7.62 lakhs for doubtful deposits and other financial assets. Based on assessment performed management has concluded that impact of expected credit loss is not material and current provision made against Loans and Other financial assets is adequate to cover the provision on account of expected credit loss. The Company's maximum exposure to credit risk is the carrying value of each class of financial assets.

**iii) Reconciliation of loss allowance provision:**

Particulars	Trade receivables	Other financial assets	Other Current assets	TOTAL
<b>Loss allowance on 1 April 2019</b>	688.07	49.14	84.69	821.90
Changes in loss allowance	44.70	(1.70)	(1.23)	41.77
<b>Loss allowance on 31 March 2020</b>	<b>732.77</b>	<b>47.44</b>	<b>83.46</b>	<b>863.67</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### b. MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses or risking damage to company's reputation. In doing this, management considers both normal and stressed conditions.

Management monitors the rolling forecast of the company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The company has access to funds from debt markets through loan from banks. The company invests its surplus funds in bank deposits and debt based mutual funds.

**The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.**

	Carrying value	As at 31 March, 2020				
		Contractual cash flows (undiscounted amount)				
		Total	Within 12 Months	1 to 2 years	2 to 5 years	more than 5 years
<b>Financial Liabilities</b>						
<b>Non Current</b>						
Borrowings	4,464.21	4,496.43	-	4,027.32	469.11	-
Lease Liabilities	390.07	390.07	-	78.99	232.04	79.04
<b>Current</b>						
Borrowings	988.24	988.24	988.24	-	-	-
Trade payables	8,199.41	8,199.41	8,199.41	-	-	-
Other financial liabilities	3,369.01	3,369.01	3,369.01	-	-	-

	Carrying value	As at 31 March, 2019				
		Contractual cash flows (undiscounted amount)				
		Total	Within 12 Months	1 to 2 years	2 to 5 years	more than 5 years
<b>Financial Liabilities</b>						
<b>Non Current</b>						
Borrowings	6,897.70	6,948.59	-	2,107.41	4,181.18	660.00
<b>Current</b>						
Borrowings	300.03	300.03	300.03	-	-	-
Trade payables	8,284.72	8,284.72	8,284.72	-	-	-
Other financial liabilities	2,360.28	2,360.28	2,360.28	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### c. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, financial assets and liabilities in foreign currency, investments in quoted instruments and derivative financial instruments. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

#### i) Foreign currency risk

The primary market risk to the Company is foreign exchange risk. After taking cognisance of the natural hedge, the company selectively takes hedges to mitigate its risk resulting from adverse fluctuations in foreign currency exchange rate(s). When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. The company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. During the year ended March 31, 2020, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

#### aa The company's exposure to foreign currency risk as of March 31, 2020 expressed in INR lakhs, is as follows:

Exposure in USD currency -	31-Mar-20	31-Mar-19
<b>Financial assets</b>		
Cash and cash equivalents	0.04	34.38
Trade receivables	13.60	57.88
<b>Derivative assets</b>		
Foreign exchange forward contracts - Sell foreign currency	-	-
<b>Financial liabilities</b>		
Trade payables	3,628.75	4,274.01
Other liabilities	5.44	9.32
<b>Derivative liabilities</b>		
Foreign exchange forward contracts - Buy foreign currency	1,419.71	711.68
<b>Net assets / (liabilities)</b>	<b>(2,200.84)</b>	<b>(3,479.39)</b>

#### ab Sensitivity

For the year ended March 31, 2020 and March 31, 2019, every percentage point appreciation/depreciation in the exchange rate would have affected the Company's operating margins respectively:

- INR/USD by approximately 0.85% and 1.36%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into reporting currency, due to every percentage point appreciation/depreciation in the exchange rates.

#### ac The following significant exchange rates have been applied during the year.

INR	Year-end spot rate	
	31-Mar-20	31-Mar-19
USD	75.80	69.25
EUR	82.26	77.57
CHF	77.90	69.33



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### ii) Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows on a financial instrument will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the company's interest rate position. Various variables are considered by the management in structuring the company's investment to achieve a reasonable ,competitive cost of funding.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31-Mar-20	31-Mar-19
<b><i>Financial liabilities</i></b>		
Variable rate borrowings	4,021.27	4,664.29
Fixed rate borrowings	3,367.98	3,591.89
<b>Total borrowings</b>	<b>7,389.25</b>	<b>8,256.18</b>
<b><i>Financial assets</i></b>		
Fixed rate loans	1,989.64	225.00
<b>Total loan given</b>	<b>1,989.64</b>	<b>225.00</b>

### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax	
	31-Mar-20	31-Mar-19
Interest rates - increase by 50 basis points (50 bps)	(20.11)	(23.32)
Interest rates - decrease by 50 basis points (50 bps)	20.11	23.32

### iii) Price Risk and Sensitivity:

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. As on 31-Mar-20, the investments in debt mutual funds amounts to ₹ 5064.30 lacs (31-Mar-19: ₹ 2219.03 lacs). These are exposed to price risk.

The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

A 1% increase in prices would have led to approximately an additional ₹ 50.64 lacs gain in the Statement of Profit and Loss (2018-19: ₹ 22.19 lacs gain). A 1% decrease in prices would have led to an equal but opposite effect.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 25 : CAPITAL MANAGEMENT**

**(a) Risk management**

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital.

<b>Particulars</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Borrowings (Current +Non-current)	<b>7,532.71</b>	8,307.05
Less: Cash and cash equivalents	<b>902.24</b>	747.12
Less: Current Investment	<b>5,064.30</b>	2,219.03
Net Debt	<b>1,566.17</b>	5,340.90
Equity	<b>27,995.68</b>	25,808.89
Net debt to Equity ratio	<b>6%</b>	21%

No changes were made in the objectives, policies or processes for managing capital of the Group during the current and previous year.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### (b) Dividends

	31-Mar-20	31-Mar-19
Equity shares		
Final dividend for the year ended on March 31 2019: ₹ 0.15 per share (31 March 2018: ₹ 0.15 per share)"	<b>142.43</b>	142.43
Dividend Distribution Tax on final dividend	<b>29.27</b>	29.27
Interim dividend for the year ended 31 March 2020 of ₹ 0.20 (31 March 2019 ₹ Nil) per share	<b>189.90</b>	-
Dividend Distribution Tax on interim dividend	<b>39.04</b>	-
	<b>400.64</b>	171.70
<b>Dividends not recognised at the end of the reporting period:</b>		
Final dividend for the year ended on March 31, 2020: ₹ Nil per share		
(31 March 2019: ₹ 0.15 per share)	-	142.43
Dividend Distribution Tax on final dividend	-	29.27
	-	171.70

The Company declares and pays dividends in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

During the year ended March 31, 2020 on account of the final dividend for fiscal 2018-19, and interim dividend for fiscal 2019-20 the Company has incurred a net cash outflow of ₹ 400.64 lakhs inclusive of dividend distribution tax.

### NOTE 26 : SEGMENT INFORMATION

The Board of Directors examines the Company's performance based on the products and geographic perspective and has identified below mentioned reportable segments of its business as follows:

**Paper :** The Paper segment relates to manufacturing (including processing) and marketing of various types of speciality papers, consisting Opaque Laminating Base, Glassine, Base paper, Bible Paper, etc.

**Hygiene products:** The Hygiene products segment relates to processing/trading and marketing of tissue and other hygiene papers as well as marketing and distribution of other hygiene products.

Segment Revenue, Result, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure/income consist of common expenditure incurred for all the segments and expenses incurred or interest/investment income earned at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated assets and unallocated liabilities respectively.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 2. The operating segments reported are the segments of the Company for which separate financial information is available. Profit before tax (PBT) are evaluated regularly by the CODM in deciding how

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

to allocate resources and in assessing performance. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following table presents revenue, profit, assets and liabilities information regarding the Company's business segments:

<b>Particulars</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>Segment Revenue</b>		
a) Paper		
Sale of Finished goods	<b>57,379.90</b>	55,675.71
Sale of Traded goods	<b>102.75</b>	339.84
Other operating revenue	<b>243.81</b>	204.28
	<b><u>57,726.46</u></b>	<b><u>56,219.83</u></b>
b) Hygiene Products		
Sale of Finished goods	<b>4,919.11</b>	3,775.68
Sale of Traded goods	<b>768.10</b>	1,841.83
Other operating revenue	<b>0.14</b>	0.61
	<b><u>5,687.35</u></b>	<b><u>5,618.12</u></b>
<b>Total</b>	<b>63,413.81</b>	61,837.95
Less: Inter segment revenue	<b>(2,965.59)</b>	(2,885.82)
<b>Net sale/ Income from operation</b>	<b><u>60,448.22</u></b>	<b><u>58,952.13</u></b>
<b>Segment Results (Profit before tax &amp; depreciation) :</b>		
a) Paper	<b>5,490.69</b>	3,730.02
b) Hygiene Products	<b>573.34</b>	460.10
<b>Total</b>	<b><u>6,064.03</u></b>	<b><u>4,190.12</u></b>
<b>Depreciation and amortisation expense</b>		
a) Paper	<b>1,175.98</b>	720.07
b) Hygiene Products	<b>41.63</b>	5.00
<b>Total</b>	<b>1,217.61</b>	725.07
Less: Finance Cost	<b>769.33</b>	795.74
Add/(Less): Other unallocable income/(expenses), net	<b>28.04</b>	(107.24)
<b>Profit before tax</b>	<b><u>4,105.13</u></b>	<b><u>2,562.07</u></b>

# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

Particulars	31-Mar-20	31-Mar-19
<b>Segment Assets</b>		
a) Paper	38,381.12	37,046.93
b) Hygiene Products	957.88	1,060.81
c) Unallocated	12,251.02	10,287.66
<b>Total Assets</b>	<u>51,590.02</u>	<u>48,395.40</u>
<b>Segment Liabilities</b>		
a) Paper	11,161.37	10,341.58
b) Hygiene Products	249.53	370.15
c) Unallocated	12,183.44	11,874.78
<b>Total Liabilities</b>	<u>23,594.34</u>	<u>22,586.51</u>

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	31-Mar-20	31-Mar-19
<b>Within India</b>	58,906.84	57,105.04
<b>Outside India</b>	1,541.38	1,847.09
<b>Total</b>	<u>60,448.22</u>	<u>58,952.13</u>

Revenue of approximately ₹ 7512.49 lakhs (March 31, 2019- ₹ 7904.95 lakhs) are derived from single external customer. These revenue are attributed to the Paper segment.

Non Current Assets **	31-Mar-20	31-Mar-19
Within India	27,596.33	27,500.78
Outside India	-	-
<b>Total</b>	<u>27,596.33</u>	<u>27,500.78</u>

\*\* Non current assets for this purpose does not include financial assets.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 27 : RELATED PARTY DISCLOSURE**

**A List of related parties (as identified and certified by the Management)**

<b>(i) Group Companies:</b>
3P Land Holdings Limited
Pudumjee Hygiene Products Limited
AMJ Land Holdings Limited
Pudumjee Investment & Finance Company Limited
Pudumjee Plant Laboratories Limited
Pudumjee Holdings Limited
Fujisan Technologies Limited
Suma Commercial Private Limited
Thacker and Company Limited

\* Group Company are companies where KMP has control or significant influence

**(ii) Key Management Personnel**

<b>Name</b>	<b>Designation</b>
Mr. Arunkumar M.Jatia	Executive Chairman
Mr. V. P. Leekha	Managing Director (till April 30, 2019)
	Non-Executive Director (From July 27, 2019)
Dr. Ashok Kumar	Executive Director
Mr. S. K. Bansal	Non-Executive Director
Mr. V. K. Beswal	Independent Director
Mr. Nandan Damani	Independent Director
Mrs. Madhu Dubhashi	Independent Director
Mr. B. K. Khaitan	Independent Director
Mr. G. N. Jajodia	Chief Executive Officer Marketing
Mr. H. P. Birla	Chief Financial Officer
Mr. Vinay Jadhav	Company Secretary

**(iii) Entities with common KMP (EKMP)**

<b>Pudumjee Pulp &amp; Paper Mill Limited Office Staff Provident Fund</b>
M. P. Jatia Charitable Trust
Foods & Inns Limited
Jatia Foundation

**(iv) Relatives of KMP(RKMP)**

<b>Name</b>
Ms. Vrinda Jatia

# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 27 : RELATED PARTY DISCLOSURE (CONTD.)****B Transactions with Related Parties**

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on			
		31-Mar-20	31-Mar-19	31-Mar-20		31-Mar-19	
				Receivable	Payable	Receivable	Payable
<b>i.</b>	<b>Inter corporate deposits taken</b>						
	3P Land Holdings Limited	-	5.00	-	-	-	32.35
	Pudumjee Hygiene Products Limited	-	-	-	-	-	-
	AMJ Land Holdings Limited	-	-	-	-	-	-
<b>ii.</b>	<b>Inter corporate deposits Given</b>						
	Foods & Inns Limited	500.00	-	-	-	-	-
<b>iii.</b>	<b>Intercompany Deposits Repayment</b>						
	3P Land Holdings Limited	35.35	-	-	-	-	-
	Foods & Inns Limited	500.00	-	-	-	-	-
<b>iv.</b>	<b>Interest Received</b>						
	Foods & Inns Limited	19.48	-	-	-	-	-
<b>v.</b>	<b>Interest Paid</b>						
	3P Land Holdings Limited	0.78	4.07	-	-	-	-
	Pudumjee Hygiene Products Limited	-	-	-	-	-	-
	AMJ Land Holdings Limited	-	-	-	-	-	-
<b>vi.</b>	<b>Sale of goods</b>						
	Pudumjee Plant Laboratories Limited	0.05	-	-	-	-	-
	AMJ Land Holdings Limited	0.35	1.10	-	-	-	-
<b>vii.</b>	<b>Wind Power and REC Purchases</b>						
	AMJ Land Holdings Limited	173.49	202.60	-	-	-	27.76
<b>viii.</b>	<b>Other Purchase</b>						
	Fujisan Technologies Limited	0.03	0.22		0.15		0.12
<b>ix.</b>	<b>Reimbursement for expenses common services and utilities, charged</b>						
	3P Land Holdings Limited	0.38	0.32	-	-	-	-
	AMJ Land Holdings Limited	2.28	1.27	-	-	-	-
<b>x.</b>	<b>Rent Paid</b>						
	3P Land Holdings Limited	14.16	14.16	-	-	-	-
	AMJ Land Holdings Limited	112.97	110.31	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 27 : RELATED PARTY DISCLOSURE (CONTD.)**

**B Transactions with Related Parties**

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on			
		31-Mar-20	31-Mar-19	31-Mar-20		31-Mar-19	
				Receivable	Payable	Receivable	Payable
<b>xi.</b>	<b>Dividend paid</b>						
	3P Land Holdings Limited	52.72	25.22	-	-	-	-
	Pudumjee Hygiene Products Limited	-	0.03	-	-	-	-
	AMJ Land Holdings Limited	2.40	1.03	-	-	-	-
	Pudumjee Investment & Finance Company Limited	6.21	2.66	-	-	-	-
	Pudumjee Holdings Limited	-	0.34	-	-	-	-
	Fujisan Technologies Limited	2.39	0.59	-	-	-	-
	Suma Commercial Private Limited	36.08	15.46	-	-	-	-
	Thacker and Company Limited	45.20	19.37	-	-	-	-
<b>xii.</b>	<b>Contribution to Employees' Provident Fund</b>						
	Pudumjee Pulp & Paper Mill Limited Office Staff Provident Fund	23.48	27.22	-	-	-	-
<b>xiii.</b>	<b>Donations given</b>						
	M.P.Jatia Charitable Trust	60.00	55.00	-	-	-	-
	Jatia Foundation	-	-	-	-	-	-
<b>xiv.</b>	<b>Remuneration to Key Management Personnel (KMP):</b>						
<b>a)</b>	Short-term employee benefits	406.30	401.54	-	-	-	-
<b>b)</b>	Post employment benefit	155.25	90.97	-	-	-	-
<b>c)</b>	Other long term benefits	23.35	28.36	-	-	-	-
<b>d)</b>	Sitting fees to non-executive directors	3.13	3.64	-	-	-	-
	<b>Total remuneration to KMP</b>	<b>588.03</b>	<b>524.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>xv.</b>	<b>Remuneration to Relative of Key Management Personnel (RKMP):</b>						
<b>a)</b>	Short-term employee benefits	30.00	30.40	-	-	-	-
<b>b)</b>	Post employment benefit	0.81	0.87	-	-	-	-
<b>c)</b>	Other long term benefits	0.74	0.92	-	-	-	-
	<b>Total remuneration to RKMP</b>	<b>31.55</b>	<b>32.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### NOTE 28 : CONTINGENT LIABILITIES

Particulars	31-Mar-20	31-Mar-19
(a) Excise/Service tax/Customs related demands /Notifications: Matters decided in favour of the Company by appellate authorities, where the Department is in further appeal.	-	21.37
(b) <b>Octroi :</b> Claims against the Company not acknowledged as debts.	<b>197.31</b>	197.31
(c) Interest on electrical duty on generated power: Claims against the Company not acknowledged as debts.	<b>327.23</b>	327.23
(d) Demand raised by Maharashtra State Electricity Distribution company Ltd Claims against the Company not acknowledged as debts.	<b>716.98</b>	-
	<b><u>1,241.52</u></b>	<b><u>545.91</u></b>

- (e) The Company had been purchasing power (i.e. electricity) from Sai Wardha Power Generation Limited (SWGPL) in earlier years under the Group Captive mechanism. This purchase of power under Group Captive mechanism was exempt from the levy of Cross Subsidy Surcharge (CSS) and Additional Surcharge (ASC) subject to certain conditions.

In respect of the power supply availed by the Company from SWGPL, the Maharashtra State Electricity Distribution Company Limited (MSEDCL) had levied in the bill raised on the Company CSS and ASC for financial year 2016-17 of ₹ 716.98 lakhs and 2018-19 (till October 2018) of ₹ 863.39 lakhs and the same is sub judice being disputed before appropriate authorities. In terms of the interim stay of demand granted for 2018-19 by Appellate Tribunal for Electricity (APTEL) the Company, as required, deposited ₹ 431.70 lakhs being 50% of CSS and ASC for the Financial Year 2018-19 with MSEDCL.

Although in terms of Power Delivery Agreement (PDA) with SWGPL, the levy of CSS/ASC, if imposed or demanded, was liable to be paid/reimbursed by SWGPL to the Company. However, since the National Company Law Tribunal, Hyderabad, under Insolvency and Bankruptcy Code, 2016, vide its order dated 17<sup>th</sup> October, 2019 has terminated the said PDA without any obligation and liabilities and treated the claim of such CSS/ASC as unsecured subject to outcome of pending disputes of these levies within 2 years, the Company's right to recover any meaningful amount from SWGPL is practically of no value. Therefore, the Company has made full provision in the Accounts of ₹ 863.39 lakhs for 2018-19 and considered ₹ 716.98 lakhs for 2016-17 pending before Maharashtra Energy Regulatory Commission, as contingent liability.

### NOTE 29 : COMMITMENTS

- (a) Capital expenditure contracted for at the end of the reporting period but not recognised as liability is as follows:

Particulars	31-Mar-20	31-Mar-19
Property plant and equipment	<b>3,878.19</b>	3,950.71
Intangible assets	-	-

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### (b) Leases

#### Transition - Ind AS 116

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the Lease liability at the present value of the remaining lease payments discounted using the Company's incremental borrowing rate at the date of initial application and the Right-of-use asset at amount of lease liability, adjusted by the amount of any previously recognised prepaid or accrued lease payments relating to that lease. In modified retrospective method comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted. Due to transition, the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right-to-use assets and for interest accrued on lease liability respectively, and therefore these expenses for the current period are not comparable to the previous periods disclosed.

The adoption of the new standard resulted in recognition of 'Right-of-use' asset [refer note 3(a)] of ₹ 605.44 lakhs, and 'Lease liabilities' [refer note 10(c)] of equivalent amount. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

#### **The following is the summary of practical expedients elected on initial application:**

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.5% p.a.

Rental expense recorded for short-term leases was ₹100.98 lakhs for the year ended March 31, 2020.

The difference between the lease obligation recorded as at March 31, 2019 under Ind AS 17 disclosed under Note 29(b) of the 2019 Annual Report and the value of the lease liabilities as at April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

#### **Future minimum lease payments under leases together with the present value of the net minimum lease payments are as follows:**

Particulars	31-Mar-20
Within one year	139.45
After one year and not later than five years	428.55
Later than five years	82.28
<b>Total minimum lease payments</b>	<b>650.28</b>
Less: Amounts representing finance charges	155.41
<b>Present value of minimum lease payments</b>	<b>494.87</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### NOTE 30 : EARNINGS PER SHARE

Particulars	31-Mar-20	31-Mar-19
Profits attributable to equity shareholders (₹ in lakhs)	2,721.25	1,674.24
<b>Basic Earnings Per Share</b>		
Weighted average number of equity shares outstanding during the year	949.50	949.50
<b>Basic EPS (₹)</b>	2.87	1.76
<b>Diluted Earnings Per Share</b>		
Weighted average number of equity shares outstanding for diluted EPS	949.50	949.50
<b>Diluted EPS (₹)</b>	2.87	1.76

### NOTE 31: IMPAIRMENT

- (a) Goodwill has arisen as per the Scheme of arrangement and reconstruction (demerger) approved by high court dated January 8, 2016. Goodwill reflects the difference between the fair value of shares issued and all the net assets transferred at carrying value under the scheme. The management monitors goodwill at the company level by considering entire business. Consequently goodwill is not allocable to any segment or cash generating unit.
- Goodwill is tested for impairment at least annually in accordance with the Company's procedure for determining the recoverable value of the entire business of the company.
- (b) The recoverable amount is the higher of its fair value less cost to sell and its value in use. The fair value is determined based on market capitalization while the value in use is determined based on specific calculations. These calculations use pre-tax cash flow projections for the company over a period of 5 years. An average of the range of each assumption used is mentioned below. The recoverable amount was computed based on value-in-use being higher than fair value and the carrying amount of the total assets. The key assumptions used for the calculations are as follows:

	(in %)
	<b>March 31, 2020</b>
Long term growth rate	0.50%
Discount rate	11.00%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Operating margins	Based on past performance and management's expectations of the future.
Long term growth rate	The rates are consistent with forecasts included in industry reports.
Discount rate	This is the weighted average cost of capital.

- (c) Based on the above, no impairment was identified as of March 31, 2020 as the recoverable value exceeded the carrying value. Management has considered impact of the possible effects that may result from the pandemic relating to COVID-19. No impairment visualized by the Management once economic activity achieves normalcy.

An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the recoverable amount would fall below its carrying amount.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2020 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 32 : DISCLOSURE FOR CHANGES IN FINANCIAL LIABILITIES (AS PER AMENDMENT TO IND AS 7)**

Particulars	Long term borrowings (including current maturities)	Lease liabilities	Short term borrowings
<b>As on April 1, 2018</b>	<b>6,305.48</b>	<b>-</b>	<b>135.04</b>
Cash Flows	1,693.01	-	164.99
Change in amortisation	8.53	-	-
<b>As on March 31, 2019</b>	<b>8,007.02</b>	<b>-</b>	<b>300.03</b>
Cash Flows	(1,586.01)	(110.57)	688.21
Change in amortisation	18.66	-	-
Adjustment due to adoption of Ind AS 116	-	605.44	-
<b>As on March 31, 2020</b>	<b>6,439.67</b>	<b>494.87</b>	<b>988.24</b>

**NOTE 33 : RECLASSIFICATION**

Previous year figure's have been reclassified to conform to this year's classification.

The accompanying notes are an integral part of the financial statements  
As per our report of date attached

For and on behalf of the board of directors of  
Pudumjee Paper Products Limited

**For J M AGRAWAL & CO.**  
Chartered Accountants  
Firm Registration No - 100130W

**V. K. BESWAL**  
Director

**A. K. JATIA**  
Executive Chairman

**PUNIT AGRAWAL**  
Partner  
Membership No. 148757  
Place : Pune  
Date : 12<sup>th</sup> June, 2020

**VINAY JADHAV**  
Company Secretary  
**H. P. BIRLA**  
Chief Financial Officer

**DR. ASHOK KUMAR**  
Executive Director  
Place : Pune  
Date : 12<sup>th</sup> June, 2020







**If undelivered, please return to :**

**Pudumjee Paper Products Limited**  
Thergaon, Pune - 411 033.