

**PUDUMJEE  
PAPER PRODUCTS  
LIMITED**



**PUDUMJEE**

**ANNUAL REPORT  
2021 - 2022**



## **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

### **BANKERS :**

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

### **AUDITORS :**

J. M. AGRAWAL & COMPANY

### **REGISTERED OFFICE :**

THERGAON, PUNE 411 033.

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

KFIN TECHNOLOGIES LIMITED

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

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

E-MAIL : [EINWARD.RIS@KFINTECH.COM](mailto: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 8<sup>th</sup> Annual General Meeting of the Shareholders of Pudumjee Paper Products Limited will be held on Saturday, the 13<sup>th</sup> day of August, 2022 at 03:00 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, 2022 comprising the Audited Balance Sheet as at 31<sup>st</sup> March, 2022 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 Dr. Ashok Kumar (DIN: 07111155), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To declare a dividend on equity shares of the Company for the year 2021-22.
- 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 provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, if any and in accordance with the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. J. M. Agrawal & Company, Chartered Accountants (Firm Registration No. 100130W), be re-appointed as Statutory Auditors of the Company to hold office for a consecutive term of 5 years from the conclusion of this 8<sup>th</sup> Annual General Meeting until the conclusion of the 13<sup>th</sup> Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee from time to time".

### 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**

Sr. No.	Name of the Related Party	Nature of Transactions	Aggregate Amount (₹)	Duration of Agreement/ Contract
1.	AMJ Realty Limited	Arrangement / Contract/Agreement for Providing Inter Corporate Deposits and Corporate Gurantee.	Amount remaining outstanding during any financial year shall not exceed ₹ 5,000 Lakhs.  Rate of Interest: upto 12% p.a. but not less than 10% p.a.	For a period of 3 years.
2.	AMJ Land Holdings Limited	To avail/provide the Common Services like telephone, electricity, computer, Human Resources and any other common services decided by the Company.	About ₹ 25 Lakhs for each financial year on cost basis.	Continuous arrangement.
3.	3P Land Holdings Limited	To avail/provide the Common Services like telephone, electricity, computer, Human Resources and any other common services decided by the Company.	About ₹10 Lakhs for each financial year on cost basis.	Continuous arrangement.
4.	Biodegradable Products India Limited (formerly known as Pudumjee Plant Laboratories Limited)	To avail/provide the Common Services like telephone, electricity, computer, Human Resources and any other common services decided by the Company.	About ₹ 5 Lakhs for each financial year on cost basis.	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 pursuant to the provision of Section 197 and Schedule V of the Companies Act, 2013 (the Act), rules made thereunder and provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the Listing Regulations) and subject to other applicable provisions of the Act and Listing Regulations (including any statutory modification(s) or re-enactment(s) therefore, for the time being in force) and subject to such other approvals, permissions and sanctions including that of the Central Government, if any, as may be necessary, and subject to such condition(s) and modification(s) as may be required and with further reference to the Special Resolution passed at 7<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> August, 2021, approval of the Shareholders of the Company, be and is hereby accorded to

the following remuneration, benefits and amenities, paid/payable to Mr. Arunkumar Mahabirprasad Jatia (DIN: 01104256), the Whole-time Director, designated as Executive Chairman of the Company, with effect from 01<sup>st</sup> April, 2021 till the remainder of his term of appointment, i.e. 31<sup>st</sup> July, 2023:

- (a) Remuneration at the rate of ₹15,96,000/- (Rupees Fifteen Lakhs Ninety Six Thousand Only) per month including Dearness Allowance.
- (b) 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 ₹11,65,000/- (Rupees Eleven Lakhs Sixty Five Thousand Only) per month.
- (c) Expenses on electricity, gas, water and with effect from 01<sup>st</sup> August, 2021 repairs & maintenance (including expenditure paid to Housing Society Association etc., towards maintenance) and property tax of the residential accommodation.
- (d) Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges in India or abroad and travelling expenses incurred for himself, his wife and children(s).
- (e) Leave Travel Assistance to cover air or first class air-conditioned railway fare for himself, his wife and children(s) once in a year to and from any place in India and abroad.
- (f) Membership fees including entrance and other fees for Clubs.
- (g) Personal accident insurance premium.
- (h) Benefits and Amenities:
  - (a) Company's contribution to Provident Fund and Superannuation Scheme. However, such contribution in aggregate, shall not exceed ₹7,50,000/- (Rupees Seven Lakhs Fifty Thousand Only) in a year;
  - (b) Gratuity as per the Company's rules applicable to its Executive Staff Members.

With the benefits of transfer of his accumulated balances/contributions in Provident Fund and Superannuation Fund and accumulated service with AMJ Land Holdings Limited.
- (i) (a) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave at the end of the tenure.
- (b) Sick and casual leave as per Company's rules applicable to its Executive staff members.
- (j) Provision for and Maintenance of phone(s), Internet connection(s) & Internet Infrastructure including Video Conferencing facility and such other facility(ies) related to that etc., at his place of residence at the entire cost of the Company.
- (k) Exclusive free use of motor car(s) for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as Chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.
- (l) Commission or Performance Incentive, as may be decided by the Board or Committee of Directors authorized by the Board, from time to time.

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

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorised to vary and/or revise the remuneration of Mr. Arunkumar Mahabirprasad Jatia from time to time within the overall limits approved herein and to settle any question(s) or difficulties and to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution”.

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

“RESOLVED THAT pursuant to the provision of Section 197 and Schedule V of the Companies Act, 2013 (the Act), rules made thereunder and provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the Listing Regulations) and other applicable provisions of the Act and Listing Regulations (including any statutory modification(s) or re-enactment(s) therefore, for the time being in force) and subject to such other approvals, permissions and sanctions including that of the Central Government, if any, as may be necessary, and subject to such condition(s) and modification(s) as may be required and with further reference to the Special Resolutions passed at 6<sup>th</sup> & 7<sup>th</sup> Annual General Meeting held on 20<sup>th</sup> August, 2020 & 21<sup>st</sup> August, 2021 respectively, approval of the Shareholders of the Company, be and is hereby accorded to the following remuneration, benefits and amenities, paid/payable to Dr. Ashok Kumar (DIN: 07111155), the Executive Director of the Company, with effect from 01<sup>st</sup> April, 2021 upto 31<sup>st</sup> March, 2024:

- (a) Remuneration at the rate of ₹ 7,02,000/- (Rupees Seven Lakhs Two Thousand Only) per month including Dearness Allowance.
- (b) 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 ₹ 3,16,000/- (Rupees Three Lakhs Sixteen Thousand Only) per month.
- (c) Expenses of electricity, gas and water, furnishing of the residential accommodation.
- (d) Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges and travelling expenses incurred for himself, his wife and dependent children.
- (e) Leave Travel Assistance to cover air and first class air conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
- (f) Membership fees including entrance and other fees for any two clubs.
- (g) Personal accident insurance premium.
- (h) 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.
- (i) Gratuity as per the Company's rules applicable to its Executive staff members.
- (j) (i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment



of unutilized leave at the end of the tenure.

(ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.

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

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

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorised to vary and/or revise the remuneration of Dr. Ashok Kumar from time to time within the overall limits approved herein and to settle any question(s) or difficulties and to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution".

- 8) 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 the re-appointment of Ms. Vrinda Jatia, as Vice President (Market Research & Development) of the Company for a period of 5 years w.e.f. 01.04.2022 on the following terms and conditions:

- (a) Consolidated Salary: ₹ 2,30,000/- per month.
- (b) House Rent Allowance: ₹ 1,20,000/- per month.
- (c) Leave Travel Assistance to cover air or first class air-conditioned railway fare for herself once in a year to and from any place in India and abroad, at actual subject to maximum of ₹ 5,00,000/-.
- (d) Exclusive use of chauffeur driven car for business/official as well as for her personal use.
- (e) Provision for and Maintenance of phone(s), Internet connection(s) at the entire cost of the Company".

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

"RESOLVED THAT 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".

- 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 Lakhs 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, 2022."

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

"RESOLVED THAT pursuant to 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), provide that such loans are utilised by the borrowing Company for its principal business activities and in particular to the following Company 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 Related Party	Amount (₹)	Rate of Interest p.a.	Commission for Corporate Guarantee p.a.	Duration of Agreement/ Contract
1.	AMJ Realty Limited	Amount remaining outstanding during any financial year shall not exceed ₹ 5,000 Lakhs	Upto 12.00% p.a. but not less than 10.00% p.a.	Nil	For a period of 3 years.

and FURTHER THAT, the Board of Directors be and is hereby authorised to finalise, sanction and disburse the said loans, guarantees 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".

**Notes:**

- 1) The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the above Item Nos. 4 to 11 is annexed hereto.
- 2) In compliance with General Circular No. 02/2022 dated 05<sup>th</sup> May, 2022 read with General Circular Nos. 20/2020 dated 05<sup>th</sup> May, 2020, 02/2021 dated 13<sup>th</sup> January, 2021, 19/2021 dated 08<sup>th</sup> December, 2021 and 21/2021 dated 14<sup>th</sup> December, 2021 (collectively referred to as "MCA Circulars"), the 08<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”.

- 3) e-AGM: The Company has appointed National Securities Depository Limited (NSDL) to provide Video Conferencing facility for the e-AGM.
- 4) The Register of Members and Transfer Books of the Company will be closed from Saturday, the 06<sup>th</sup> day of August, 2022 to Saturday, the 13<sup>th</sup> day of August, 2022 (both days inclusive).
- 5) The Dividend, when sanctioned, will be paid on and from 24<sup>th</sup> August, 2022 to those shareholders whose names stand on the Company's Register of Members as holders of the shares on 13<sup>th</sup> August, 2022. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of the shares whose names are appearing in the Register of Members as Beneficial Owner, at the close of business hours on 05<sup>th</sup> August, 2022 as per the details furnished by the Depositories for this purpose. The payment of Dividend will be subject to the provisions of Section 126 of the Companies Act, 2013.
- 6) 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.
- 7) 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). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- 8) 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.
- 9) 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.
- 10) Pursuant to the provisions of the Companies Act 2013 and rules made thereunder and in compliance with the aforesaid MCA Circulars, Notice of the e-AGM along with the Annual Report 2021-22 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories and printed copies of the said documents are being sent by permitted mode to the Members who have not registered their e-mail addresses with the Company/Depositories. Members may note that the Notice calling the AGM and the Annual Report 2021-22 will also be available on the Company's website

## PUDUMJEE PAPER PRODUCTS LIMITED

[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 Depositories Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- 11) Since the AGM will be held through VC, the Route Map is not annexed to this Notice.
- 12) 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 05<sup>th</sup> August, 2022 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. Members may also ask their questions at the meeting by using chat box facility provided by NSDL. The questions received will be replied at AGM or Individually through e-mail as may be decided by the chairman.
- 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 interested, 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, and with effect from 25<sup>th</sup> January, 2022 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 Limited (in case of Shares held in physical form).

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

**I. 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 from time to time 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.
- The Remote e-voting period commences on Wednesday, the 10<sup>th</sup> August, 2022 (9:00 a.m. IST) and ends on Friday, 12<sup>th</sup> August, 2022 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 05<sup>th</sup> August, 2022, 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 05<sup>th</sup> August, 2022.
- Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under **"Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."**

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

**How do I vote electronically using NSDL e-Voting system?**





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “ <b>Beneficial Owner</b> ” icon under “ <b>Login</b> ” which is available under ‘ <b>IDeAS</b> ’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “ <b>Access to e-Voting</b> ” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select “ <b>Register Online for IDeAS Portal</b> ” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	4. Shareholders/Members can also download NSDL Mobile App “ <b>NSDL Speede</b> ” facility by scanning the QR code mentioned below for seamless voting experience. <b>NSDL Mobile App is available on</b> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  App Store         </div> <div style="text-align: center;">  Google Play         </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b> . Click on <b>NSDL</b> to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- 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.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP 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.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Password details for shareholders other than Individual shareholders 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. 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) 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.
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 etc.
  - 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, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



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

1. The procedure for e-Voting on the day of the e-AGM is same as the instructions mentioned above for remote e-voting.
2. 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.
3. However, Members/Shareholders, who have voted through Remote e-Voting will be eligible to attend the e-AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the e-AGM shall be the same person mentioned for Remote e-voting.

**III. General Guidelines for shareholders**

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, 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 1020 990 and 1800 22 44 30 or send a request to Himat Singh at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. 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.

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 or ask questions during the e-AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at [vinay.jadhav@pudumjee.com](mailto:vinay.jadhav@pudumjee.com). The Speaker registration will be open from Thursday, 04<sup>th</sup> August, 2022 (9:00 a.m. IST) to Saturday, 06<sup>th</sup> August, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM.

**V. 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/Company Secretary 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 <https://www.evoting.nsdl.com> and communicated to the Stock Exchanges.

**20) GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS**

Pursuant to Securities & Exchange Board of India vide its circulars SEBI/HO/MIRSDMIRSD\_RTAMB/P/CIR/2021/655 dated 03<sup>rd</sup> November, 2021 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14<sup>th</sup> December, 2021 it is mandatory for holders of physical securities to furnish valid PAN (where the PAN is linked with Aadhaar), full KYC details (address proof, email address, mobile number, bank account details) and nomination (for all the eligible folios).

**Freezing of Folios without valid PAN, KYC details, Nomination**

- a. In case, any of the aforesaid documents/details are not available in a Folio, on or after 01<sup>st</sup> April, 2023, the same shall be frozen by RTA.
- b. Similarly, in case the PAN(s) in a folio is/are not valid as on the cut-off date specified by The Central Board of Direct Taxes (CBDT) then also the folio shall be Frozen as above.
- c. A member/claimant will be eligible to lodge grievance or avail service request from the RTA or eligible for any payment including dividend only after furnishing the complete documents or details as aforesaid.

In case the folio continues to remain frozen as on 31<sup>st</sup> December, 2025, the RTA / Company shall refer such frozen folios to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

**Issuance of Securities in dematerialized form in case of Investor Service Requests**

We would further like to draw your attention to SEBI Notification dated 24<sup>th</sup> January, 2022 and SEBI Circular SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022. Accordingly, while processing service requests in relation to; 1) Issue of duplicate securities certificate; 2) Claim from Unclaimed Suspense

Account; 3) Renewal /Exchange of securities certificate; 4) Endorsement; 5) Sub-division / Splitting of securities certificate; 6) Consolidation of securities certificates/folios; 7) Transmission and 8) Transposition, the Company shall issue securities only in dematerialised form. For processing any of the aforesaid service requests the securities holder/claimant shall submit duly filled up Form No. : ISR-4.

We hereby request to holders of physical securities to furnish the documents/details, as per the table below for respective service request, to the Registrars & Transfer Agents i.e., M/s. KFin Technologies Limited:

Sr. No.	Particulars	Please furnish details in
1.	PAN	Form No.: ISR-1
2.	Address with PIN Code	
3.	Email address	
4.	Mobile Number	
5.	Bank account details (Bank name and Branch, Bank account number, IFS Code)	
6.	Demat Account Number	
7.	Specimen Signature	Form No.: ISR-2
8.	Nomination details	Form No.: SH-13
9.	Declaration to opt out nomination	Form No.: ISR-3
10.	Cancellation or Variation of Nomination	Form No.: SH-14
11.	Request for issue of Securities in dematerialized form in case of below: i. Issue of duplicate securities certificate ii. Claim from Unclaimed Suspense Account iii. Renewal / Exchange of securities certificate iv. Endorsement v. Sub-division / Splitting of securities certificate vi. Consolidation of securities certificates/folios vii. Transmission viii. Transposition	Form No. : ISR-4

A member needs to submit Form No. : ISR-1 for updating PAN and other KYC details to the RTA of the Company. Member may submit Form No. : SH-13 to file Nomination. However, in case a Member do not wish to file nomination 'declaration to Opt-out' in Form No. : ISR-3 shall be submitted.

In case of major mismatch in the signature of the members(s) as available in the folio with the RTA and the present signature or if the signature is not available with the RTA, then the member(s) shall be required to furnish Banker's attestation of the signature as per Form No. : ISR-2 along-with the documents specified therein. Hence, it is advisable that the members send the Form No. : ISR-2 alongwith the Form No. : ISR-1 for updating of the KYC Details or Nomination.

All the aforesaid forms can be downloaded from the website of the Company at: <https://www.pudumjee.com/updation-of-pan-kyc-nomination-details-by-shareholders-pursuant-to-sebi-circular-dated-03-11-2021/> and from the website of the RTA at <https://ris.kfintech.com/clientservices/diy/>.

The Company in the month of January, 2022 has dispatched a separate communication letter to the holders of physical securities requesting them to update their KYC in record of Company/RTA.

#### **Mode of submission of form(s) and documents**

##### **a. Submitting Hard copy through Post/Courier etc. :**

Members can forward the hard copies of duly filled-in and signed form(s) along with self-attested and dated

copies of relevant documentary proofs as mentioned in the respective forms, to the following address:

KFin Technologies Limited,

Unit: Pudumjee Paper Products Limited

Selenium Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad – 500 032

**b. Through Electronic Mode with e-sign :**

In case members have registered their email address, they may send the scan soft copies of the form(s) along with the relevant documents, duly e-signed, from their registered email id to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or upload KYC documents with e-sign on RTA's website at the link: <https://ris.kfintech.com/clientservices/diy/>.

**c. Submitting Hard copy at the office of the RTA :**

The form(s) along-with copies of necessary documents can be submitted by the securities holder (s) / claimant (s) in person at RTA's office. For this, the securities holder/claimant should carry Original Documents against which copies thereof shall be verified by the authorised person of the RTA and copy(ies) of such documents with IPV stamping with date and initials shall be retained for processing.

**d. Mandatory Self-attestation of the documents :**

Please note that, each page of the documents that are submitted in hard copy must be self-attested by the holder (s). In case the documents are submitted in electronic mode then the same should be furnished with e-sign of scan copies of the documents.

**e. E-sign :**

E-Sign is an integrated service which facilitates issuing a Digital Signature Certificate and performing signing of requested data by eSign user. The holder/claimant may approach any of the empanelled eSign Service Provider, details of which are available on the website of Controller of Certifying Authorities (CCA), Ministry of Communications and Information Technology (<https://cca.gov.in/>) for the purpose of obtaining an e-sign.

The members holding shares in demat are requested to update with respective Depository Participant, changes, if any, in their registered addresses, mobile number, Bank Account details, e-mail address and nomination details.

**21) Tax Deduction on Dividend:**

As per the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 01<sup>st</sup> April, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making payment of the said Dividend. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during a Financial Year does not exceed ₹ 5,000/-.

Resident Individual Shareholders with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source.

Non-Resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, self-attested copy of Pan Card or any other document which may be required to avail the tax treaty benefits.

Shareholders holding shares under multiple accounts under different/status category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

The requisite form for claiming tax exemption can be downloaded from the website of the Company at [www.pudumjee.com](http://www.pudumjee.com).

The aforementioned documents (duly completed and signed) are required to be uploaded on the website of KFin Technologies Limited ('KFintech') the Registrar and Transfer Agent at <https://ris.kfintech.com/form15> or by sending hard copy of the said documents at the registered office of the Company through registered post/ courier before 04<sup>th</sup> August, 2022 in order to enable the Company to determine and deduct appropriate TDS/ Withholding Tax. The Shareholders may note that, incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/deduction shall be entertained after 04<sup>th</sup> August, 2022.

The Shareholders may note that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the aforementioned details/documents from the shareholders, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

The Company shall arrange to e-mail the soft copy of the TDS certificate to shareholders at the registered e-mail id within the prescribed time, post payment of the said dividend, if declared in the AGM. The details of TDS deducted can also be viewed in Form 26AS at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the website of the Income Tax department of India at <https://www.incometax.gov.in/home>

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company, and also provide the Company with all information/documents and co-operation in any assessment/ appellate proceedings before the Tax/Government authorities.

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)  
21<sup>st</sup> May, 2022

## 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 Nos. 4 to 11 under Special Business in the accompanying Notice dated 21<sup>st</sup> May, 2022 convening the Annual General Meeting.

#### ITEM NO. 4

The Members of the Company at the 3<sup>rd</sup> Annual General Meeting had appointed M/s. J. M. Agrawal & Company, Chartered Accountants (FRN: 100130W), as Statutory Auditors of the Company to hold office from the conclusion of 3<sup>rd</sup> Annual General Meeting for the period of 5 years until the conclusion of 8<sup>th</sup> Annual General Meeting of the Company. Accordingly, the current term of M/s. J. M. Agrawal & Company, Chartered Accountants, as Statutory Auditors of the Company concludes at the conclusion of this Annual General Meeting.

After considering various factors such as qualification and experience, competency & efficiency of the audit team, effectiveness of conduct of audit, independence etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on 21<sup>st</sup> May, 2022 proposed the re-appointment of M/s. J. M. Agrawal & Company, Chartered Accountants, as Statutory Auditors of the Company for a further period of five consecutive years from the conclusion of this 8<sup>th</sup> Annual General Meeting until the conclusion of 13<sup>th</sup> Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee from time to time.

M/s. J. M. Agrawal & Company, have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Resolution as set out in Item No. 4 of the Notice is recommended by the Board to be passed as an Ordinary Resolution.

#### 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 of the Company.

In compliance with the above provisions the proposed agreement/arrangement/contract to be entered (other than those already approved) into with the party as specified in the proposed Ordinary resolution placed for your approval. It may be noted that, related party shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

AMJ Realty Limited, AMJ Land Holdings Limited, 3P Land Holdings Limited and Biodegradable Products India Limited (formerly known as Pudumjee Plant Laboratories Limited) are related party by virtue of below mentioned criteria:

Sr. No.	Name of the Related Party	Nature of Transactions	Aggregate Amount (₹)	Interested Director
1	AMJ Realty Limited	Arrangement Contract/ Agreement for providing unsecured Inter Corporate Deposits and Corporate Guarantee to meet day to day working capital requirements of the Company.	Amount remaining outstanding during any financial year shall not exceed ₹ 5,000 Lakhs. Rate of Interest: upto 12% p.a. but not less than 10% p.a.	Common Director is Mr. S. K. Bansal and Mr. Vinay Jadhav, Company Secretary is also Director.
2	AMJ Land Holdings Limited	To avail/provide the Common Services like telephone, electricity, computer, Human Resources and any other common services decided by the Company.	About ₹ 25 Lakhs for each financial year on cost basis	Common Directors are Mr. A. K. Jatia, Mr. S. K. Bansal and Dr. Ashok Kumar. Mr. A. K. Jatia alongwith his relatives holds more than 2% of paid up share capital of the Company.

Sr. No.	Name of the Related Party	Nature of Transactions	Aggregate Amount (₹)	Interested Director
3	3P Land Holdings Limited	To avail/provide the Common Services like telephone, electricity, computer, Human Resources and any other common services decided by the Company.	About ₹ 10 Lakhs for each financial year on cost basis	Mr. A. K. Jatia alongwith his relatives holds more than 2% of paid up share capital of the Company.
4	Biodegradable Products India Limited (formerly known as Pudumjee Plant Laboratories Limited)	To avail/provide the Common Services like telephone, electricity, computer, Human Resources and any other common services decided by the Company.	About ₹ 5 Lakhs for each financial year on cost basis	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 proposed Ordinary Resolution.

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

#### ITEM NO. 6

Mr. Arunkumar Mahabirprasad Jatia was appointed as 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 and the remuneration and other benefits were fixed upto 31<sup>st</sup> July, 2023.

The Management proposes the revision in the remuneration and other benefits payable to Mr. Arunkumar Mahabirprasad Jatia with effect from 01<sup>st</sup> April, 2021 till the remainder of this term of appointment, i.e. 31<sup>st</sup> July, 2023, as given in the accompanying resolution.

Mr. Arunkumar Mahabirprasad Jatia is B.S. (Finance and Business Economics from University of Southern California - USA and an Alumni of Harvard Business School) and has over 39 years experience in Business Administration and Finance and Foreign Trade. Mr. Jatia possesses natural managerial talent with progressive outlook. The Board of Directors and its Nomination and Remuneration Committee at their meetings held on 05<sup>th</sup> February, 2022 has approved and recommended the payment of remuneration and other benefits as aforesaid.

Except Mr. Arunkumar Mahabirprasad Jatia, individually together with his relatives 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.

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

Dr. Ashok Kumar was appointed as Executive Director of the Company for a period of 5 years with effect from 28<sup>th</sup> May, 2021 and the remuneration and other benefits were fixed for a period of 3 years.

The Management proposes the revision in the remuneration and other benefits payable to Dr. Ashok Kumar with effect from 01<sup>st</sup> April, 2021 till 31<sup>st</sup> March, 2024, as given in the accompanying resolution.

Dr. Ashok Kumar is M.E. (Chemical) and Ph.D. (Pulp Processing) and has wide and varied experience of over three decades in the Paper Industry. The Board of Directors and its Nomination and Remuneration Committee at their meetings held on 05<sup>th</sup> February, 2022 has approved and recommended the payment of remuneration and other benefits as aforesaid.

Except Dr. Ashok Kumar, and his relative(s), 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 as set out in Item No. 7 of the Notice is recommended by the Board to be passed as a Special Resolution.

**ITEM NO. 8**

The provisions of Section 188 and other applicable 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.

The Board of Directors based on the approval of the Audit Committee and Nomination and Remuneration Committee, at its meeting held on 05<sup>th</sup> February, 2022 had approved the re-appointment of Ms. Vrinda Jatia as Vice-President (Market Research and Development) of the Company for a period of 5 years w.e.f. 01<sup>st</sup> April, 2022, subject to the approval of the Shareholders by way of an Ordinary Resolution.

The details of the remuneration payable to Ms. Vrinda Jatia is given in the Resolution No. 8 of the Notice. Ms. Vrinda Jatia is a daughter of Mr. Arunkumar Mahabirprasad Jatia, the Chairman & Promoter of the Company.

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 Resolution as set out in Item No. 8 of the Notice is recommended by the Board to be passed as an Ordinary Resolution.

**ITEM NO. 9**

The Board of Directors at their meeting held on 21<sup>st</sup> May, 2022 has 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 the 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.

The Resolution as set out in 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/- for the Financial Year ending 31<sup>st</sup> March, 2022.

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 as set out in Item No. 10 of the Notice is recommended by the Board to be passed as an Ordinary Resolution.

**ITEM NO. 11**

The Company proposes to provide guarantees, advance Inter-Corporate Deposits/Loans to AMJ Realty Limited for the purpose of meeting their day to day working capital requirements as and when necessary and deemed if fit by the Board of the Company to these related parties with respect to the Company by virtue of below mentioned criteria:

Name of the Company	Interested Director
AMJ Realty Limited	Mr. S. K. Bansal – Common Directorship. Mr. Vinay Jadhav – Company Secretary of the Company is also Director.



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.

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
AMJ Realty Limited	₹ 5,000 Lakhs	To meet day to day working capital requirements of the Company.

Except Mr. S. K. Bansal and Mr. Vinay Jadhav 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 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)

21<sup>st</sup> May, 2022

**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:

Name of the Director	Dr. Ashok Kumar
DIN	07111155
Date of Birth	02.02.1956
Qualification	M.E. (Chemical Engineer), Ph.D. (Pulp Processing)
Brief Resume and Expertise in specific functional area of the Director	Dr. Ashok Kumar has wide and varied experience over three decades in the Paper Industry
Date of appointment in the Current Designation	28.05.2021
Shareholding in the Company	NIL
Directorships in other Companies	Listed Company: 1.AMJ Land Holdings Limited  Unlisted Company: Nil
Memberships/ Chairmanship of Committees of Other Companies*	Listed Companies: Nil
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 2021-22	5
Details of remuneration last drawn during the financial year 2021-22	₹ 1,31,62,956/-

\* 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 & Whole Time Director and Dr. Ashok Kumar, Executive Director is furnished herein below:

I. GENERAL INFORMATION:		
Nature of Industry	Paper Manufacturing	
Date or expected date of commencement of commercial production	February, 2016	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable	
Financial performance based on given indicators	Year ending 31 <sup>st</sup> March, 2022 (₹ in Lakhs)	
	Effective Capital	₹ 17,768.71
	Turnover	₹ 55,525.56
	Profit Before Tax	₹ 4,599.76
	Profit after Tax	₹ 3,453.20
	Reserves (excluding revaluation reserve)	₹ 15,374.92
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 39 years experience in Business Administration and Finance and Foreign Trade.</p> <p>The Board of Directors and its Nomination and Remuneration Committee at their meeting held on 05<sup>th</sup> February, 2022 has considered and approved the revision in the remuneration payable to Mr. Arunkumar Mahabirprasad Jatia w.e.f. 01<sup>st</sup> April, 2021 till the remainder of his term of appointment (i.e. 31<sup>st</sup> July, 2023), as given in the accompanying resolution.</p>	<p>Dr. Ashok Kumar was appointed as Executive Director of the Company for a period of 5 years with effect from 28<sup>th</sup> May, 2021 and the remuneration and other benefits were fixed for a period of 3 years.</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 at their meeting held on 05<sup>th</sup> February, 2022 has considered and approved the revision in the Remuneration payable to Dr. Ashok Kumar w.e.f. 01<sup>st</sup> April, 2021 till 31<sup>st</sup> March, 2024, as given in the accompanying resolution.</p>
Past remuneration	<p>Remuneration at the rate of ₹10,05,000/- per month (including Dearness Allowance).</p> <p>Break up per month: Remuneration ₹ 10,05,000/- + House Rent Allowance ₹11,59,000/- + Perquisites (including contribution to provident fund and superannuation scheme) ₹ 1,88,770/- (i.e. total yearly remuneration ₹ 2,82,33,241/-).</p>	<p>Remuneration at the rate of ₹ 5,82,000/- per month (including Dearness Allowance).</p> <p>Break up per month: Remuneration ₹5,82,000/- + House Rent Allowance ₹2,50,000/- + perquisites (including contribution to provident fund and superannuation scheme) ₹ 77,081/- (i.e., total yearly remuneration ₹ 1,09,08,971/-).</p>
Recognition or awards	NIL	NIL

## PUDUMJEE PAPER PRODUCTS LIMITED

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 39 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 Board of Directors of the Company.
Remuneration proposed	<ul style="list-style-type: none"> <li>• Remuneration at the rate of ₹ 15,96,000/- per month including Dearness Allowance and</li> <li>• Rent free furnished residential accommodation or an allowance in lieu thereof at the rate of ₹ 11,65,000/- per month.</li> <li>• Mr. Jatia is entitled to perquisites such as gas, electricity, repairs &amp; maintenance (including expenditure paid to Housing Society Association etc., towards maintenance) and property tax of the residential accommodation, medical expenses, furnishings, LTA, club fees, personal accident insurance, phone(s), Internet Connection(s) &amp; infrastructure, cars etc., at cost. He is also entitled to the Commission or Performance Incentive, as may be decided by the Board or Committee of Directors authorized by the Board, from time to time and benefits of contribution to Provident Fund/Superannuation Scheme, Gratuity.</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration at the rate of ₹ 7,02,000/- per month including Dearness Allowance and</li> <li>• Rent free furnished residential accommodation or an allowance in lieu thereof at the rate of ₹ 3,16,000/- per month.</li> <li>• Dr. Ashok Kumar is also entitled to the benefits of contribution to Provident Fund/Superannuation Scheme, Gratuity, and perquisites such as gas, electricity, medical expenses, furnishing, LTA, club fees, personal accident insurance, telephone, cars etc. at cost.</li> </ul>
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 management's 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."	

Except for Mr. Arunkumar Mahabirprasad Jatia and Dr. Ashok Kumar and with their respective shareholding, if any and their relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise in the proposed Resolutions.

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)  
21<sup>st</sup> May, 2022

## DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the 8<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022. 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>2021-2022</u> (₹ in Lakhs)	<u>2020-21</u> (₹ in Lakhs)
The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	<b>7,576.33</b>	7,601.65
<b>Less:</b>		
i) Finance cost	<b>493.62</b>	637.64
ii) Depreciation/Impairment	<b>1,114.93</b>	1,044.82
The net profit before Exceptional items and Tax	<b>5,967.78</b>	5,919.19
<b>Less:</b>		
Exceptional Items	<b>1,368.02</b>	2,449.59
The net profit before Tax	<b>4,599.76</b>	3,469.60
<b>Less:</b>		
Provision for Current Tax	<b>1,431.00</b>	598.00
Provision/(Saving) for Deferred Taxation	<b>(284.44)</b>	(131.50)
<b>Net Profit After Tax</b>	<b>3,453.20</b>	3,003.10
<b>Add:</b>		
Other Comprehensive Income/(Expense) (Net of Tax)	<b>52.06</b>	50.73
The balance of Profit brought forward from last year	<b>10,859.51</b>	8,005.68
<b>Total</b>	<b>14,364.77</b>	11,059.51
<b>Less:</b>		
Dividend Paid on Equity Shares	<b>284.85</b>	-
Transfer to General Reserve	<b>200.00</b>	200.00
<b>Total</b>	<b>484.85</b>	200.00
<b>Balance proposed to be carried forward to next year's accounts</b>	<b>13,879.92</b>	10,859.51

### DIVIDEND :

The Board of Directors recommends the payment of Dividend for the year ended 31<sup>st</sup> March, 2022 at the rate of ₹ 0.50 per share (including Special Dividend of ₹ 0.20 per share). If approved, the Equity Dividend shall be paid, subject to the provision of Section 126 of the Companies Act, 2013 to those Shareholders whose names stand on the Register of Members on 13<sup>th</sup> August, 2022.

The Dividend in respect of shares held in electronic form, will be paid to all those beneficial owners of the shares as per the details furnished by depositories for the purpose at the close of business hours on 05<sup>th</sup> August, 2022.

**OPERATIONS :**

The Directors are happy to report that the Company has achieved a turnover of ₹ 55,526 lakhs against ₹ 43,688 lakhs in the previous year with EBITDA of ₹ 7,576 lakhs as against ₹ 7,602 lakhs in the previous year. Cost of certain inputs of energy, chemicals, fibres and others have, on an average, increased by about 25% compared to the previous year, which the Company could substantially mitigate by way of change in product mix, improved operating efficiency as also price rise of its products and inventory gains. This performance would also need to be appreciated against the back drop of huge challenges posed by intense Covid second wave at Pune and Mumbai where Company's manufacturing facilities and Corporate Office respectively are located. It was dedicated efforts of the employees, dealers and customers throughout the country which contributed towards this better performance. The strong recovery in economy post Covid wave as also inherent strength in the products of the Company coupled with 'Atmanirbhar' initiative of the Government of India, enabled the Company to navigate through the unparallel price rise in its inputs including as a consequence of Russia Ukraine war in later part of the year.

The Company's Paper production is currently continuing at about 70% of its capacity of 72,000 MT per annum.

The Hygiene Products Division, which primarily caters to Institutional customers also achieved higher turnover by about 24% over the previous year inspite of continuing impact of "Work From Home" (WFH) environment and closure or partial functioning of Corporate Offices, Hotels, Restaurants, etc. The lower Institutional Business compared to pre-Covid years has resulted in impairment of goodwill attributable to business of the Division and therefore Directors, as a matter of prudence, have recognized such an impairment of ₹ 1,368 lakhs in the Profit & Loss Accounts as an exceptional item.

The plan for relocation of Pune facilities to Mahad continues to remain in abeyance in view of prevailing uncertainties.

**FIXED DEPOSITS :**

The Company accepts fresh/renewal of fixed deposits from the public and as on 31<sup>st</sup> March, 2022 stood at ₹ 1,618.10 Lakhs as against ₹ 2,272.35 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 ₹ 1,154.10 Lakhs and all the deposits falling due for repayment during the year were fully repaid on maturity except unclaimed deposits numbering 87 with an amount of ₹ 43.70 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 thereon. 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 :**

The Members of the Company at the 3<sup>rd</sup> Annual General Meeting had appointed M/s. J. M. Agrawal & Company, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of 3<sup>rd</sup> Annual General Meeting for the period of 5 years until the conclusion of 8<sup>th</sup> Annual General Meeting of the Company. Accordingly, the current term of M/s. J. M. Agrawal & Company, Chartered Accountants, as Statutory Auditors of the Company concludes at the conclusion of the ensuing Annual General Meeting.

Pursuant to the Section 139 of the Companies Act, 2013 read with the Rules made thereunder, the Board of Directors of the Company on the recommendation of the Audit Committee re-appointed M/s. J. M. Agrawal & Company, Chartered Accountants, as Statutory Auditors of the Company for a further period of 5 years, to hold office from the conclusion of ensuing 8<sup>th</sup> Annual General Meeting for a term of consecutive five years till the conclusion of 13<sup>th</sup> Annual General Meeting of the Company. The re-appointment of M/s. J. M. Agrawal & Company, Chartered Accountants, as Statutory Auditors of the Company is placed before the members for approval at the ensuing Annual General Meeting.

The Company has received a written consent from M/s. J. M. Agrawal & Company, Chartered Accountants for their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and Rules made thereunder and that they satisfy the criteria prescribed under section 141 of the Companies Act, 2013 and that they are not disqualified for re-appointment as Statutory Auditor of the Company.

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 provision of Section 204 read with Section 134(3) of the Companies Act, 2013, the Board has appointed Mr. I. U. Thakur, Practicing Company Secretary, Pune to conduct Secretarial Audit of the Company for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year 2021-22 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 provision 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 2021-22. 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 8<sup>th</sup> Annual General Meeting of the Company.

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

In terms of provisions of the Companies Act, 2013, Dr. Ashok Kumar (DIN:07111155), Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The details of the Director of the Company, proposed to be re-appointed at the 8<sup>th</sup> Annual General Meeting, as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India are provided as Annexure at the end of the Notice convening the 8<sup>th</sup> Annual General Meeting of the Company.

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 5 Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report that 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 (SEBI) and as per the Circulars issued by the Ministry of Corporate Affairs and SEBI.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) :

The Board of Directors has constituted the Corporate Social Responsibility Committee of the Company comprises of Mr. Nandan Damani, Chairman of the Committee and Non-Executive Independent Director, Mr. Vinod Kumar Beswal, Non-Executive Independent Director, Mr. Basant Kumar Khaitan, Non-Executive Independent Director, Mr. Surendra Kumar Bansal, Non-Executive Non-Independent Director and Mr. Ved P. Leekha, Non-Executive Non-Independent Director. The major role of this Committee is to formulate, recommend, implement and monitor the CSR policy, activities to be undertaken by the Company and to meet/contribute expenditure towards its recommended Corporate Social Responsibility objectives. This Committee carried out the CSR Activities pursuant to section 135 read with Schedule VII of the Companies Act, 2013 as amended from time to time and as per the CSR policy of the Company.

During the year, the Company was required to spent amount of ₹ 68 Lakhs in accordance with section 135(1) of the Companies Act, 2013 and the same has been fully spent on the CSR Projects recommended/approved by the CSR

Committee and the Board of Directors of the Company.

During the year, the CSR Policy of the Company was amended in Compliance with the amendments in the Companies, 2013 and the Rules made thereunder and the CSR Policy of the Company is available on the website of the Company viz: <http://www.pudumjee.com/wp-content/uploads/2015/03/PPPL-Corporate-Social-Responsibility-Policy.pdf>.

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :**

Particulars of loan(s) given, investment(s) made, guarantee(s) 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 <http://www.pudumjee.com/wp-content/uploads/2019/03/Policy-on-Related-Party-Transactions.pdf>. 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 05<sup>th</sup> February, 2022 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 <http://www.pudumjee.com/wp-content/uploads/2015/03/Policy-on-Evaluation-of-Performance-of-Directors.pdf>. The Board of Directors at their meeting held on 05<sup>th</sup> February, 2022 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 Exchange Board of India dated 05<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 <http://www.pudumjee.com/policy/>.

#### **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.

During the year under review, there was no complaint of discrimination and harassment (including Sexual Harassment) received by the Committee.

#### **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 to 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report as Annexure-7.

#### **ANNUAL RETURN :**

Pursuant to the provisions of Companies Act, 2013, a copy of Annual Return for the financial year 2020-21 is available on the website of the Company at <https://www.pudumjee.com/wp-content/uploads/2022/01/PPPL-MGT-7-2020-2021.pdf> and a copy of Annual Return for the financial year 2021-22 will be available on the website of the Company after submission of the same to the Registrar of Companies.

#### **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., <https://www.pudumjee.com/policy/> and is annexed hereto and marked as Annexure-8.

#### **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

## PUDUMJEE PAPER PRODUCTS LIMITED

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; and
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **ACKNOWLEDGEMENTS :**

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

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

On Behalf of the Board of Directors,

Place : Pune  
Date : 21<sup>st</sup> May, 2022

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

**ANNEXURE - 1**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2022**

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

To,  
THE MEMBERS,  
PUDUMJEE PAPER PRODUCTS LIMITED  
THERGAON, PUNE,  
MAHARASHTRA – 411033.

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 PUDUMJEE PAPER PRODUCTS LIMITED 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 31.03.2022 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 31.03.2022 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) (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not applicable to the Company during the Audit Period
  - (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not applicable to the Company during the Audit Period
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not applicable to the Company during the Audit Period

- (vi) 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
- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable to the Company during the Audit Period
- (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not applicable to the Company during the Audit Period

On the basis of the information provided by the Company, following 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) The Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**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. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

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

I further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

Disclaimer : Due to COVID -19 pandemic physical examination of documents under Companies Act, 2013 is not possible; we have therefore relied upon the documents provided by the Company in electronic mode for Audit purpose.

I U Thakur  
Company Secretary  
C. P. Number: 1402  
Membership no.: 2298  
Peer Review No: 1426/2021  
UDIN:F002298D000367234

Date : 23<sup>rd</sup> May, 2022

Place : Pune

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

## ANNEXURE

To,  
THE MEMBERS,  
PUDUMJEE PAPER PRODUCTS LIMITED  
THERGAON, PUNE,  
MAHARASHTRA – 411033.

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.

I U Thakur  
Company Secretary  
C. P. Number: 1402  
Membership no.: 2298  
Peer Review No: 1426/2021  
UDIN:F002298D000367234

Date : 23<sup>rd</sup> May, 2022  
Place : Pune

**ANNEXURE - 2**

**THE ANNUAL REPORT ON CSR ACTIVITIES**

- Brief outline on CSR Policy of the Company: 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. P. Jatia Charitable Trust, Mumbai which has an established track record of social service. The CSR activities to be carried out by the Company through an eligible trust(s) are as under; a) Education in Rural Area b) Environment both in Urban Area and Rural Area c) Vocational Development in Rural Area; d) Setting up and/or maintaining old age homes/orphanage and supplementing nutrition and other essentials for underprivileged people e) Development of Rural Infrastructure and f) Poverty Alleviation.
- Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Nandan Damani	Chairman / Non-Executive, Independent Director	1	1
2.	Mr. Vinod Kumar Beswal	Member / Non-Executive, Independent Director	1	1
3.	Mr. Basant Kumar Khaitan	Member / Non-Executive, Independent Director	1	1
4.	Mr. Surendra Kumar Bansal	Member / Non-Executive, Non-Independent Director	1	0
5.	Mr. Ved P. Leekha	Member / Non-Executive, Non-Independent Director	1	1

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <https://www.pudumjee.com/wp-content/uploads/2015/03/PPPL-Corporate-Social-Responsibility-Policy-3.pdf>.
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set off from preceding financial years (₹ in Lakhs)	Amount required to be set-off for the financial year, if any (₹ in Lakhs)
1.	-	Nil	Nil
	TOTAL	Nil	Nil

- Average net profit of the Company as per section 135(5): ₹ 3,378.93 Lakhs
- Two percent of average net profit of the Company as per section 135(5): ₹ 67.58 Lakhs
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable

- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 67.58 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)			
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	
	Amount.	Date of transfer.	Name of the Fund	Date of transfer.
68		Nil		Nil

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.

**PUDUMJEE PAPER PRODUCTS LIMITED**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (₹ in Lakhs)	Mode of implementation – Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	Education	(ii)	No	Rajasthan	All	68	No	M/s. M. P. Jatia Charitable Trust	CSR00003040
				Maharashtra	Mumbai				
	Total					68			

(d) Amount spent in Administrative Overheads: Not Applicable

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 68.00 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	67.58
(ii)	Total amount spent for the Financial Year	68
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.42
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.42

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ in Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer.	
1.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (₹ in Lakhs)	Amount spent on the project in the reporting Financial Year (₹ in Lakhs)	Cumulative amount spent at the end of reporting Financial Year. (₹ in Lakhs)	Status of the project - Completed /Ongoing.
1								
	TOTAL							



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year(asset-wise details): Not Applicable.
  - (a) Date of creation or acquisition of the capital asset(s).
  - (b) Amount of CSR spent for creation or acquisition of capital asset.
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
  - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

**Surendra Kumar Bansal**  
Director

**Nandan Damani**  
Chairman of CSR Committee

Place: Pune

Date : 21<sup>st</sup> May, 2022

**ANNEXURE - 3**

**Particulars of loans given, guarantees/ investments made during the Financial Year 2021-22**

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 (Listed/Unlisted entities)	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)	Quality Tissue Converting Company Private Limited	50,00,000	11.25%	NA	NA	NA	NA
		(1,72,00,000)					
	Dipper Healthcare Private Limited	30,00,000	11.25%	NA	NA	NA	NA
		(55,00,000)					
Investments Made	Aditya Birla Sunlife Corporate Bond Fund - Growth - Regular	32,00,00,000	-	-	Mutual Fund Units	-	-
		(0)	-	-		-	-
	L&T Liquid Fund - Direct Plan - Growth	46,00,00,000	-	-	Mutual Fund Units	-	-
		(0)	-	-		-	-
	Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option	30,50,00,000	-	-	Mutual Fund Units	-	-
		(4,00,14,131)	-	-		-	-
	Nippon India Arbitrage Fund - Direct Growth Plan Growth Option (AFAGG)	10,00,00,000	-	-	Mutual Fund Units	-	-
		(10,28,20,909)	-	-		-	-
	DSP Floater Fund - Direct - Growth	7,00,00,000	-	-	Mutual Fund Units	-	-
		(7,17,86,005)	-	-		-	-
	ICICI Prudential Liquid Fund - Direct Plan - Growth	42,50,00,000	-	-	Mutual Fund Units	-	-
		(0)	-	-		-	-
	Union Bank of India 9.08% Perp Bonds	5,42,40,419	-	-	Perpetual Bond	-	-
		(5,42,90,173)	-	-		-	-
	Bank of Baroda 8.65% Perp Bonds	1,70,44,238	-	-	Perpetual Bond	-	-
		(1,70,59,405)	-	-		-	-
	Axis Bank Ltd 8.75% Perp Bonds	3,32,63,936	-	-	Perpetual Bond	-	-
		(3,32,93,662)	-	-		-	-
	Edelweiss Crossover Opportunities Fund	25,00,000	-	-	Alternative Investment Fund	-	-
		(25,89,955)	-	-		-	-
	Abakkus Growth Fund 2	1,00,00,000	-	-	Alternative Investment Fund	-	-
		(1,00,96,926)	-	-		-	-

Figures in bracket indicates balance as on 31<sup>st</sup> March, 2022

On behalf of the Board of Directors,

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

Date: 21<sup>st</sup> May 2022  
Place: Pune

**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	AMJ Land Holdings Limited, a related party under Section 2(76)(v).		
b)	Nature of contracts/arrangements/transaction	Arrangements for providing the Common Services (such as telephone, electricity, Computer etc.) at cost basis.	Leave and License Agreement for accepting portion approximately 29 acres of land located at Thergaon, Pune - 411033	Leave and License Agreement to obtain portion of office premises at Mezzanine Floor, 60, Jatia Chambers, Dr. V. B. Gandhi Marg, Mumbai - 400 001.
c)	Duration of the Contracts/arrangements/transactions	Continuous arrangement.	01 <sup>st</sup> February, 2021 to 31 <sup>st</sup> January, 2026.	01 <sup>st</sup> January, 2019 to 31 <sup>st</sup> December, 2021 and Renewed w.e.f. 01 <sup>st</sup> January, 2022 to 31 <sup>st</sup> December, 2024.
d)	Salient terms of contracts or arrangements or transactions including the value if any	1) Monetary value: ₹ 14.16 Lakhs (including GST) financial year 2021-22. 2) Nature, material terms and particulars of arrangement: To provide Common Services (such as telephone, electricity, computer, etc.) on cost basis.	1) Monetary value: ₹ 142.78 Lakhs (including GST) for Financial Year 2021-22. 2) Nature, material terms and particulars of arrangement: The licensee shall bear and pay all the maintenance charges and other outgoings including all rates, taxes and electricity bills etc. as per terms and conditions of Leave and License Agreement.	1) Monetary value: ₹ 10.62 Lakhs (including GST) for Financial Year 2021-22. 2) Nature, material terms and particulars of arrangement: The licensee shall bear and pay all the maintenance charges and other outgoings including all rates, taxes and electricity bills etc. as per terms and conditions of Leave and License Agreement.
e)	Justification for entering into such contracts or arrangements or transactions	To provide common services to AMJ Land Holdings Limited in mutual interest, for continuance of their day to day commercial operations.	Pursuant to Scheme of Arrangement & Reconstruction (Demerger) the Company had taken abovementioned Land on Leave and License basis for a period of 5 years w.e.f. 01 <sup>st</sup> February, 2016 which period had expired on 31 <sup>st</sup> January, 2021 and the Company renewed the same arrangement for a further period of 5 years with revised terms and conditions	The spare space available with the AMJ Land Holdings Limited is utilized in mutual interest, by the Company for continuance of its day to day commercial operations.
f)	Date(s) of approval by the Board	12 <sup>th</sup> June, 2020	12 <sup>th</sup> June, 2020	20 <sup>th</sup> October, 2018 and 30 <sup>th</sup> October, 2021
g)	Amount paid as advances if any	NIL	NIL	NIL
h)	Date on which the ordinary resolution was passed in general meeting as required under first proviso to Section 188	20 <sup>th</sup> August, 2020.	20 <sup>th</sup> August, 2020.	N.A.

## PUDUMJEE PAPER PRODUCTS LIMITED

### II.

a)	Name(s) of the related parties and nature of relationships	3P Land Holdings Limited, a related party under Section 2(76)(v).	
b)	Nature of contracts/arrangements/transaction	Arrangements for providing the Common Services (such as telephone, electricity, Computer etc.) at cost basis.	Leave and license Agreement for accepting portion approximately 4.6 acres of land located at Thergaon, Pune- 411 033 for the purpose of carrying of business
c)	Duration of the Contracts/arrangements/transactions	Continuous arrangement.	01 <sup>st</sup> February, 2021 to 31 <sup>st</sup> January, 2026.
d)	Salient terms of contracts or arrangements or transactions including the value if any	1) Monetary value: ₹ 2.49 Lakhs (including GST) for Financial Year 2021-22. 2) Nature, material terms and particulars of arrangement: To provide Common Services (such as telephone, electricity, computer, etc.) on cost basis.	1) Monetary value: ₹ 28.56 Lakhs (including GST) for Financial Year 2021-22. 2) Nature, material terms and particulars of arrangement: The licensee shall bear and pay all the maintenance charges and other outgoings including all rates, taxes and electricity bills etc. as per terms and conditions of Leave and License Agreement.
e)	Justification for entering into such contracts or arrangements or transactions	To provide common services to the 3P Land Holdings Limited in mutual interest, for continuance of their day to day commercial operations.	Pursuant to Scheme of Arrangement & Reconstruction (Demerger) the Company had taken abovementioned Land on Leave and License basis for a period of 5 years w.e.f. 01 <sup>st</sup> February, 2016 which period was expired on 31 <sup>st</sup> January, 2021 and the Company renewed the same arrangement for a further period of 5 years with revised terms and conditions.
f)	Date(s) of approval by the Board	12 <sup>th</sup> June, 2020	12 <sup>th</sup> June, 2020
g)	Amount paid as advances if any	NIL	NIL
h)	Date on which the ordinary resolution was passed in general meeting as required under first proviso to Section 188	20 <sup>th</sup> August, 2020	N.A.

### III.

a)	Name(s) of the related parties and nature of relationships	Biodegradable Products India Limited (Pudumjee Plant Laboratories Limited), a related party under Section 2(76)(v).	
b)	Nature of contracts/arrangements/transaction	Arrangements for providing 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: ₹ 1.18 Lakhs (including GST) for Financial Year 2021-22. 2) Nature, material terms and particulars of arrangement: To provide Common Services (such as telephone, electricity, computer, etc.) on cost basis.	
e)	Justification for entering into such contracts or arrangements or transactions	To provide common services to the Biodegradable Products India Limited in mutual interest, for continuance of their day to day commercial operations.	
f)	Date(s) of approval by the Board	21 <sup>st</sup> May, 2022	
g)	Amount paid as advances if any	NIL	
h)	Date on which the ordinary resolution was passed in general meeting as required under first proviso to Section 188	N.A.	

### 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS: NOT APPLICABLE

On behalf of the Board of Directors,

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

Place: Pune  
Date: 21<sup>st</sup> May 2022

**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, 2022.**

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 (59)	Executive Chairman	3,65,15,319	2,29,86,959	B.S. (Finance & Business Economics) (39)	01.08.2018	AMJ Land Holdings Limited	Executive Chairman (upto 31.07.2018)
Dr. Ashok Kumar (66)	Executive Director	1,31,62,956	90,32,060	M.E. (Chemical) Ph.D (42)	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 Whole time Director/ Executive 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) \*With AMJ Land Holdings Limited (before Demerger).
- (5) None of the above employees are related to each other.

On Behalf of the Board of Directors,

Place : Pune  
Date : 21<sup>st</sup> May, 2022

**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 : 621

Sr. No.	Name of the director	Designation	Remuneration of each director	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 the median 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
A	B	C	D	E	F	G	H	I	J
1	Mr. Arunkumar Mahabirprasad Jatia	Executive Chairman	3,65,15,319	5,94,995	61.37	29.33	26.28	26.28	29.33
2	Dr. Ashok Kumar	Executive Director	1,31,62,956		22.12	20.60			20.60
3	Mr. H. P. Birla	Chief Financial Officer	35,44,185		5.96	1.70			-
4	Mr. Vinay Jadhav	Company Secretary	14,82,394		2.49	31.53			-

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

On Behalf of the Board of Directors,

Place : Pune  
Date : 21<sup>st</sup> May, 2022

**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, 2022.

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

- Procured 194 MVAh power from Wind Power equivalent to 0.29% of total power requirement.
- Drawing 7495 MVAh power from Solar Power Plant equivalent to 11.33% of total power requirement.
- Generated 2342 MVAh power from Cogeneration power (self) equivalent to 3.54% of total power requirement.

**ii) Impact of measures taken:**

Reduction in power consumption by optimisation of paper machines and process parameters resulted in marginal 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, LED lights and Motors wherever feasible.

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

i)	Efforts made in brief towards Technology absorption, adaptation and Innovation	(a) Replacement of wire forming board leading blades & trailing blades and installation of new series and protection system in Machine(s). (b) Installation of new VCB Breakers and drive module in Machine(s). (c) Installation of new Carbon fiber and plate heat exchanger.
ii)	Benefits derived as a result of the above results	₹ 4 Lakhs p.a. (Approx.)
ii)	Details of Imported Technology:	N.A.
	a) Details of Technology Imported:	
	b) The year of import:	N.A.
	c) Whether the technology been fully absorbed:	N.A.
iv)	Expenditure incurred on Research and Development	₹ 68.56 Lakhs

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

Foreign Exchange earned and used were ₹ 1,415.62 Lakhs and ₹ 24,435.71 Lakhs, respectively.

On Behalf of the Board of Directors,

Place: Pune  
Date : 21<sup>st</sup> May, 2022

**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 at <https://www.pudumjee.com/code-of-conduct/>

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 manufactures Specialty Papers for various purposes and application such as for packaging of food products, industrial applications and applications required in oil and grease resistance. The Company's products are sold throughout the country directly to customers as also through a network of dealers with some exports to nearby countries and Europe. The Papers manufactured by the Company can be broadly categorized as under:

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



The Company sources its fibre requirements primarily through imports of market pulp and waste paper. The prices of these fibres were on upward trend. The market pulp prices of various grades on an average ranged from ₹ 50,150 per MT to ₹ 84,100 Per MT as against ₹ 33,700 per MT to ₹ 75,250 per MT in the previous year. The waste paper prices of various grades on an average ranged from ₹ 23,000 Per MT to ₹ 44,850 per MT as against ₹ 14,750 Per MT to ₹ 29,600 per MT in the previous year. Certain important chemicals and coal prices have also witnessed unusually high prices.

The Company, where feasible, adopted cost reduction measures, reworked its product mix and temporarily discontinued or lowered production of certain varieties of products such as Crepe Tissue for Hygiene application. The Company also added certain more specialties in Food Grade papers, Print Base papers, Flexible Packaging papers, etc., to its products portfolio.

The Company is also dependent on power purchased from Maharashtra State Electricity Distribution Company Limited (MSEDCL), although, it also draws about 12% of power from 5 MW Solar Plant under long term procurement arrangement under Open Access arrangement. The Company also purchased three old Wind Power plants of 1.25 MW each, during the year and commenced drawing power therefrom for manufacturing paper from 01<sup>st</sup> April 2022 and is expected to meet about 8% of its power requirement on an average basis.

The Company's current manufacturing facilities at Thergaon has witnessed rapid urbanization, requiring the Company to re-locate its manufacturing site for which purpose an industrial site of about 75 acres at MIDC, Mahad in Maharashtra had been procured. Pending re-location, the Company currently operates at Pune as a lessee on the land and buildings owned by AMJ Land Holdings Limited and 3P Land Holdings Limited on Leave & License basis.

The plan for upgrading/relocating of facilities are put on hold in view of prevailing uncertainties about marketability of larger tonnage requiring high investments.

Hygiene Products Division of the Company mainly markets its Away-from-Home Hygiene products such as Bathroom roll, Kitchen Towel, Napkins, Dispensers, Sanitizer, Disinfectants, Hand wash Soap, etc., under brand name 'Greenlime' to Institutional customers comprising Corporate Offices, Facility Managers, Business Hotels, Airports etc. The Company under brand "Chef Smartr" also markets products to cater to Professional Chefs to address Hygiene issues in Hotels, Restaurants, caterings. The activity level of this Division, compared to pre-Covid days, is lower by about 57% in view of ongoing "Work From Home" (WFH) environment which had the impact of closure/partial functioning of Corporate Offices, one of its main segments of the business.

#### **Company Performance :**

During the year under review, the Company has achieved turnover of ₹ 555.26 Crores (Previous year ₹ 436.88 Crores) resulting in EBITDA (before exceptional item) at ₹ 75.76 Crores (Previous year ₹ 76.02 Crores) and a Net Profit Before Tax (after exceptional item) of ₹ 46.00 Crores (Previous year ₹ 34.70 Crores). This includes a turnover of ₹ 24.53 Crores (Previous year ₹ 19.74 Crores) (before set off of inter-segment revenue), EBITDA of ₹ 0.18 Crores (Previous year ₹ (0.64) Crores and Loss Before Tax of ₹ (0.32) Crores (Previous year ₹ (1.15) 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.

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

As an established pioneer 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:

- Growing recognition of importance of value added papers for food packaging, hygiene applications and marketing purposes;
- 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 preference for value added packaging;
- 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 popularity of e-commerce, home delivery of food and other products, 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;
- Imposition of antidumping duty and measures on certain grade of paper manufactured by the Company.

### **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.
- Problem solving approach by immediate and continuous service to customers.
- Faster execution and deliveries of required products with consistence in quality.
- Cost efficient sourcing and locational advantage and effective cost management.
- Wide range of Product Portfolio to cater to individual requirement.
- Ability to quickly change product mix.

### **Business Strategy of the Company :**

- Continuous strengthening of in-house R&D setup, products innovation and enhancing value addition.
- Build stronger ties with the users and 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.
- Continuous upgradation of product portfolio to have more and more value added products.
- Relation of manufacturing facilities with technology upgradation and expanded capacity.

### **Concerns and threats :**

The Company does not have its own sources of fibre and is, therefore, heavily dependent on bought out fibres which are predominantly imported. Raw material, on an average, constitutes nearly 45% of sale prices. Any adverse movement

in prices and foreign exchange, geopolitical and logistic imbalances may and does substantially affect availability of products and margins although, off late and in the interim the Company has been able to neutralize impact of its price rise by way of change in products, adoption of right fibres and cost reduction efforts while determining fibre mix as also inventory gains.

The Company's paper manufacturing operations are power intensive. The Company is dependent on purchased costlier energy. The Company's Co-Gen facilities, in view of current scale and nature of operations, have inadequate generation to meet Company's requirement of power. The Company does draw about 12% of power from 5 MW Solar power plants under long term arrangement under Open Access and have recently purchased three old wind power plants which is expected to cater to about 8% of Company's power requirement. These two measures does somewhat lower cost of power.

The prices of coal used by the Company has also seen an unparallel rise which moved from ₹ 6,880 per tonne to ₹ 16,250 per tonne towards March 2022. The Company while determining its prices also attempts to pass on input cost escalation to customers, after adopting means of conservation of energy, where and to whatever extent feasible.

The Company is currently operating at about 70% of its capacity of 72,000 MT per annum. The Covid pandemic and consequent 'Work From Home' environment had the impact of lowering capacity utilization resulting in lower than pre-Covid days turnover of ₹ 60,448 lakhs in Financial Year 2019-20. As the conditions of pandemic recede and work offices resume, the capacity utilization may see gradual improvement.

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 those which presently are.

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 from adjacent lifting point in Purna River under an agreement in terms of which the Company had contributed proportionate cost of Purna Dam to the State Irrigation Department. The Company is exploring possibility, feasibility and viability of laying a pipeline to draw water through pipeline from appropriate point of lifting farther away from current point.

#### 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, 2022	31 <sup>st</sup> March, 2021	% Change	Reason for Change
1.	Interest Coverage ratio	9.01	5.86	53.75	Due to repayment of loan.

#### 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, 2022 is as under:

Directors	Category	Total number of Directorships in Public Companies as on 31 <sup>st</sup> March, 2022.*	Total number of Memberships of Committees as on 31 <sup>st</sup> March, 2022. +	Total number of Chairmanships/ Chairpersonship of Committees as on 31 <sup>st</sup> March, 2022. +	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 & Promoter	4	4	Nil	<ul style="list-style-type: none"> <li>Thacker and Company Limited - Non-Executive Non-Independent 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 Non-Independent 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 Non-Independent 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	5	6	3	<ul style="list-style-type: none"> <li>Clean Science and Technology Limited - Non-Executive Independent Director</li> <li>Tega Industries Limited - Non-Executive Independent Director</li> <li>Sanghvi Movers Limited – Non executive Independent Director</li> </ul>
Mr. Basant Kumar Khaitan	Independent Director	5	4	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	Non Independent Director	1	2	Nil	--

\* 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.

There are no inter-se relationships between the Board members.

All the Directors have made disclosures regarding their Directorship as required under Section 184 of the Companies Act, 2013 and on the Committee position held by them in other Companies. 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 Companies.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

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 & Promoter	<ul style="list-style-type: none"> <li>• Visionary and knowledgeable entrepreneur about various businesses, industries and opportunities.</li> <li>• More than 27 years first hand experience in International business with emerging markets and cross border transaction including countertrade.</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 Prakash 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, Internal Controls;</li> <li>• Economic &amp; Business Analysis;</li> <li>• Business Prudence.</li> </ul>

## PUDUMJEE PAPER PRODUCTS LIMITED

During the year 2021-2022, Board Meetings were held on the following dates:

28.05.2021	31.07.2021	22.09.2021
30.10.2021	05.02.2022	

The 7<sup>th</sup> Annual General Meeting (AGM) of the Company was held on 21<sup>st</sup> August, 2021. 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	5	Yes
Mr. Surendra Kumar Bansal	4	Yes
Mr. Nandan Damani	5	Yes
Mr. Vinod Kumar Beswal	5	No
Mrs. Madhu Dubhashi	5	Yes
Mr. Basant Kumar Khaitan	5	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	3,38,80,800	26,34,519	Nil	3,65,15,319
Mr. Ved Prakash Leekha	1,19,000	Nil	Nil	Nil	1,19,000
Mr. Surendra Kumar Bansal	Nil	Nil	Nil	Nil	Nil
Mr. Nandan Damani	1,24,000	Nil	Nil	Nil	1,24,000
Mr. Vinod Kumar Beswal	1,20,000	Nil	Nil	Nil	1,20,000
Mrs. Madhu Dubhashi	1,15,000	Nil	Nil	Nil	1,15,000
Mr. Basant Kumar Khaitan	1,24,000	Nil	Nil	Nil	1,24,000
Dr. Ashok Kumar	Nil	1,29,64,800	1,98,156	Nil	1,31,62,956

- Perquisites include housing/house rent allowance with electricity, gas, medical expenses, leave travel assistance, club fees, accident insurance, contribution to provident and Superannuation fund etc., but exclude provision for gratuity and pension.
- Severance fees, stock options and notice period are not applicable in case of Executive Directors.
- Non-executive Directors' are entitled to regular sitting fees and re-imbursement of expenses incurred for attending each meeting of Board or Committee thereof.
- The details for shares held by directors as on 31-03-2022 are as under:  
Except Mr. Arunkumar Mahabirprasad Jatia & Mrs. Madhu Dubhashi who holds 42,06,850 & 48,238 equity shares of ₹ 1/- each of the Company respectively, none of the other Directors namely Mr. Ved Prakash Leekha, Mr. Surendra Kumar Bansal, Mr. Nandan Damani, Mr. Vinod Kumar Beswal, 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, 2022, 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
Mr. Ved Prakash Leekha - Non-Executive Non-Independent Director	– Member

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

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

**Role of the Audit Committee:**

- 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;

## PUDUMJEE PAPER PRODUCTS LIMITED

- 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;
- Consider and Comment on rational, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- 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. The Chairman of Audit Committee was not able to attend 7<sup>th</sup> Annual General Meeting because of his pre-occupation.

Five Meetings of Committee were held during the year 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 on the following dates:

28.05.2021	31.07.2021	22.09.2021
30.10.2021	05.02.2022	

The attendance at the Meetings were as under:

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



**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, 2022, 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
Mr. Ved Prakash Leekha, Non-Executive Non-Independent Director	– Member

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

The chairman of Nomination and Remuneration Committee was not able to attend the 7<sup>th</sup> Annual General Meeting because of his Pre-occupation.

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;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - i. use the services of an external agencies, if required;
  - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii. consider the time commitments of the candidates.
- 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.

Two Committee Meetings were held on 28<sup>th</sup> May, 2021 and 05<sup>th</sup> February, 2022 during the year 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022. The attendance at the Meeting was as under:

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

## PUDUMJEE PAPER PRODUCTS LIMITED

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-8 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, 2022, 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
Mr. Ved Prakash Leekha, Non-Executive Non-Independent Director	– Member

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 2021-22, the Company received 31 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 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 on the following dates:

28.05.2021	31.07.2021
30.10.2021	05.02.2022

The attendance at the Meetings were as under:

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

**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, 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 a 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.
31 <sup>st</sup> March, 2020	20 <sup>th</sup> August, 2020 through Video Conference / Other Audio Visual Means without physical presence of the Shareholders at a common venue.	3:00 p.m. (ST)	(i) Revision in the Remuneration of Whole Time Director, Mr. Arunkumar Mahabirprasad Jatia. (ii) Consent of shareholders for acceptance of fixed deposits from Public. (iii) Approval for providing of Guarantee(s), Inter-Corporate Deposit(s)/ Loan(s) to Bodies Corporate(s). (iv) Revision in the Remuneration of Executive Director, Dr. Ashok Kumar.
31 <sup>st</sup> March, 2021	21 <sup>st</sup> August, 2021 through Video Conference / Other Audio Visual Means without physical presence of the Shareholders at a common venue.	3:00 p.m. (ST)	(i) Approval to the re-appointment of Mr. Vinod Kumar Beswal, as a Non-Executive Independent Director of the Company. (ii) Approval to the re-appointment of Mr. Nandan Damani, as a Non-Executive Independent Director of the Company. (iii) Approval to the re-appointment of Mrs. Madhu Dubhashi, as a Non-Executive Independent Director of the Company. (iv) Approval to the re-appointment of Mr. Basant Kumar Khaitan, as a Non-Executive Independent Director of the Company. (v) Appointment and Remuneration of Dr. Ashok Kumar as Executive Director. (vi) Remuneration of Mr. Arunkumar Mahabirprasad Jatia as a Whole Time Director. (vii) Consent of shareholders for acceptance of fixed deposits from Public.

**ii) Postal Ballot:**

During the year under review, no resolutions were passed through postal ballot. At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal Ballot.

**COMPANY'S POLICIES:**

The Board has adopted the following policies/programme:

- (a) Policy on Related Party Transactions
- (b) Whistle Blower Policy/Vigil Mechanism
- (c) Criteria For Selection of Candidates for Senior Management and Members on the Board of Directors
- (d) 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
- (m) Dividend Distribution Policy

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 05<sup>th</sup> February, 2022, 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, 2022 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, <http://www.pudumjee.com/wp-content/uploads/2019/03/Policy-on-Related-Party-Transactions.pdf>. 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, 2022.

**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-/Positive
Short Term Rating	CRISIL A2+
Rs.50 crore Fixed Deposits	FA/Positive

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 2021-22:**

Sr. No.	Name of the Company	Fees Paid (₹ Lakhs)
1.	Pudumjee Paper Products Limited	₹ 24.04

**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” and “Loksatta”(Regional Language). These results are also posted on Company’s website at [www.pudumjee.com](http://www.pudumjee.com).

**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, 2022 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 01 <sup>st</sup> April, 2021	677	6,70,658
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account	1	925
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents.	1	925
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31 <sup>st</sup> March, 2022	676	6,69,733

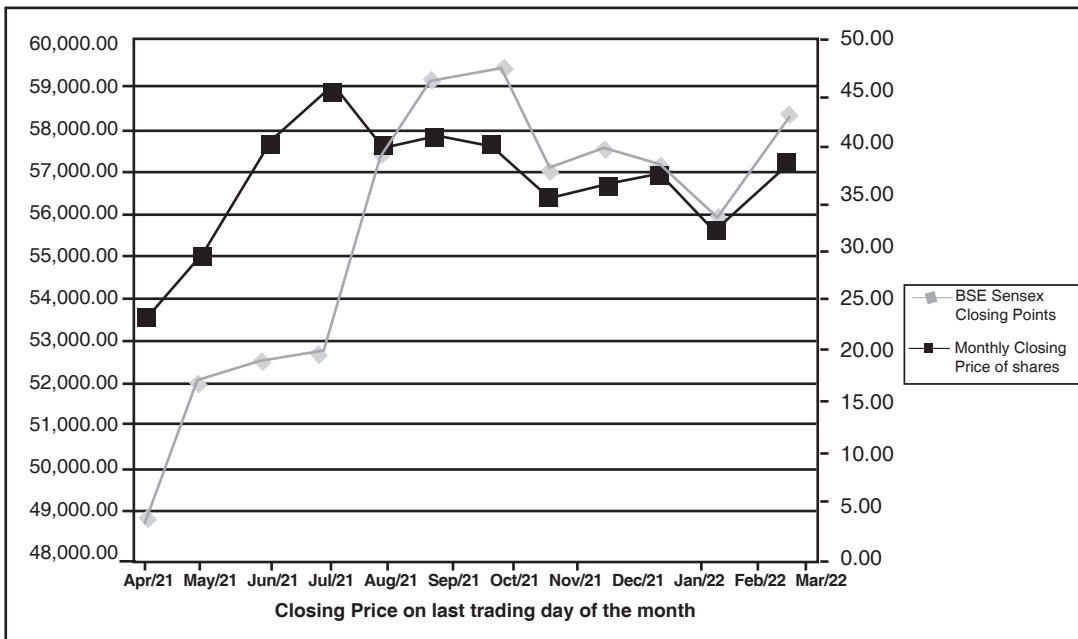
There were no request pending for want of necessary documents from the Shareholders / legal heirs.

Voting rights in respect of the aforesaid 6,69,733 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 ₹)

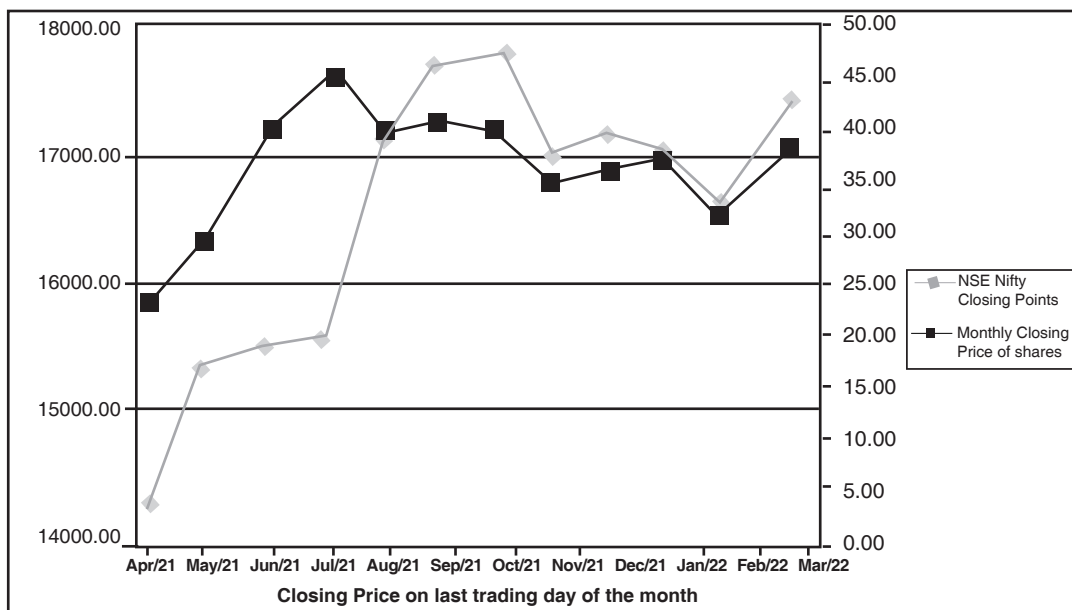
Month/Index	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
Month	High Price	Low Price	Close Price	High Price	Low Price	Close Price
April-2021	25.95	20.20	23.05	25.90	21.50	23.20
May-2021	29.70	22.10	29.20	29.75	22.05	29.25
June-2021	41.35	28.55	40.05	41.30	28.50	40.05
July-2021	47.35	38.25	45.40	47.45	38.30	45.30
August-2021	47.40	37.20	40.60	47.50	37.15	40.75
September-2021	44.20	35.50	41.20	44.80	36.85	41.20
October-2021	50.90	40.20	41.00	50.90	40.20	40.95
November-2021	41.95	33.50	35.60	41.70	33.00	35.50
December-2021	40.25	32.05	36.45	40.50	32.00	36.55
January-2022	48.40	36.70	40.15	48.70	36.60	40.10
February-2022	42.80	31.45	33.60	42.75	31.50	33.50
March-2022	43.75	32.60	38.80	43.95	32.60	38.85

## Stock Performance in comparison: to BSE Sensex



## PUDUMJEE PAPER PRODUCTS LIMITED

### Stock Performance in comparison: to NSE NIFTY



### Shareholding pattern and distribution pattern of shares as at 31<sup>st</sup> March, 2022:

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	38,350	1,46,72,594
Individual /Hindu Undivided Family	42,06,950	4.43	5001- 10000	347	26,06,383
Bodies Corporate	5,15,34,733	54.28	10001- 20000	152	21,74,510
Trust	1,16,75,101	12.29	20001- 30000	39	9,54,228
Individuals (Non-Resident Individuals / Foreign Individuals)	--	--	30001- 40000	27	9,59,182
<b>PUBLIC SHAREHOLDING</b>			40001- 50000	13	5,88,574
Mutual Funds	462	0.00	50001- 100000	24	16,64,927
Financial Institutions/Banks	4,331	0.00	100001 & Above	26	7,13,29,602
Foreign Portfolio Investors	4,04,510	0.43			
Insurance Companies	462	0.00			
Bodies Corporate	23,93,465	2.52			
Individuals	2,40,32,198	25.31			
Non-Resident Indians	5,87,425	0.62			
Clearing Members	1,10,363	0.12			
<b>GRAND TOTAL</b>	<b>9,49,50,000</b>	<b>100.00</b>	<b>GRAND TOTAL</b>	<b>38,978</b>	<b>9,49,50,000</b>



**Dematerialization of Shares and Liquidity as on 31<sup>st</sup> March, 2022.**

Physical Form : 1.81%

Dematerialized Form : 98.19%

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 29%.

**General Shareholders' Information:**

i)	<b>Date, time and venue of Annual General Meeting</b>	Saturday, 13 <sup>th</sup> August, 2022 at 3:00 p.m. The Company is conducting AGM through "VC/OAVM" pursuant to MCA Circulars. Therefore, there is no requirement to have a venue of the AGM. For details please refer to the Notice of the AGM
ii)	<b>Financial Year</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March
iii)	<b>Dividend Payment Date</b>	on or after 24 <sup>th</sup> August, 2022
iv)	<b>Date of Book Closure</b>	From Saturday, 06 <sup>th</sup> August, 2022 to Saturday, 13 <sup>th</sup> August, 2022 (both days inclusive)
v)	<b>Board Meeting for Consideration of unaudited results for first three quarters</b>	Within 45 days from the end of the each quarter
vi)	<b>Listing on Stock Exchanges and Scrip code/ Symbol:</b>	
	a) BSE Limited Phiroze Jeejibhoy Towers 25 <sup>th</sup> Floor, Dalal Street, Mumbai 400 001.	539785
	b) The National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), MUMBAI 400 051.	PDMJEPAPER
vii)	<b>NSDL and CDSL Demat stock code</b>	INE865T01018
viii)	<b>E-mail ID for Investor Complaints</b>	<a href="mailto:investors.relations@pudumjee.com">investors.relations@pudumjee.com</a>
ix)	<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 : <a href="mailto:vinay.jadhav@pudumjee.com">vinay.jadhav@pudumjee.com</a>
x)	<b>Plant Location</b>	Thergaon, Pune 411 033.
xi)	<b>Corporate Identification Number</b>	L21098PN2015PLC153717
<b>Registrars &amp; Share Transfer Agents:</b>		KFin Technologies Limited Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008 Tel. : 18003094001 E-mail: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>

## 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 Limited 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 2022-23 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 and w.e.f. 25<sup>th</sup> January 2022 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 : 21<sup>st</sup> May, 2022

**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, 2022.

**A. K. Jatia,**

Executive Chairman

Place: Pune

Date : 21<sup>st</sup> May, 2022

**CERTIFICATE ON CORPORATE GOVERNENCE**

To,  
THE MEMBERS OF  
PUDUMJEE PAPER PRODUCTS LIMITED  
THERGAON, PUNE,  
MAHARASHTRA – 411033.

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, 2022, 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 aforementioned 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

C. P. Number : 1402

Membership no.: 2298

Peer Review No:1426/2021

UDIN: F002298D000367366

Date : 23<sup>rd</sup> May, 2022  
Place : Pune

## ANNEXURE - 8

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

#### **Introduction:**

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 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 1<sup>st</sup> 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 ₹ 50,000 per meeting or as may be fixed from time to time to its Directors for attending the meetings of the Board and ₹ 25,000/10,000/5,000 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, 2022, 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, 2022, 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>Impairment of Goodwill</b></p> <p>Goodwill of ₹ 7,793.05 lakhs, accounted as per the Scheme of arrangement and reconstruction (demerger) approved by Hon'ble Bombay High Court dated January 8, 2016 (the Scheme).</p> <p>Goodwill reflects the difference between the fair value of shares issued and the net assets transferred at carrying value under the Scheme. Although the management used to monitors goodwill at the company level, in current year it is allocated to operating segments Paper division and Hygiene division, based on the consideration paid and net assets acquired as per the Scheme for each of these divisions.</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>During the year, an impairment loss of ₹ 1,368.02 lakhs is recognised for goodwill attributed to Hygiene division as an exceptional item in the Statement of profit and loss.</p> <p>Refer note 35 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>Verified calculations provided by management for goodwill allocation to CGUs.</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, 2020 ("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) 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.
  - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
  - (g) 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.

- (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 has disclosed the impact of pending litigations on its financial position in the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - 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, 2022.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The dividend proposed in the previous year ended March 31, 2021, declared and paid by the Company during the current year ended March 31, 2022 is in accordance with Section 123 of the Act, as applicable.

The Board of Directors of the Company have proposed dividend for the current year ended March 31, 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

Place : Pune  
Date : 21<sup>st</sup> May, 2022

**Punit Agrawal**  
Partner  
Membership No. 148757  
UDIN: 22148757AKTSWT3026

## 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, 2022**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, non-current assets held for sale and relevant details of right-of-use assets.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, right-of-use assets and non-current assets held for sale 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) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) 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 (of 10% or more in the aggregate for any class of inventory) were noticed on such physical verification.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, from banks on the basis of security of current assets. The quarterly statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii. The Company has made investments in and granted unsecured loans to companies, firms and other parties, during the year. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (a) the Company has provided loans to other companies, in respect of which –  
(A) the Company does not have any subsidiary, joint venture or associate. Hence, reporting under clause 3(iii)(a)(A) of the Order is not applicable.  
(B) in respect of loans to other companies, the aggregate amount of loan given during the year is ₹ 80 lakhs and the balance outstanding at the balance sheet date is ₹ 227 lakhs
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, schedule for payment of interest is stipulated and interest payment is regular; however, no schedule for repayment of principal has been stipulated. Therefore, in absence of stipulation of repayment terms we do not make any comment on the regularity of repayment of principal.

- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
  - (e) No loan granted by the Company, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
  - (f) The Company has granted loans repayable on demand to other companies. The aggregate amount of such loan outstanding and percentage thereof to the total loans granted, as on balance sheet date is ₹ 227 lakhs and 100% respectively. No loan is granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- iv. 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, as applicable.
- v. The Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the rules made thereunder, as applicable. 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) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and service tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) There are no dues of goods and service tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, service tax, sales tax, cess which have not been deposited on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) 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.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) On an overall examination of the financial statements of the Company, the term loans have been applied for the purpose for which the loans were obtained by the Company.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, joint venture or associate. Hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable.
- x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Hence, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints received by the Company during the year (and upto the date of this report). Hence reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him during the year. Accordingly, the provisions of section 192 of the Act are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) There are three CICs (Core Investment Company) within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) nor there is any ongoing project. Accordingly, reporting under clause 3(xx)(a) & (b) of the Order is not applicable for the year.
- xxi. The Company does not have any subsidiary, joint venture or associate, accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

Place : Pune  
Date : 21<sup>st</sup> May, 2022

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

**Punit Agrawal**  
Partner  
Membership Number: 148757  
UDIN: 22148757AKTSWT3026

**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, 2022**

**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, 2022 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, 2022, 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 : 21<sup>st</sup> May, 2022

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

**Punit Agrawal**  
Partner  
Membership Number: 148757  
UDIN: 22148757AKTSWT3026

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022**

(All amounts in INR Lakhs unless otherwise stated)

	Notes	31-Mar-22	31-Mar-21
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	12,785.75	12,962.75
Right-of-use Assets	3	1,861.80	1,864.12
Capital work-in-progress	3	9,188.54	2,894.53
Goodwill	4	6,425.03	7,793.05
Other intangible assets	4	41.78	46.76
Intangible assets under development	4	1.08	0.70
Financial assets			
(i) Investments	5(a)	2,961.19	1,649.00
(ii) Other financial assets	5(g)	20.29	20.29
Other non-current assets	6	5.38	1,673.19
<b>Total non-current assets</b>		<b>33,290.84</b>	<b>28,904.39</b>
<b>Current assets</b>			
Inventories	7	12,182.95	8,069.22
Financial assets			
(i) Investments	5(b)	4,063.40	9,027.49
(ii) Trade receivables	5(c)	7,420.22	5,862.80
(iii) Cash and cash equivalents	5(e)	586.99	757.97
(iv) Bank balances other than (iii) above	5(f)	245.27	425.29
(v) Loans	5(d)	227.00	702.44
(vi) Other financial assets	5(g)	62.15	120.85
Current tax assets (net)	15	406.96	176.95
Other current assets	8	1,173.90	733.12
Assets classified as held for sale	9	50.00	-
<b>Total current assets</b>		<b>26,418.84</b>	<b>25,876.13</b>
<b>Total assets</b>		<b>59,709.68</b>	<b>54,780.52</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10(a)	949.50	949.50
<b>Other equity</b>			
Reserves and surplus	10(b)	33,320.42	30,100.01
<b>Total equity</b>		<b>34,269.92</b>	<b>31,049.51</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	11(a)	5,438.63	1,802.17
(ia) Lease liabilities		575.56	574.63
Provisions	12	3,430.03	3,408.85
Employee benefit obligations	13	1,167.12	1,088.30
Deferred tax liabilities (net)	14	2,659.32	2,942.32
Other non current liabilities	16	240.00	240.00
<b>Total non-current liabilities</b>		<b>13,510.66</b>	<b>10,056.27</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	11(b)	1,457.74	3,271.86
(ia) Lease liabilities		180.98	147.54
(ii) Trade payables	11(d)		
a. Total outstanding dues of micro enterprises and small enterprises		122.75	133.22
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		7,946.59	8,119.40
(iii) Other financial liabilities	11(c)	862.08	1,041.41
Employee benefit obligations	13	298.18	259.93
Other current liabilities	16	1,060.78	701.38
<b>Total current liabilities</b>		<b>11,929.10</b>	<b>13,674.74</b>
<b>Total liabilities</b>		<b>25,439.76</b>	<b>23,731.01</b>
<b>Total equity and liabilities</b>		<b>59,709.68</b>	<b>54,780.52</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 : 21<sup>st</sup> May 2022

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

Place : Pune  
Date : 21<sup>st</sup> May 2022



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(All amounts in INR Lakhs unless otherwise stated)

	Notes	31-Mar-22	31-Mar-21
<b>Revenue</b>			
Revenue from operations	17	55,525.56	43,688.03
Other income (net)	18	546.05	800.48
<b>Total income</b>		<b>56,071.61</b>	<b>44,488.51</b>
<b>Expenses</b>			
Cost of materials consumed	19(a)	30,210.51	20,514.10
Purchases of stock-in-trade		1,336.47	509.97
Changes in inventories of work-in-progress, stock-in-trade and finished goods	19(b)	(851.96)	2,071.72
Power, fuel & water expenses		7,735.56	5,936.07
Employee benefit expense	20	5,472.74	4,417.69
Net foreign exchange (gain)/loss		(127.92)	(105.19)
Finance costs	23	493.62	637.64
Depreciation and amortisation expenses	21	1,114.93	1,044.82
Other expenses	22	4,719.88	3,542.50
<b>Total expenses</b>		<b>50,103.83</b>	<b>38,569.32</b>
<b>Profit before Exceptional items and tax</b>		<b>5,967.78</b>	<b>5,919.19</b>
Exceptional items	35/12	1,368.02	2,449.59
<b>Profit before tax</b>		<b>4,599.76</b>	<b>3,469.60</b>
Income tax expense	24		
- Current tax		1,431.00	598.00
- Deferred tax		(284.44)	(131.50)
<b>Total tax expense</b>		<b>1,146.56</b>	<b>466.50</b>
<b>Profit for the year</b>		<b>3,453.20</b>	<b>3,003.10</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>			
- Changes in fair value of equity instruments through OCI		138.90	38.62
- Remeasurements of defined benefit obligations	13(aa)	(85.40)	18.61
- Income tax relating to these items	14	(1.44)	(6.50)
<b>Other comprehensive income for the year, net of tax</b>		<b>52.06</b>	<b>50.73</b>
<b>Total comprehensive income for the Period</b>		<b>3,505.26</b>	<b>3,053.83</b>
<b>Earning per equity share:(Face value ₹1 per share)</b>			
(1) Basic	33	3.64	3.16
(2) Diluted	33	3.64	3.16

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 : 21<sup>st</sup> May 2022

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

**DR. ASHOK KUMAR**  
Executive Director  
Place : Pune  
Date : 21<sup>st</sup> May 2022

**STATEMENT OF CASH FLOWS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(All amounts in INR Lakhs unless otherwise stated)

Particulars	31-Mar-22	31-Mar-21
<b>Cash flow from operating activities</b>		
Profit before taxation	4,599.76	3,469.60
<b>Adjustments to reconcile net profit to net cash from operating activities:</b>		
Depreciation, amortisation and impairment expense	2,482.95	1,044.82
(Profit) / Loss on sale of property, plant and equipment / investments (net)	1.57	(4.53)
Dividend and fair value gain on investment	(139.96)	(162.30)
Remeasurements of post-employment benefit obligations	(85.40)	18.61
Interest income	(275.12)	(456.17)
Finance costs	493.62	637.64
Profit on sale of investment	(113.81)	(92.46)
(Write-back)/Provision for doubtful debts / advances	79.09	(76.70)
	<u>2,442.94</u>	<u>908.91</u>
<b>Operating profit before working capital changes</b>	<b>7,042.70</b>	<b>4,378.51</b>
<b>Changes in assets and liabilities:</b>		
Trade receivables, other financial assets and other assets	304.68	804.67
Inventories	(4,113.73)	1,123.68
Trade payables, other financial liabilities, other liabilities and provisions	135.04	2,548.57
	<u>(3,674.01)</u>	<u>4,476.92</u>
<b>Cash generated from operations</b>	<b>3,368.69</b>	<b>8,855.43</b>
Income taxes paid (net of refunds)	(1,630.67)	(260.23)
<b>Net cash inflow from operating activities</b>	<b>1,738.02</b>	<b>8,595.20</b>
<b>Cash flow from investing activities</b>		
Payment for purchase of property, plant & equipments/intangible assets	(7,089.55)	(350.56)
Proceeds from sale of property, plant & equipment	11.41	12.70
Payment for purchase of non current investments	(1,173.29)	(313.42)
(Payment) /Proceeds from purchase/sales of investments, net	5,214.71	(4,760.64)
Interest received	244.78	452.63
Dividend received	3.24	-
<b>Net cash used in investing activities</b>	<b>(2,788.79)</b>	<b>(4,959.29)</b>

**STATEMENT OF CASH FLOWS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2022 (contd.)**

(All amounts in INR Lakhs unless otherwise stated)

Particulars	31-Mar-22	31-Mar-21
<b>Cash flow from financing activities</b>		
Interest paid (including interest pertaining to Ind AS 116)	(493.62)	(631.80)
Proceeds/(repayment) of short-term borrowings, net	272.20	(983.01)
Proceeds of long-term borrowings	4,754.10	-
Repayment of leases liabilities	(164.08)	(98.37)
Repayment of long-term borrowings	(3,203.96)	(1,537.03)
Dividend on equity shares	(284.85)	-
<b>Net cash used in financing activities</b>	<b>879.79</b>	<b>(3,250.21)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(170.98)</b>	<b>385.70</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>757.97</b>	<b>372.27</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>586.99</b>	<b>757.97</b>

**Notes:**

1. 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.
2. 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 38.
3. Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.
4. For details of Cash and cash equivalents refer note 5(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 : 21<sup>st</sup> May 2022

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

**DR. ASHOK KUMAR**  
Executive Director  
Place : Pune  
Date : 21<sup>st</sup> May 2022

## Statement of changes in equity

(All amounts in INR Lakhs unless otherwise stated)

### A. Equity Share Capital

#### (1) For year ended 31.3.2022

Balance As on 1.4.2021	Changes in Equity Share Capital due to prior period errors	Restated balance As on 1.4.2021	Changes in equity share capital year ended 31.3.2022	Balance As on 31.3.2022
949.50	-	949.50	-	949.50

#### (2) For year ended 31.3.2021

Balance As on 1.4.2020	Changes in Equity Share Capital due to prior period errors	Restated balance As on 1.4.2020	Changes in equity share capital year ended 31.3.2021	Balance As on 31.3.2021
949.50	-	949.50	-	949.50

### B. Other Equity

#### (1) For year ended 31.3.2022

Particulars	Capital Reserve	Securities Premium	General reserve	Retained Earnings	Total
<b>Balance as on 1.4.2021</b>	<b>17,945.50</b>	<b>95.00</b>	<b>1,200.00</b>	<b>10,859.51</b>	<b>30,100.01</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance as on 1.4.2021</b>	<b>17,945.50</b>	<b>95.00</b>	<b>1,200.00</b>	<b>10,859.51</b>	<b>30,100.01</b>
Profit for the year	-	-	-	3,453.20	3,453.20
Other comprehensive income for the year	-	-	-	52.06	52.06
Total Comprehensive income for the year	-	-	-	<b>3,505.26</b>	<b>3,505.26</b>
Dividends	-	-	-	(284.85)	(284.85)
Transfer to retained earning	-	-	200.00	(200.00)	-
<b>Balance as on 31.3.2022</b>	<b>17,945.50</b>	<b>95.00</b>	<b>1,400.00</b>	<b>13,879.92</b>	<b>33,320.42</b>

#### (2) For year ended 31.3.2021

Particulars	Capital Reserve	Securities Premium	General reserve	Retained Earnings	Total
<b>Balance as on 1.4.2020</b>	<b>17,945.50</b>	<b>95.00</b>	<b>1,000.00</b>	<b>8,005.68</b>	<b>27,046.18</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance as on 1.4.2020</b>	<b>17,945.50</b>	<b>95.00</b>	<b>1,000.00</b>	<b>8,005.68</b>	<b>27,046.18</b>
Profit for the year	-	-	-	3,003.10	3,003.10
Other comprehensive income for the year	-	-	-	50.73	50.73
Total Comprehensive income for the year	-	-	-	<b>3,053.83</b>	<b>3,053.83</b>
Dividends	-	-	-	-	-
Transfer to retained earning	-	-	200.00	(200.00)	-
<b>Balance as on 31.3.2021</b>	<b>17,945.50</b>	<b>95.00</b>	<b>1,200.00</b>	<b>10,859.51</b>	<b>30,100.01</b>

Note: the nature and purpose of each reserves is disclosed in notes. Refer note 10 ( 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

**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 : 21<sup>st</sup> May 2022

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

Place : Pune  
Date : 21<sup>st</sup> May 2022

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 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 21<sup>st</sup> May 2022.

### 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 (as amended) 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, 2022 (Contd.)

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, e.g. adjusting quoted market price of infrequent trade from observable inputs;

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 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, 2022 (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 (PPE), Capital work in progress (CWIP) are stated at cost, net of accumulated depreciation, amortisation 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.

Machinery spares that meet the definition of PPE in accordance with Ind AS 16, are recognised in CWIP at the time of purchase. Such spares is added to the Plant and machinery group once it is installed and depreciated over its useful life when it is ready to use as intended by Management.

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 equipment	3	3
Computer software's	6	6
Laboratory equipment	10	10
Vehicles	8	8
Furniture & fixtures (office equipment's)	5	5
Furniture & fixtures (including Electrical equipment's)	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, 2022 (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. 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 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. 35)

#### 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.

#### 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

#### Impairment

- f. PPE and intangible assets 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



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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.

### g. **Inventory**

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

Cost of raw materials, other consumable materials, 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 occurred. 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, 2022 (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.

### j. **Taxes**

#### Current tax

Current tax comprises the expected tax payable on the taxable income 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, 2022 (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
- ii. defined contribution plans such as provident fund, superannuation fund,

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 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 expenses 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 OCI (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 expenses 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 are 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 measured at fair value (either through other comprehensive income (FVOCI), or through profit or loss (FVPL)) 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 (FVOCI). 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.

The Company follows 'simplified approach' for recognition of impairment loss for trade receivables that

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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, 2022 (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 (CODM). 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. 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.

#### **r. Critical estimates 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 35.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 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 13.

### iii Impairment of Trade receivables

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.

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 27(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, full provision was made in the books against the said demand. The matter is disclosed and further explained in Note no. 12 and 32.

### vi Determining Lease term for Right-of-use assets:

As described in the significant accounting policies, the Company reviews the lease term for assets taken on lease at the end of each reporting period.

### vii Estimation of uncertainties relating to the global health pandemic from 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, 2022 (Contd.)**

**NOTE 3 (a) : Property, Plant & Equipment, Right of use assets and Capital Work in Progress**

Particulars	Property, Plant & Equipment							Right of use assets					
	Land	Buildings	Plant & Machinery	Data Processing Equipments	Laboratory Equipments	Furniture & Fixtures	Vehicles	Total	Land Leasehold	Land & Building Leasehold	Premises Leasehold	Total	Capital Work in Progress
Cost													
At 1 <sup>st</sup> April 2020	-	3,009.52	12,620.06	106.70	61.21	110.51	338.88	16,246.88	1,460.47	311.03	106.08	1,877.58	3,129.89
Additions	-	0.55	146.36	11.38	1.73	7.53	92.00	259.55	-	325.67	-	325.67	90.45
Disposals / Transfer	-	(1.71)	(0.44)	-	-	-	(33.23)	(35.38)	-	-	-	-	-
At 31 <sup>st</sup> March 2021	-	3,008.36	12,765.98	118.08	62.94	118.04	397.65	16,471.05	1,460.47	636.70	106.08	2,203.25	3,220.34
Additions	69.61	13.25	437.91	15.04	121.02	30.12	6.39	693.34	8.84	32.84	156.77	198.45	6,955.99
Disposals / Transfer	-	-	(369.39)	(0.11)	-	(0.44)	(0.41)	(370.35)	-	(99.66)	(106.08)	(205.74)	(564.36)
At 31 <sup>st</sup> March 2022	69.61	3,021.61	12,834.50	133.01	183.96	147.72	403.63	16,794.04	1,469.31	569.88	156.77	2,195.96	9,611.97
Depreciation, Amortisation & Impairment													
At 1 <sup>st</sup> April 2020	-	398.67	2,132.09	58.35	25.64	60.71	66.30	2,741.76	97.24	54.37	43.90	195.51	228.19
Additions	-	115.96	586.59	18.53	6.99	14.75	50.93	793.75	45.25	63.19	35.18	143.62	97.62
Disposals / Transfer	-	(0.06)	-	-	-	-	(27.15)	(27.21)	-	-	-	-	-
At 31 <sup>st</sup> March 2021	-	514.57	2,718.68	76.88	32.63	75.46	90.08	3,508.30	142.49	117.56	79.08	339.13	325.81
Additions	-	116.29	604.58	17.92	14.02	11.79	53.33	817.93	45.61	108.78	35.81	190.20	97.62
Disposals / Transfer	-	-	(317.19)	(0.11)	-	(0.36)	(0.28)	(317.94)	-	(99.67)	(95.50)	(195.17)	-
At 31 <sup>st</sup> March 2022	-	630.86	3,006.07	94.69	46.65	86.89	143.13	4,008.29	188.10	126.67	19.39	334.16	423.43
Net Book Value													
At 31 <sup>st</sup> March 2022	69.61	2,390.75	9,828.43	38.32	137.31	60.83	260.50	12,785.75	1,281.21	443.21	137.38	1,861.80	9,188.54
At 31 <sup>st</sup> March 2021	-	2,493.79	10,047.30	41.20	30.31	42.58	307.57	12,962.75	1,317.98	519.14	27.00	1,864.12	2,894.53

**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) : 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 ₹ 97.62 lakhs (31<sup>st</sup> March 2021: ₹ 97.62 lakhs), on the idle assets of CWIP.

**NOTE 3(d) : Property, plant and equipment hypothecated as security**

Refer to note 11(a) for information on property, plant and equipment hypothecated as security by the company.

**NOTE 3(e) : Contractual obligations**

Refer to note 34 (a) for disclosure of contractual commitments for the acquisition of Property, plant and equipment's.



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### NOTE 3(f): CWIP ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31/3/2022</b>					
Projects in progress	6,408.05	94.45	101.05	398.90	7,002.45
Projects temporarily suspended	-	-	-	2,186.09	2,186.09
	6,408.05	94.45	101.05	2,584.99	9,188.54
<b>As on 31/3/2021</b>					
Projects in progress	112.68	98.92	101.51	273.31	586.42
Projects temporarily suspended	-	-	-	2,308.11	2,308.11
	112.68	98.92	101.51	2,581.42	2,894.53

### CWIP completion schedule

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below -

Particulars	to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31/3/2022</b>					
<b>Projects in progress</b>					
Mumbai Guest House	6,907.98	-	-	-	6,907.98
Temporary shed in factory premises	6.59	-	-	-	6.59
	6,914.57	-	-	-	6,914.57
<b>Projects temporarily suspended</b>					
Factory building at Mahad Project	-	-	-	322.29	322.29
Plant & Machinery at Mahad Project	-	-	-	1,863.80	1,863.80
	-	-	-	2,186.09	2,186.09
<b>Grand Total</b>	6,914.57	-	-	2,186.09	9,100.66
<b>As on 31/3/2021</b>					
<b>Projects in progress</b>					
Mumbai Guest House	-	540.98	-	-	540.98
Temporary shed in factory premises	-	6.59	-	-	6.59
	-	547.57	-	-	547.57
<b>Projects temporarily suspended</b>					
Factory building at Mahad Project	-	-	-	333.20	333.20
Plant & Machinery at Mahad Project	-	-	-	1,974.91	1,974.91
	-	-	-	2,308.11	2,308.11
<b>Grand Total</b>	-	547.57	-	2,308.11	2,855.68

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

**NOTE 4 : Other Intangible Assets, Intangible Assets under Development**

Particulars	Other Intangible Assets			Intangible Assets Under Development	Goodwill
	Patent, Copyrights & other rights	Computer Software	Total Others Intangible Assets		
<u>Cost</u>					
<b>At 1<sup>st</sup> April 2020</b>	<b>25.01</b>	<b>59.44</b>	<b>84.45</b>	<b>0.70</b>	<b>7,793.05</b>
Additions	0.56	-	0.56	-	-
Disposals / Transfer	-	-	-	-	-
<b>At 31<sup>st</sup> March 2021</b>	<b>25.57</b>	<b>59.44</b>	<b>85.01</b>	<b>0.70</b>	<b>7,793.05</b>
Additions	4.20	-	4.20	0.90	-
Disposals / Transfer	-	-	-	(0.52)	-
<b>At 31<sup>st</sup> March 2022</b>	<b>29.77</b>	<b>59.44</b>	<b>89.21</b>	<b>1.08</b>	<b>7,793.05</b>
<b><u>Depreciation, Amortisation &amp; Impairment</u></b>					
<b>At 1<sup>st</sup> April 2020</b>	<b>6.86</b>	<b>21.56</b>	<b>28.42</b>	-	-
Additions	2.25	7.58	9.83	-	-
Disposals / Transfer	-	-	-	-	-
<b>At 31<sup>st</sup> March 2021</b>	<b>9.11</b>	<b>29.14</b>	<b>38.25</b>	-	-
Additions	2.50	6.68	9.18	-	-
Impairment	-	-	-	-	1,368.02
Disposals / Transfer	-	-	-	-	-
<b>At 31<sup>st</sup> March 2022</b>	<b>11.61</b>	<b>35.82</b>	<b>47.43</b>	-	<b>1,368.02</b>
<b>Net Book Value</b>					
<b>At 31<sup>st</sup> March 2022</b>	<b>18.16</b>	<b>23.62</b>	<b>41.78</b>	<b>1.08</b>	<b>6,425.03</b>
At 31 <sup>st</sup> March 2021	16.46	30.30	46.76	0.70	7,793.05

\* Refer note 35 for impairment on goodwill

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### NOTE 4 (a) : Additional information (Separate from Ind AS Schedule III)

Particulars	Gross Block As at 31-Mar-21	Accumulated Depreciation / Amortisation 31-Mar-21	Net Block As at 31-Mar-21	Gross Block As at 31-Mar-22	Accumulated Depreciation / Amortisation 31-Mar-22	Net Block As at 31-Mar-22
<b>Property Plant &amp; Equipment</b>						
Land	-	-	-	69.61	-	69.61
Building on Leasehold land	3,030.09	536.30	2,493.79	3,043.34	652.59	2,390.75
Plant & Machinery	31,073.54	21,026.24	10,047.30	29,821.61	19,993.18	9,828.43
Data processing Equipment	376.75	335.55	41.20	389.77	351.45	38.32
Laboratory Equipment	94.63	64.32	30.31	215.66	78.35	137.31
Furniture & Fixture	653.13	610.55	42.58	663.20	602.37	60.83
Vehicles	488.00	180.43	307.57	491.78	231.28	260.50
<b>Total PPE</b>	<b>35,716.14</b>	<b>22,753.39</b>	<b>12,962.75</b>	<b>34,694.97</b>	<b>21,909.22</b>	<b>12,785.75</b>
<b>Right to Use Assets</b>						
Leasehold-Land	1,524.92	206.94	1,317.98	1,533.76	252.55	1,281.21
Leasehold-Land & Building	636.70	117.56	519.14	569.88	126.67	443.21
Leasehold-Premises	106.07	79.07	27.00	230.85	93.47	137.38
<b>Total Right to Use Assets</b>	<b>2,267.69</b>	<b>403.57</b>	<b>1,864.12</b>	<b>2,334.49</b>	<b>472.69</b>	<b>1,861.80</b>
<b>Capital work in Progress</b>	<b>3,220.34</b>	<b>325.81</b>	<b>2,894.53</b>	<b>9,611.97</b>	<b>423.43</b>	<b>9,188.54</b>
<b>Goodwill</b>	<b>7,793.05</b>	<b>-</b>	<b>7,793.05</b>	<b>7,793.05</b>	<b>1,368.02</b>	<b>6,425.03</b>
<b>Other Intangible Assets</b>						
Patents, copyrights and other rights	32.58	16.12	16.46	36.78	18.62	18.16
Computer Software	181.83	151.53	30.30	181.83	158.21	23.62
<b>Total other intangible Assets</b>	<b>214.41</b>	<b>167.65</b>	<b>46.76</b>	<b>218.61</b>	<b>176.83</b>	<b>41.78</b>
<b>Intangible assets under Dev.</b>	<b>0.70</b>	<b>-</b>	<b>0.70</b>	<b>1.08</b>	<b>-</b>	<b>1.08</b>
<b>Grand total</b>	<b>49,212.33</b>	<b>23,650.42</b>	<b>25,561.91</b>	<b>54,654.17</b>	<b>24,350.19</b>	<b>30,303.98</b>

**31-Mar-22                      31-Mar-21**

### NOTE 5 : FINANCIAL ASSETS

#### 5(a) Non Current investments

##### Investment in equity instruments (quoted) (at FVOCI)

15,96,533 (31<sup>st</sup> March 2021 : 15,96,533 ) equity shares of  
AMJ Land Holdings Limited of ₹ 2/- each fully paid **490.93**                      352.04

##### Investment in equity instruments (unquoted) (at FVPL)

2,500 (31<sup>st</sup> March 2021 : 2,500 ) equity shares of Saraswat  
Co-Operative Bank of ₹ 10/- each fully paid **0.25**                      0.25

12,04,999 (31<sup>st</sup> March 2021 : 12,04,999 ) equity shares of  
Mitcon Solar Alliance Limited of ₹ 10/- each fully paid **240.50**                      240.50

4,002 (31<sup>st</sup> March 2021 : 4,002 ) equity shares of MMA CETP  
Co-Op Society Limited of ₹ 10/- each fully paid **4.00**                      4.00

##### Investment in bonds - (quoted) (at amortised cost) \*

7.73% SBI Perpetual Sr. II bond **1,052.21**                      1,052.21

9.08% Union Bank of India Perp bonds **542.90**                      -

8.65% Bank of Baroda Perp bonds **170.59**                      -

8.75 % Axis Bank Ltd Perp bonds **332.94**                      -

##### Investment in Alternate investment funds (AIF) (Unquoted - at FVPL)

9,804 (31<sup>st</sup> March 2021: Nil) units of Abakkus growth fund-2 **100.97**                      -

2,57,004 (31<sup>st</sup> March 2021: Nil) units of Edelweiss crossover opportunity fund **25.90**                      -

**Total** **2,961.19**                      1,649.00

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-22	31-Mar-21
Aggregate amount of quoted investments and market value thereof	<b>2,466.46</b>	1,378.94
Aggregate amount of unquoted investments	<b>371.62</b>	244.75

\* Additional Tier 1 bonds, which are perpetual in nature, are issued by commercial banks under Reserve Bank of India guidelines. These have been classified as debt instruments by the Company to be carried at amortised cost, based on the substantive characteristics of the contract.

**5(b) Current investments**

	31-Mar-22	31-Mar-21
<b>Investment in mutual funds (quoted) (at FVPL)</b>		
45,04,158 (31 <sup>st</sup> March 2021: Nil) units in Nippon India arbitrage fund	<b>1,028.21</b>	-
41,54,295 (31 <sup>st</sup> March 2021: 41,54,295) units in L & T banking & psu debt fund	<b>859.52</b>	823.75
68,38,000 (31 <sup>st</sup> March 2021: Nil) units in DSP Mutual fund collection	<b>717.86</b>	-
43,138 (31 <sup>st</sup> March 2021: 43,138) units in Kotak floating rate fund	<b>529.45</b>	499.14
7,683 (31 <sup>st</sup> March 2021: 11,932) units in Nippon India liquid fund	<b>400.14</b>	600.48
8,36,137 (31 <sup>st</sup> March 2021: 8,36,137) units in Kotak equity arbitrage fund	<b>264.80</b>	253.19
10,171 (31 <sup>st</sup> March 2021: 10,171) units in Axis treasury advantage fund	<b>263.42</b>	252.49
Nil (31 <sup>st</sup> March 2021: 59,551) units in L & T Liquid Fund	-	1,678.70
Nil (31 <sup>st</sup> March 2021: 5,30,605) units in ICICI Prudential liquid fund	-	1,616.95
Nil (31 <sup>st</sup> March 2021: 4,15,447) units in ABSL liquid fund	-	1,377.34
Nil (31 <sup>st</sup> March 2021: 22,34,557) units in HDFC short term debt fund	-	548.97
Nil (31 <sup>st</sup> March 2021: 10,60,743) units in HDFC low duration fund	-	504.65
Nil (31 <sup>st</sup> March 2021: 17,09,707) units in Axis ultra short term fund	-	434.30
Nil (31 <sup>st</sup> March 2021: 3,82,563) units in ABSL Corp. Bond	-	328.64
Nil (31 <sup>st</sup> March 2021: 7,24,852) units in IDFC Mutual fund	-	108.89
<b>Total current investments</b>	<b><u>4,063.40</u></b>	<b><u>9,027.49</u></b>
Aggregate amount of quoted investments and market value thereof	<b>4,063.40</b>	9,027.49
Aggregate amount of unquoted investments	-	-

**5(c) Trade receivables**

	31-Mar-22	31-Mar-21
Secured, considered good	<b>949.85</b>	378.70
Unsecured, considered good	<b>6,636.11</b>	5,685.09
Trade receivables - credit impaired	<b>217.41</b>	520.24
<b>Total</b>	<b><u>7,803.37</u></b>	<b><u>6,584.03</u></b>
Less: Allowance for expected credit loss	<b>(383.15)</b>	(721.23)
	<b>7,420.22</b>	5,862.80

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### Trade Receivables ageing schedule as on 31/3/2022

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	more than 3 years	
(i) Undisputed Trade receivables -considered good	6,004.67	1,415.55	39.48	43.92	3.76	78.58	7,585.96
(ii) Undisputed Trade receivables -which have significant increase in credit risk considered good	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables -credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables -considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables -which have significant increase in credit risk.	-	-	-	-	-	-	-
(vi) Disputed Trade receivables -credit impaired*	-	-	-	-	-	217.41	217.41
Total	6,004.67	1,415.55	39.48	43.92	3.76	295.99	7,803.37

### Trade Receivables ageing schedule as on 31/3/2021

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	more than 3 years	
(i) Undisputed Trade receivables -considered good	5,280.10	582.70	65.08	6.94	24.92	104.05	6,063.79
(ii) Undisputed Trade receivables -which have significant increase in credit risk considered good	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables -credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables -considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables -which have significant increase in credit risk.	-	-	-	-	-	-	-
(vi) Disputed Trade receivables -credit impaired *	-	-	-	-	-	520.24	520.24
Total	5,280.10	582.70	65.08	6.94	24.92	624.29	6,584.03

\* Dispute is existence of suit or arbitration proceedings.

- 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, 2021 - ₹ Nil)

**31-Mar-22**

**31-Mar-21**

### 5(d) Loans

#### Current

#### Unsecured, considered good

Loan to Others	227.00	702.44
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#### Loan receivables which have significant increase in credit risk

Loan to Others	34.99	34.99
Less: Allowance for loan receivable with credit risk	(34.99)	(34.99)

#### Loan receivables- Credit impaired

Loan to Others	-	-
Less: Allowance for loan receivables credit impaired	-	-

<b>Total</b>	<b>227.00</b>	<b>702.44</b>
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- 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, 2021 - ₹ Nil)

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-22	31-Mar-21
<b>5(e) Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	524.69	502.47
- in EEFC accounts	5.88	3.75
- in Other accounts	-	245.97
Deposits with original maturity of less than three months	0.51	1.44
Cash on hand	8.15	4.05
Cheque on hand	47.76	0.29
<b>Total</b>	<b>586.99</b>	<b>757.97</b>
<b>5(f) Other Bank Balances</b>		
Bank deposits with original maturity of more than twelve months	97.33	96.01
Balance with bank in unpaid dividend account	23.13	16.59
Margin money deposits **	124.81	312.69
<b>Total</b>	<b>245.27</b>	<b>425.29</b>
** Margin money deposits are subject to first charge to secure the Company's working capital Loans		
<b>5(g) Other financial assets</b>		
<b>Non Current</b>		
Security deposits	20.29	20.29
<b>Total</b>	<b>20.29</b>	<b>20.29</b>
<b>Current</b>		
Other receivables	5.55	63.16
Security deposits	56.60	57.69
<b>Total</b>	<b>62.15</b>	<b>120.85</b>
<b>NOTE 6: OTHER NON-CURRENT ASSETS</b>		
Capital advances	5.38	1,673.19
<b>Total</b>	<b>5.38</b>	<b>1,673.19</b>
<b>NOTE 7: INVENTORIES</b>		
Raw materials (including goods in transit ₹ 251.13 lacs (31 <sup>st</sup> March 2021 : ₹ 672.56 lacs)	7,478.44	5,348.08
Other material	1,634.44	727.22
Work-in-progress	848.33	526.82
Finished goods (including goods in transit ₹ 39.22 lacs (31 <sup>st</sup> March 2021 : Nil )	1,315.00	795.16
Traded goods	154.76	144.15
Packing material	119.49	85.02
Fuel	367.33	179.40
Stores and spares	265.16	263.37
<b>Total</b>	<b>12,182.95</b>	<b>8,069.22</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### Amounts recognised in profit or loss:

Write-downs of inventories to net realisable value amounted to ₹ 9.74 lacs (31<sup>st</sup> March, 2021 ₹ 48.06 lakhs). These were recognised as an expense during the year and included in '(increase)/decrease in inventories' in statement of profit and loss.

	31-Mar-22	31-Mar-21
<b>NOTE 8: OTHER CURRENT ASSETS</b>		
Input GST Recoverable	97.67	-
Advances to employees	2.44	1.00
Advances to suppliers	965.54	662.56
Prepaid expenses	108.25	69.56
<b>Total</b>	<u><u>1,173.90</u></u>	<u><u>733.12</u></u>

### NOTE 9: ASSETS CLASSIFIED AS HELD FOR SALE

Machinery items held for sale	50.00	-
<b>Total</b>	<u><u>50.00</u></u>	<u><u>-</u></u>

In the year 2021-22, 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. It is expected that the sale will be completed in next 4 months. The fair value of the Machines was determined using market quotations of net realisable value on disposal. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures (note 26).

### NOTE 10 (a) : EQUITY SHARE CAPITAL

#### (i) Authorised equity share capital

10,00,00,000 equity shares of ₹ 1 each (10,00,00,000 shares of ₹ 1 each at 31 <sup>st</sup> March, 2021)	1,000.00	1,000.00
	<u><u>1,000.00</u></u>	<u><u>1,000.00</u></u>

#### (ii) Issued, subscribed and Paid up :

9,49,50,000 equity shares of ₹ 1 each (9,49,50,000 shares of ₹ 1 each at 31 <sup>st</sup> March, 2021)	949.50	949.50
	<u><u>949.50</u></u>	<u><u>949.50</u></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.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

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

	31-Mar-22		31-Mar-21	
	Number of Shares (In Lakhs)	% Holding	Number of Shares (In Lakhs)	% Holding
3P Land Holdings Limited	135.67	14.29	135.67	14.29
Thacker and Co.Ltd	127.15	13.39	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	77.00	8.11
AMJ Land Holdings Limited	63.43	6.68	63.33	6.67

**(v) Details of shares held by promoters**

	31-Mar-22		31-Mar-21		% Change during the year
	Number of Shares (In Lakhs)	% Holding	Number of Shares (In Lakhs)	% Holding	
3P Land Holdings Limited	135.67	14.29	135.67	14.29	-
Thacker and Co.Ltd	127.15	13.39	129.15	13.60	(1.55)
Suma Commercial Pvt. Ltd.	103.09	10.86	103.09	10.86	-
Yashvardhan Jatia Trust (Trustees Mr.A.K.Jatia and Mr. Gautam Jajodia)	96.75	10.19	96.75	10.19	-
Chem Mach Private Limited	77.00	8.11	77.00	8.11	-
AMJ Land Holdings Limited	63.43	6.68	63.33	6.67	0.16
Arunkumar Mahabirprasad Jatia	42.07	4.43	42.07	4.43	-
Vasudha Jatia Trust (Trustees Mr.A.K.Jatia and Mr. Gautam Jajodia)	9.93	1.05	9.93	1.05	-
Vrinda Jatia Trust (Trustees Mr.A.K.Jatia and Mr. Gautam Jajodia)	9.93	1.05	9.93	1.05	-
Fujisan Technologies Limited	9.00	0.95	9.00	0.95	-
Yashvardhan Jatia *	0.00	0.00	0.00	0.00	-
	674.02		675.92		

\* 0.00 represent number less than 1000



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>Note 10 (b) : Reserves and surplus</b>		
Securities premium	<b>95.00</b>	95.00
General Reserves	<b>1,400.00</b>	1,200.00
Capital Reserve	<b>17,945.50</b>	17,945.50
Retained earnings	<b>13,879.92</b>	10,859.51
<b>Total</b>	<b><u>33,320.42</u></b>	<b><u>30,100.01</u></b>
 (i) <b>Securities premium reserve</b>		
	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Opening balance	<b>95.00</b>	95.00
Movement during the year	<b>-</b>	-
<b>Closing balance</b>	<b><u>95.00</u></b>	<b><u>95.00</u></b>
 (ii) <b>General Reserves</b>		
Opening balance	<b>1,200.00</b>	1,000.00
Add: Transfer from retained earning	<b>200.00</b>	200.00
<b>Closing balance</b>	<b><u>1,400.00</u></b>	<b><u>1,200.00</u></b>
 (iii) <b>Capital Reserve</b>		
	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Opening balance	<b>17,945.50</b>	17,945.50
Movement during the year	<b>-</b>	-
<b>Closing balance</b>	<b><u>17,945.50</u></b>	<b><u>17,945.50</u></b>
 (iv) <b>Retained earnings</b>		
	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Opening balance	<b>10,859.51</b>	8,005.68
Net profit for the period	<b>3,453.20</b>	3,003.10
Items of OCI recognised directly in retained earnings	<b>52.06</b>	50.73
Transfer to General reserve	<b>(200.00)</b>	(200.00)
Dividends	<b>(284.85)</b>	-
<b>Closing balance</b>	<b><u>13,879.92</u></b>	<b><u>10,859.51</u></b>

# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

**Note 10 (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 Hon.Bombay High court.

**(iv) Retained earnings:**

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

**NOTE 11: FINANCIAL LIABILITIES****11(a) Non-current borrowings**

	31-Mar-22	31-Mar-21
<b>Total long term borrowings</b>		
<b>Secured</b>		
Term loans		
<b>From banks</b>		
Term loan-1	3,891.84	739.71
Term loan-2	623.25	1,051.64
Term loan-3	166.89	434.45
<b>From financial institutes</b>		
Vehicle loan - 1	-	32.82
Vehicle loan - 2	-	25.28
<b>Total Secured loans</b>	<b>4,681.98</b>	<b>2,283.90</b>
<b>Unsecured</b>		
Public Deposits	1,615.46	2,393.33
Deferred sales tax loan	321.50	391.57
<b>Total unsecured loan</b>	<b>1,936.96</b>	<b>2,784.90</b>
<b>Total long term borrowings (A)</b>	<b>6,618.94</b>	<b>5,068.80</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### 11(a) Non-current borrowings

Current Maturities of long term borrowings	31-Mar-22	31-Mar-21
<b>Secured</b>		
<b>Term loans</b>		
<b>From banks</b>		
Term loan-1	495.52	474.92
Term loan-2	428.20	433.23
Term loan-3	166.89	273.76
<b>From financial institutes</b>		
Vehicle loan - 1	-	32.82
Vehicle loan - 2	-	25.28
<b>Unsecured</b>		
Public Deposits	41.06	1,956.54
Deferred sales tax loan	48.64	70.08
<b>Total current maturities of long term borrowings (B)</b>	<b>1,180.31</b>	<b>3,266.63</b>
Amount disclosed under the note 10(b) current borrowing	<b>1,180.31</b>	<b>3,266.63</b>
<b>Non-current borrowing (A-B)</b>	<b>5,438.63</b>	<b>1,802.17</b>

### Notes :

- i) Term loan-1 carries floating interest at (Prime lending rate) PLR minus 6.10% p.a. The loan amount is repayable in equated quarterly instalments after a moratorium period of 24 months from 1st disbursement. The term loan is secured by certain immovable properties purchased using this loan.
- ii) Term loan-2 carries floating interest at PLR minus 4.90% p.a. The loan amount is repayable in 11 quarterly instalments of ₹ 106.25 lakhs (excluding interest) started from Sept.2020 till March 2023 and last instalment of ₹ 90.00 lakhs in June 2023. The loan is secured by first pari passu charge of all plant & machinery (both present and future) and immovable properties of the Company.
- iii) Term loan-3 carries floating interest at PLR minus 4.90% p.a. The loan amount is repayable in 20 quarterly instalments started from Dec.2019. The loan is secured against hypothecation of plant & machinery purchased therefrom.
- iv) Vehicle loan-1 carries fixed interest @ 8.97% p.a. The loan amount is repayable in 60 equated monthly instalments of 3.42 lakhs (including interest) started from February 2017. Vehicle loan-2 carries fixed interest @ 9.22% p.a. The loan amount is repayable in 37 equated monthly instalments of ₹ 1.37 lakhs (including interest) started from February 2019. The vehicle loans are secured against the respective vehicles purchased therefrom.
- v) Public Deposits are unsecured deposits accepted from Public, in compliance with provisions of Companies Act, 2013. The Deposits carried fixed rate of interest @ 7.25% p.a (31-03-2021: 7.25% )
- vi) Deferred sales tax loan is interest free loan from the Government of Maharashtra.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-22	31-Mar-21
<b>11(b) Current borrowings</b>		
<b>Loans repayable on demand (Secured)</b>		
Working capital loans from banks	277.43	5.23
Current maturities of long-term borrowing	1,180.31	3,266.63
<b>Total current borrowings</b>	<b>1,457.74</b>	<b>3,271.86</b>

**Notes:**

- i) Working capital loans from banks is secured by first pari passu charge on entire current assets of the Company (both present and future) plus, second pari passu charge on all fixed assets of the Company and the corporate guarantee from a group company 3P Land Holdings Limited. The loans are repayable on demand and carries floating interest @ 7.90% - 9.50% (31 March 2021: 8.85% - 9.90% ) p.a. The quarterly statements of current assets filed by the Company with banks are in agreement with the books of account

	31-Mar-22	31-Mar-21
<b>11(c) Other financial liabilities</b>		
<b>Current</b>		
Employees dues	501.86	434.09
Unclaimed public deposits *	43.70	28.05
Unclaimed interest on public deposits *	4.40	3.72
Unclaimed dividend *	23.13	16.59
Capital creditors	17.56	15.13
Refund Liabilities #	18.77	418.20
Other Financial Liabilities	252.66	125.63
<b>Total current financial liabilities</b>	<b>862.08</b>	<b>1,041.41</b>

\* 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.

**11(d) Trade payables**

<b>Current</b>		
(i) Total outstanding dues of micro & small enterprises	122.75	133.22
(ii) Total outstanding dues of creditors other than micro & small enterprises	7,946.59	8,119.40
<b>Total</b>	<b>8,069.34</b>	<b>8,252.62</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

31-Mar-22

31-Mar-21

### Details of total outstanding dues of micro, small and medium enterprises:

#### Particulars

(a) (i) Principal amount of outstanding dues to MSME	122.75	133.22
(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>	<b><u>122.75</u></b>	<b><u>133.22</u></b>

As certified by management 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.

### Trade payables ageing schedule

Particulars	Not Due	Unbilled	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31-3-2022</b>							
(i) MSME	122.76	-	-	-	-	-	122.76
(ii) Others	5,792.10	568.90	1,372.41	4.46	48.58	160.13	7,946.58
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>As on 31-3-2021</b>							
(i) MSME	133.22	-	-	-	-	-	133.22
(ii) Others	5,746.19	135.69	1,697.34	93.25	287.01	159.92	8,119.40
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 12 : PROVISIONS**

	31-Mar-22	31-Mar-21
<b>Non Current</b>		
Provisions against litigations	3,171.08	3,171.08
Other provisions	258.95	237.77
<b>Total</b>	<b>3,430.03</b>	<b>3,408.85</b>

**Note : Information about individual provisions**

**(i) Provision against litigation:**

Provision is for disputed liabilities under litigation awaiting final conclusion. Explained in detail in note 32.

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.

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

**(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 Ind AS 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, 2021</b>	<b>3,408.85</b>
Additional provisions recognised	28.11
Unused amounts reversed	-
Amounts paid under protest	6.93
<b>As at March 31, 2022</b>	<b>3,430.03</b>

	31-Mar-22	31-Mar-21
<b>NOTE 13: EMPLOYEE BENEFIT OBLIGATIONS</b>		
<b>Non Current</b>		
Leave obligations	338.48	264.00
Defined pension benefits	127.95	123.83
Gratuity	700.69	700.47
<b>Total</b>	<b>1,167.12</b>	<b>1,088.30</b>
<b>Current</b>		
Leave obligations	104.32	85.36
Defined pension benefits	17.40	17.40
Gratuity	176.46	157.17
<b>Total</b>	<b>298.18</b>	<b>259.93</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### (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.

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

In case of his demise, 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, 2021</b>	<b>1,586.59</b>	<b>(728.96)</b>	<b>857.63</b>	<b>141.22</b>	<b>-</b>	<b>141.22</b>
Current service cost	106.72	-	106.72	-	-	-
Past service cost	-	-	-	-	-	-
Interest expense / (income)	98.88	(50.10)	48.78	8.88	-	8.88
<b>Total amount recognised in profit and loss</b>	<b>205.60</b>	<b>(50.10)</b>	<b>155.50</b>	<b>8.88</b>	<b>-</b>	<b>8.88</b>
<b>Remeasurements</b>						
Return on plan assets	-	-	-	-	-	-
(Gain) / loss from change in demographic assumptions	-	-	-	11.99	-	11.99
(Gain) / loss from change in financial assumptions	(52.63)	2.31	(50.32)	(3.30)	-	(3.30)
Experience (gains) / losses	112.52	10.56	123.08	3.95	-	3.95
Change in asset ceiling	-	-	-	-	-	-
<b>Total amount recognised in OCI</b>	<b>59.89</b>	<b>12.87</b>	<b>72.76</b>	<b>12.64</b>	<b>-</b>	<b>12.64</b>
Contributions - employer	-	(169.49)	(169.49)	-	-	-
Contributions - employee /participant	-	-	-	-	-	-
Benefit payments	125.04	(85.80)	39.24	17.40	-	17.40
<b>March 31, 2022</b>	<b>1,727.04</b>	<b>(849.88)</b>	<b>877.16</b>	<b>145.34</b>	<b>-</b>	<b>145.34</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (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, 2022 and March 31, 2021, plan assets were invested in funds managed by insurer (LIC).
- 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 ₹ 170 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 8.75 and 13.31 years respectively (31 March 2021: 8.96 and 12.56 years). The expected maturity analysis of undiscounted pension and gratuity is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
<b>31-Mar-22</b>					
Defined benefit obligation gratuity	269.15	237.09	615.02	4,808.55	5,929.81
Defined benefit obligation pension	17.40	17.40	52.20	139.20	226.20
<b>Total</b>	<b>286.55</b>	<b>254.49</b>	<b>667.22</b>	<b>4,947.75</b>	<b>6,156.01</b>
<b>31-Mar-21</b>					
Defined benefit obligation gratuity	278.11	169.95	595.69	4,237.96	5,281.71
Defined benefit obligation pension	17.40	17.40	52.20	174.00	261.00
<b>Total</b>	<b>295.51</b>	<b>187.35</b>	<b>647.89</b>	<b>4,411.96</b>	<b>5,542.71</b>

The expected benefits are based on the same assumptions used to measure the Company's benefit obligations as of March 31, 2022.

**bd Present Value of Defined Benefit Obligation**

	<b>31-Mar-22</b>	31-Mar-21
<b>Balance as at the beginning of the year</b>	<b>1,727.82</b>	1,706.64
Interest cost	<b>107.76</b>	110.01
Current service cost	<b>106.72</b>	107.42
Benefit paid	<b>(142.44)</b>	(173.70)
Actuarial (gains)/losses	<b>72.53</b>	(22.55)
<b>Balance as at the end of the year</b>	<b><u>1,872.39</u></b>	<u>1,727.82</u>



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-22	31-Mar-21
<b>be Fair value of Plan Assets</b>		
<b>Balance as at the beginning of the year</b>	<b>728.96</b>	652.84
Expected return on plan assets	50.10	42.35
Contributions by the Company	169.49	146.57
Benefit paid	(85.80)	(108.86)
Actuarial gains/(losses)	(12.87)	(3.94)
<b>Balance as at the end of the year</b>	<b>849.88</b>	728.96
<b>bf Net Liabilities recognised in the Balance Sheet</b>	<b>1,022.51</b>	998.86
<b>bg Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	106.72	107.42
Interest cost	107.76	110.01
Expected return on plan assets	(50.10)	(42.35)
<b>Total expenses recognised in the statement of profit and loss</b>	<b>164.38</b>	175.08

**bh The principal assumptions used for the purpose of actuarial valuation are as follows:**

Particulars		
<b>India</b>		
Discount Rate *	7.00%	6.50%
Expected Rate of Return on Plan Assets **	6.50%	6.80%
Salary Escalation Rate ***	7.00%	7.00%
Rate of Employee Turnover	7.50%	7.50%

\* 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.

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

Particulars	31-Mar-22		31-Mar-21	
	Amount	%	Amount	%
- 1% increase in discount rate	(105.18)	-5.62%	(98.89)	-5.72%
- 1% decrease in discount rate	117.72	6.29%	111.07	6.43%
- 1% increase in salary escalation rate	92.04	4.92%	86.61	5.01%
- 1% decrease in salary escalation rate	(83.89)	-4.48%	(78.69)	-4.55%
- 1% increase in rate of employee turnover	(5.73)	-0.31%	(5.73)	-0.33%
- 1% decrease in rate of employee turnover	6.33	0.34%	6.36	0.37%

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.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**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-22	31-Mar-21
Contribution to Employees' Provident Fund	217.43	217.63
Contribution to Employees' Superannuation Fund	58.80	58.31
Contribution to ESIC	1.87	3.01
Contribution to Maharashtra labour welfare fund	0.35	0.36

**NOTE 14: DEFERRED TAX ASSETS / LIABILITIES (NET)**

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

	31-Mar-22	31-Mar-21
<b>Major Components of Deferred Tax Assets -</b>		
Employee Benefits -		
- Provision for Gratuity	226.45	224.31
- Provision for Leave Encashment	113.93	92.55
- Bonus on payment basis	37.96	35.81
Allowances for doubtful trade receivables	14.72	101.68
Provision for expenses allowable on payment basis	130.86	136.42
	<u>523.92</u>	<u>590.77</u>
<b>Major Components of Deferred Tax Liabilities -</b>		
Property, Plant and Equipment and Investment Property	1,505.86	1,535.99
Intangible asset	0.72	0.09
Goodwill	1,617.05	1,997.01
Fair value gain / loss on investment	59.61	-
	<u>3,183.24</u>	<u>3,533.09</u>
<b>Net deferred tax (assets) / liabilities</b>	<u>2,659.32</u>	<u>2,942.32</u>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### Movements in deferred tax liabilities

Significant Components of Deferred Tax (Assets) / Liabilities	Property, plant and equipment and investment property	Intangible assets	Employee Benefit	Fair value gain / loss on investment	Unutilised tax credit (MAT)	Prov. for expenses allowable on payment basis	Allowances for doubtful receivables	Total
At 1 April 2020	2,083.35	1,991.35	(502.01)	-	(161.39)	(178.53)	(165.45)	3,067.32
Charged/(credited)								
- to statement of profit and loss	(547.36)	5.75	142.84	-	161.39	42.11	63.77	(131.50)
- to other comprehensive income	-	-	6.50	-	-	-	-	6.50
<b>At 31 March 2021</b>	<b>1,535.99</b>	<b>1,997.10</b>	<b>(352.67)</b>	<b>-</b>	<b>-</b>	<b>(136.42)</b>	<b>(101.68)</b>	<b>2,942.32</b>
Charged/(credited)								
- to statement of profit and loss	(409.46)	-	(7.36)	39.86	-	5.56	86.96	(284.44)
- to other comprehensive income	-	-	(18.31)	19.75	-	-	-	1.44
<b>At 31 March 2022</b>	<b>1,126.53</b>	<b>1,997.10</b>	<b>(378.34)</b>	<b>59.61</b>	<b>-</b>	<b>(130.86)</b>	<b>(14.72)</b>	<b>2,659.32</b>

Unrecognised Tax Credits for which no deferred tax asset is recognised amounts to ₹ NIL as at 31-Mar-22 and ₹ NIL as at 31-Mar-21.

### NOTE 15: CURRENT TAX ASSETS (NET)

	31-Mar-22	31-Mar-21
Advance income tax (net)-Opening Balance	176.95	22.95
Less : Income tax payable for the year	(1,431.00)	(598.00)
Add : Advance tax for current year (including TDS)	1,661.01	752.00
<b>Advance Income Tax (net of provision)</b>	<b>406.96</b>	<b>176.95</b>

### NOTE 16: OTHER CURRENT LIABILITIES

	31-Mar-22	31-Mar-21
<b>Non-current</b>		
Performance Security *	240.00	240.00
<b>Total</b>	<b>240.00</b>	<b>240.00</b>
<b>Current</b>		
Advance from customers #	967.55	569.78
Employee contribution toward provident and other funds	12.77	11.81
Statutory dues payables	80.46	119.79
<b>Total</b>	<b>1,060.78</b>	<b>701.38</b>

\* 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 ₹ 414.46 lacs ( March 31,2021: ₹ 159.49 lacs) is included in Advance from customers.

During the year ended March 31, 2022 the company recognized revenue of ₹ 159.49 lakhs arising from opening Contract liability as of April 1, 2021.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 17: REVENUE FROM OPERATIONS**

	31-Mar-22	31-Mar-21
<b>Sale of products</b>		
Finished goods	53,726.83	42,864.15
Traded goods	1,585.19	625.57
	<u>55,312.02</u>	<u>43,489.72</u>
<b>Other operating revenue</b>		
Scrap sales	121.60	114.48
Export incentive	25.26	32.96
Insurance transit Outward	41.95	38.48
Others	24.73	12.39
	<u>213.54</u>	<u>198.31</u>
<b>Total</b>	<u>55,525.56</u>	<u>43,688.03</u>

**NOTE 17(A): RECONCILIATION OF REVENUE RECOGNISED WITH CONTRACT PRICE -**

	31-Mar-22	31-Mar-21
Contract Price	55,849.08	44,520.52
Adjustment for :		
Refund liabilities	18.77	418.20
Discounts and price concessions	304.75	414.29
<b>Revenue from operation</b>	<u>55,525.56</u>	<u>43,688.03</u>

**NOTE 18: OTHER INCOME**

	31-Mar-22	31-Mar-21
Dividend on equity investments carried at FVOCI	3.19	-
Income on investments carried at fair value through profit or loss		
-Fair value gain on mutual funds and AIF	136.72	162.30
-Dividend on equity investment	0.05	-
-Net gain on sale of mutual funds	113.81	92.46
Interest Income on financial assets carried at amortized cost:		
-from loan to others	75.46	249.06
-from trade receivables	95.82	152.60
-from bank deposits	25.59	33.54
-from investment in bonds	78.25	20.97
Gain on sale of property plant and equipments (net)	-	4.53
Write-back of provision for doubtful debts /advances	-	76.70
Others	17.16	8.32
<b>Total</b>	<u>546.05</u>	<u>800.48</u>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 19(A): COST OF MATERIALS CONSUMED**

	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Raw materials at the beginning of the year	<b>5,348.08</b>	4,354.42
Add: Purchases	<b>25,261.06</b>	16,755.08
Less: Raw materials at the end of the year	<b>(7,478.44)</b>	(5,348.08)
<b>Sub total</b>	<b><u>23,130.70</u></b>	<u>15,761.42</u>
Other materials at the beginning of the year	<b>727.22</b>	860.67
Add: Purchases	<b>7,987.03</b>	4,619.23
Less: Other materials at the end of the year	<b>(1,634.44)</b>	(727.22)
<b>Sub total</b>	<b><u>7,079.81</u></b>	<u>4,752.68</u>
<b>Total</b>	<b><u><u>30,210.51</u></u></b>	<u><u>20,514.10</u></u>

**NOTE 19(B): CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS**

	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>Opening balance</b>		
Work-in progress	<b>526.82</b>	672.79
Finished goods	<b>795.16</b>	2,760.07
Traded goods	<b>144.15</b>	104.99
<b>Total opening balance</b>	<b><u>1,466.13</u></b>	<u>3,537.85</u>
<b>Closing balance</b>		
Work-in progress	<b>848.33</b>	526.82
Finished goods	<b>1,315.00</b>	795.16
Traded goods	<b>154.76</b>	144.15
<b>Total closing balance</b>	<b><u>2,318.09</u></b>	<u>1,466.13</u>
Changes in inventories of work-in-progress, finished goods and stock -in-trade	<b><u>(851.96)</u></b>	<u>2,071.72</u>

**NOTE 20: EMPLOYEE BENEFIT EXPENSES**

	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Salaries, wages and bonus	<b>4,999.81</b>	3,990.33
Contribution to provident fund & other funds	<b>314.16</b>	289.05
Staff welfare expenses	<b>158.77</b>	138.31
<b>Total</b>	<b><u>5,472.74</u></b>	<u>4,417.69</u>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 21: DEPRECIATION AND AMORTISATION EXPENSES**

	31-Mar-22	31-Mar-21
Depreciation of property, plant and equipment	817.92	793.76
Amortisation of intangible assets	9.18	9.83
Depreciation on right to use of assets	190.21	143.61
Amortisation of CWIP in property, plant and equipment	97.62	97.62
<b>Total</b>	<b>1,114.93</b>	<b>1,044.82</b>

**NOTE 22: OTHER EXPENSES**

	31-Mar-22	31-Mar-21
Repairs and maintenance		
Plant and machinery	806.12	593.69
Buildings	71.28	53.66
Others	102.37	68.20
Processing charges	307.17	364.73
Packing material consumed	1,093.85	775.88
Carriage outward	135.80	142.38
Directors fees	6.02	5.51
Legal and professional fees	259.66	256.58
Advertisement & sales promotion	789.36	479.35
Rates and taxes	374.39	71.85
Rental charges	13.90	19.07
Research & development expenses	68.56	67.71
Insurance	96.38	84.51
Loss on sales of property, plant & equipment (net)	1.57	-
Allowance for doubtful debts /advances	79.09	-
Bad debts /advance written off	-	61.90
Corporate social responsibility expenditure (refer note 22(b) below)	71.00	66.00
Miscellaneous expenses	443.36	431.48
<b>Total</b>	<b>4,719.88</b>	<b>3,542.50</b>

**NOTE 22(A): DETAILS OF PAYMENTS TO AUDITORS**

	31-Mar-22	31-Mar-21
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee (including limited review)	16.00	16.00
Tax audit fee	1.50	1.50
Certification fees	2.35	2.35
<b>In other capacities</b>		
Other services	4.10	2.00
Re-imbursement of expenses	0.09	0.08
<b>Total</b>	<b>24.04</b>	<b>21.93</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### NOTE 22(B): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As required under section 135 of the Companies Act, 2013, the Company has spent an amount of ₹ 68 lakhs by way of contribution to M. P. Jatia Charitable Trust and ₹ 3 lakh by way of donation to YCM hospital (PCMC) during the year. (31-03-2021: ₹ 65 lakhs by way of contribution to M. P. Jatia Charitable Trust and ₹ 1 lakh by way of donation to Rotary club of Bombay charity trust).

	31-Mar-22	31-Mar-21
Amount required to be spent as per Section 135 of the Act	68.00	65.00
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	71.00	66.00

### NOTE 23: FINANCE COSTS

	31-Mar-22	31-Mar-21
Interest on financial liabilities measured at amortised cost*	264.00	438.38
Interest on lease liabilities	75.66	55.08
Bank charges & commission	148.46	134.51
Interest others **	5.50	9.67
<b>Total</b>	<b>493.62</b>	<b>637.64</b>

#### NOTE 23 (a):

\* During the year, the Company has capitalised borrowing costs of ₹ 80.54 lakhs incurred on the borrowings specifically availed for purchase of guest house at Mumbai @ 7.75% p.a. (31 March 2021: ₹ 75.91 lakhs @ 7.75% p.a.). The interest expense disclosed above is net of the interest amount so capitalised.

\*\* Interest others includes interest on delayed payment of taxes & duties.

### NOTE 24: INCOME TAX EXPENSE

#### a) Income tax expense

Particulars	31-Mar-22	31-Mar-21
<b>Income tax expense</b>		
Current Tax on profits for the year	1,431.00	598.00
Current Tax adjustments for prior periods	-	-
<b>Total current tax expense</b>	<b>1,431.00</b>	<b>598.00</b>
 <b>Deferred tax</b>	 <b>(284.44)</b>	 <b>(131.50)</b>
<b>Total deferred tax expense / (benefit)</b>	<b>(284.44)</b>	<b>(131.50)</b>
<b>Income tax expense reported in statement of Profit &amp; Loss Account</b>	<b>1,146.56</b>	<b>466.50</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (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:**

Particulars	31-Mar-22	31-Mar-21
Profit before taxes	4,599.76	3,469.60
Enacted Income tax rate in India	25.168%	34.944%
<b>Computed expected tax expenses</b>	<b>1,157.67</b>	<b>1,212.42</b>
Effect of amounts not deductible (taxable) in calculating taxable income	17.46	76.03
Effect of deductions under Chapter VI A	-	(11.57)
Effect of Income exempt from tax	-	(45.30)
MAT credit of previous years recognised	-	(430.55)
Adjustments of deferred tax/ tax credits of prior periods	28.26	4.34
Effect of change in tax rate	(52.54)	(874.91)
Item chargeable at difference rate of tax	(4.29)	-
Effect of change in law - goodwill impairment at nil rate and tax base of goodwill now converted to nil	-	536.04
	<u><b>1,146.56</b></u>	<u><b>466.50</b></u>

**c) Amounts recognised in OCI**

Particulars	31-Mar-22		31-Mar-21	
	Income tax	Deferred tax	Income tax	Deferred tax
<b>OCI</b>				
- on remeasurements of post employment benefit obligations	-	(18.13)	-	6.50
- on changes in fair value of FVOCI equity instruments	-	19.57	-	-
<b>Total</b>	<u>-</u>	<u>1.44</u>	<u>-</u>	<u>6.50</u>

**d) Change in tax rate -**

The applicable statutory tax rate for the financial year 2021-22 is 25.168% and financial year 2020-21 is 34.944%. The Company has exercised the option under section 115BAA of the Income Tax Act which allows tax at lower rate subject to certain conditions. This option has been exercised w.e.f. financial year 2021-22.

**e) Disclosures required as per Appendix C of Ind AS 12**

Management has evaluated and concluded that it is probable that the taxation authority will accept the uncertain tax treatments. Accordingly, the Company has recognised the taxable profit/gains, tax bases, tax rates and tax expenses consistently with the tax treatment used or planned to be used in its income tax filings.



# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

**Note 25: Ratios**

Particulars	31-Mar-22			31-Mar-21			Reason for Variance
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
Current Ratio	26,418.84	11,929.10	2.21	25,876.13	13,674.74	1.89	16.93%
Debt-Equity Ratio	7,652.91	34,269.92	0.22	5,796.20	31,049.51	0.19	15.79%
Debt service coverage Ratio	6,431.34	3,890.84	1.65	4,681.03	2,152.16	2.18	-24.31%
Return on Equity	3,453.20	32,659.72	10.57%	3,003.10	29,522.60	10.17%	3.93%
Inventory turnover Ratio	55,312.02	10,126.09	5.46	43,489.72	8,631.06	5.04	8.33%
Trade receivables turnover Ratio	55,525.56	6,641.51	8.36	43,688.03	5,604.96	7.79	7.32%
Trade payables turnover ratio	44,803.77	8,160.98	5.49	29,675.34	8,226.02	3.61	Increase in total purchase as a result increase in total production and operations has resulted in improvement in the ratio
Net capital turnover Ratio	55,525.56	14,489.74	3.83	43,688.03	12,201.39	3.58	6.98%
Net profit Ratio	3,453.20	55,525.56	6.22%	3,003.10	43,688.03	6.87%	-9.46%
Return on capital employed	5,093.38	44,582.15	11.42%	4,107.24	39,788.03	10.32%	10.66%
Return on investment	470.87	8,850.54	5.32%	314.35	7,992.77	3.93%	Due to higher fair value gains on quoted investments carried at fair value either through FVPL or FVOCI

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 26 : FAIR VALUE MEASUREMENTS**

**Financial instruments by category:**

Particulars	31-Mar-22			31-Mar-21		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments:						
- equity instruments	244.75	490.93	-	244.75	352.04	-
- mutual funds	4,063.40	-	-	9,027.49	-	-
- AIF	126.87	-	-	-	-	-
- Bonds	-	-	2,098.64	-	-	1,052.21
Trade receivables	-	-	7,420.22	-	-	5,862.80
Cash and cash equivalents	-	-	586.99	-	-	757.97
Other bank balances	-	-	245.27	-	-	425.29
Security deposits	-	-	20.29	-	-	20.29
Loans	-	-	227.00	-	-	702.44
Others	-	-	62.15	-	-	120.85
<b>Total financial assets</b>	<b>4,435.02</b>	<b>490.93</b>	<b>10,660.56</b>	<b>9,272.24</b>	<b>352.04</b>	<b>8,941.85</b>
<b>Financial liabilities</b>						
Borrowings	-	-	4,959.41	-	-	2,289.13
Public Deposits	-	-	1,663.56	-	-	1,988.31
Deferral Sales Tax	-	-	321.50	-	-	391.57
Lease liabilities	-	-	756.54	-	-	722.17
Trade payables	-	-	8,069.34	-	-	8,252.62
Capital creditors	-	-	17.56	-	-	15.13
Refund Liability	-	-	18.77	-	-	418.20
Other financial liabilities	-	-	777.65	-	-	576.31
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>16,584.33</b>	<b>-</b>	<b>-</b>	<b>14,653.44</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 financial assets that are measured at fair value or where the fair value disclosure is required -

Fair value as at March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Mutual funds (carried at FVPL)	5(b)	4,063.40	-	-	4,063.40
AIF	5(a)	126.87			126.87
Bond (carried at amortised cost)	5(a)	1,975.53	-	-	1,975.53
Equity instruments (carried at FVOCI)	5(a)	490.93	-	-	490.93
Equity instruments (carried at FVPL)	5(a)	-	-	244.75	244.75
<b>Total</b>		<b>6,656.73</b>	<b>-</b>	<b>244.75</b>	<b>6,901.48</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

Fair value as at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Mutual funds (carried at FVPL)	5(b)	9,027.49	-	-	9,027.49
AIF	5(a)	-			-
Bond (carried at amortised cost)	5(a)	1,026.90	-	-	1,026.90
Equity instruments (carried at FVOCI)	5(a)	352.04	-	-	352.04
Equity instruments (carried at FVPL)	5(a)	-	-	244.75	244.75
<b>Total</b>		<b>10,406.43</b>	<b>-</b>	<b>244.75</b>	<b>10,651.18</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 actively traded in 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, 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.

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

## NOTE 27 : 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.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**i) Trade receivables:-**

Trade receivables are generally unsecured, except for sales which are generally covered by letters of credit and some parties in 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 macroeconomic factors such as expected industry growth, GDP, unemployment rate etc. affecting the ability of the customer to settle the receivables.

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

Particulars	31-Mar-22	31-Mar-21
Revenue from top one customer	17.43%	12.68%
Revenue from top five customers	43.48%	38.98%

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

Expected credit loss for trade receivables under simplified approach:

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	6,004.67	894.32	582.79	39.48	282.11	7,803.37
Expected loss rate	0.25%	0.99%	10.00%	50.00%	99.77%	
Expected credit losses (Loss allowance provision)	14.77	8.89	58.27	19.75	281.47	383.15
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>5,989.90</b>	<b>885.43</b>	<b>524.52</b>	<b>19.73</b>	<b>0.64</b>	<b>7,420.22</b>

**Reconciliation of loss allowance Trade receivables :**

Particulars	Amount
<b>Loss allowance on 1<sup>st</sup> April 2021</b>	721.23
Changes in loss allowance	
Less: amount receivable written off from allowances	(417.17)
Add : ECL provision made during the year	79.09
<b>Loss allowance on 31<sup>st</sup> March 2022</b>	383.15

During the period, the Company made write-off of trade receivables of ₹ 417.17 Lacs (31.03.2021 ₹ Nil). It does not expect to receive future cash flows or recoveries from receivables previously written off.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### 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 and alternate investment fund units, carried at fair value. Other financial assets that are potentially subject to credit risk consists of investment in perpetual bonds of banks, lease deposits and loans carried at amortised cost. 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. Based on assessment performed management has concluded that impact of expected credit loss is not material and the current provision made against Loans and Other financial assets is adequate to cover the expected credit loss. The Company's maximum exposure to credit risk is the carrying value of each class of financial assets.

### 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 <sup>st</sup> March, 2022				
		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	5,438.63	5,451.01	-	1,101.10	2,822.41	1,527.50
Lease Liabilities	575.56	575.56	-	193.71	375.39	6.46
<b>Current</b>					-	
Borrowings	1,457.74	1,457.74	1,457.74	-	-	-
Trade payables	8,069.34	8,069.34	8,069.34	-	-	-
Other financial liabilities	1,043.06	1,043.06	1,043.06	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	Carrying value	As at 31 <sup>st</sup> March, 2021				
		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	1,802.17	1,823.54	-	1,575.47	248.07	-
Lease Liabilities	574.63	574.63	-	128.47	446.16	-
<b>Current</b>						
Borrowings	3,271.86	3,271.86	3,271.86	-	-	-
Trade payables	8,252.62	8,252.62	8,252.62	-	-	-
Other financial liabilities	1,188.95	1,188.95	1,188.95	-	-	-

## 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, 2021, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

- aa The company's exposure to foreign currency risk as of March 31, 2022 expressed in INR lakhs, is as follows:**

Exposure in USD currency	31-Mar-22	31-Mar-21
<b>Financial assets</b>		
Cash and cash equivalents	5.88	3.75
Trade receivables	129.22	71.79
<b>Derivative assets</b>		
Foreign exchange forward contracts - Sell foreign currency	-	-
<b>Financial liabilities</b>		
Trade payables	3,896.11	4,410.76
Other liabilities	2.63	5.20
<b>Derivative liabilities</b>		
Foreign exchange forward contracts - Buy foreign currency	-	656.66
<b>Net assets / (liabilities)</b>	<b>(3,763.64)</b>	<b>(3,683.76)</b>

**ab Sensitivity**

For the year ended March 31, 2022 and March 31, 2021, every percentage point appreciation/depreciation in the exchange rate would have affected the Company's operating margins respectively:

- INR/USD by approximately 0.80% and 1.06%

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.**

Currency	Year-end spot rate	
	31-Mar-22	31-Mar-21
USD	75.77	73.57
EUR	84.58	86.14
CHF	81.93	77.97

**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.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

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

	31-Mar-22	31-Mar-21
<b>Financial liabilities</b>		
Variable rate borrowings	4,959.41	2,231.03
Fixed rate borrowings	1,936.96	2,843.00
<b>Total borrowings</b>	<b>6,896.37</b>	<b>5,074.03</b>
<b>Financial assets</b>		
Fixed rate loans	227.00	702.44
<b>Total loan given</b>	<b>227.00</b>	<b>702.44</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 before tax	
	31-Mar-22	31-Mar-21
Interest rates - increase by 50 basis points (50 bps)	(24.80)	(11.16)
Interest rates - decrease by 50 basis points (50 bps)	24.80	11.16

### iii) Price Risk and Sensitivity:

The Company is mainly exposed to the price risk due to its investment in mutual funds and alternate liquid funds. The price risk arises due to uncertainties about the future market values of these investments. As on 31-Mar-22, the investments in mutual funds and AIF amounts to ₹ 3790.13 lacs (31-Mar-21: ₹ 3754.02 lacs). These are exposed to price risk. Change in price of liquid mutual funds are very minimal hence the same is not considered in price risk disclosure.

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

A 1% increase in prices would have led to approximately an additional ₹ 37.90 lacs gain in the Statement of profit and loss (31<sup>st</sup> March 2021: ₹ 37.54 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, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### NOTE 28 : CAPITAL 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 company 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. The Company's policy is to keep gearing ratio optimum. Net debt comprises of long term and short term borrowings less cash and bank balances and investment in mutual funds. Equity includes equity share capital and reserves that are managed as capital.

Particulars	31-Mar-22	31-Mar-21
Borrowings (Current +Non-current)	6,896.37	5,074.03
Less: Cash and cash equivalents	832.26	1,183.26
Less: Current Investment	4,063.40	9,027.49
Net Debt	2,000.71	(5,136.72)
Total Equity	34,269.92	31,049.51
Gearing ratio	6%	-20%

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

#### Dividend distribution made and proposed

	31-Mar-22	31-Mar-21
<b>Equity shares</b>		
Final dividend for the year ended on		
March 31 2021: ₹ 0.30 per share		
(31 <sup>st</sup> March, 2020: ₹ Nil per share)	284.85	-
	<u>284.85</u>	<u>-</u>

#### Dividends not recognised at the end of the reporting period:

Final dividend for the year ended on March 31, 2022: ₹ 0.50		
per equity share(including special dividend of ₹ 0.20		
per equity share)		
(31 <sup>st</sup> March, 2021: ₹ 0.30 per equity share)	474.75	284.85
	<u>474.75</u>	<u>284.85</u>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 29 : 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 and marketing of tissue and other hygiene papers as well as marking and trading 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 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-22</b>	<b>31-Mar-21</b>
<b>Segment Revenue</b>		
a) Paper		
Sale of Finished goods	<b>52,959.83</b>	42,333.98
Sale of Traded goods	<b>774.84</b>	185.55
Other operating revenue	<b>213.50</b>	198.31
	<b><u>53,948.17</u></b>	<b><u>42,717.84</u></b>
b) Hygiene Products		
Sale of Finished goods	<b>1,642.93</b>	1,533.50
Sale of Traded goods	<b>810.35</b>	440.02
Other operating revenue	<b>0.04</b>	-
	<b><u>2,453.32</u></b>	<b><u>1,973.52</u></b>
<b>Total</b>	<b>56,401.49</b>	44,691.36
Less: Inter segment revenue	<b>(875.93)</b>	(1,003.33)
<b>Net sale/ Income from operation</b>	<b><u>55,525.56</u></b>	<b><u>43,688.03</u></b>

# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

Particulars	31-Mar-22	31-Mar-21
<b>Segment Results (Profit before interest, depreciation, exceptional item and tax) :</b>		
a) Paper	7,783.01	7,450.24
b) Hygiene Products	(42.94)	(128.50)
<b>Total</b>	<b>7,740.07</b>	<b>7,321.74</b>
Depreciation and amortisation expense		
a) Paper	1,082.62	1,012.49
b) Hygiene Products	32.31	32.33
<b>Total</b>	<b>1,114.93</b>	<b>1,044.82</b>
Less: Finance Cost	493.62	637.64
Add/(Less): Other unallocable income/(expenses), net	(163.74)	279.91
<b>Profit before exceptional items and tax</b>	<b>5,967.78</b>	<b>5,919.19</b>
Exceptional items		
a) Paper	-	2,449.59
b) Hygiene Products	1,368.02	-
<b>Profit before tax</b>	<b>4,599.76</b>	<b>3,469.60</b>
<b>Segment Assets</b>		
a) Paper	49,894.60	43,095.53
b) Hygiene Products	797.23	704.99
c) Unallocated	9,017.85	10,980.00
<b>Total Assets</b>	<b>59,709.68</b>	<b>54,780.52</b>
<b>Segment Liabilities</b>		
a) Paper	13,404.03	13,463.84
b) Hygiene Products	264.23	249.73
c) Unallocated	11,771.50	10,017.44
<b>Total Liabilities</b>	<b>25,439.76</b>	<b>23,731.01</b>

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-22	31-Mar-21
Within India	54,120.68	42,919.12
Outside India	1,404.88	768.91
<b>Total</b>	<b>55,525.56</b>	<b>43,688.03</b>

Revenue of approximately ₹ 9677.72 lakhs (31<sup>st</sup> March 2020: ₹ 5537.99 lakhs) are derived from single external customer. These revenue are attributed to the Paper segment.

Non Current Assets **	31-Mar-22	31-Mar-21
Within India	30,309.36	27,235.10
Outside India	-	-
<b>Total</b>	<b>30,309.36</b>	<b>27,235.10</b>

\*\* 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, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 30 : RELATED PARTY DISCLOSURE**

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

<b>(i) Group Companies:</b>
3P Land Holdings Limited
AMJ Land Holdings Limited
Biodegradable Products India Limited (Formerly Pudumjee Plant Laboratories 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 (KMP)**

<b>Name</b>	<b>Designation</b>
Mr. Arunkumar M.Jatia	Executive Chairman
Mr. V.P.Leekha	Non-Executive Director
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. 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)**

Pudumjee Pulp & Paper Mill Limited Office Staff Provident Fund
M. P. Jatia Charitable Trust

**(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, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 30 : RELATED PARTY DISCLOSURE (CONTD.)**

**B Transactions with Related Parties**

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on			
		31-Mar-22	31-Mar-21	31-Mar-22		31-Mar-21	
				Receivable	Payable	Receivable	Payable
i.	<b>Sale of goods</b>						
	AMJ Land Holdings Limited	0.23	0.18	0.03	-	0.03	-
ii.	<b>Wind Power and REC Purchases</b>						
	AMJ Land Holdings Limited	11.06	78.82	-	-	-	-
iii.	<b>Other Purchase</b>						
	Fujisan Technologies Limited	0.08	1.30	-	-	-	0.12
iv.	<b>Reimbursement for expenses common services and utilities, charged</b>						
	3P Land Holdings Limited	2.10	0.33	2.10	-	0.33	-
	AMJ Land Holdings Limited	14.16	1.55	14.16	-	1.55	-
	Biodegradable Products India Limited	1.00	-	1.00	-	-	-
v.	<b>Rent Paid</b>						
	3P Land Holdings Limited	24.20	14.00	-	-	-	-
	AMJ Land Holdings Limited	169.06	107.74	-	-	-	-
vi.	<b>Dividend paid</b>						
	3P Land Holdings Limited	40.70	-	-	-	-	-
	AMJ Land Holdings Limited	19.03	-	-	-	-	-
	Fujisan Technologies Limited	2.70	-	-	-	-	-
	Suma Commercial Private Limited	30.93	-	-	-	-	-
	Thacker and Company Limited	38.75	-	-	-	-	-
vii.	<b>Dividend received</b>						
	AMJ Land Holdings Limited	3.19	-	-	-	-	-
viii.	<b>Contribution to Employees' Provident Fund</b>						
	Pudumjee Pulp & Paper Mill Limited Office Staff Provident Fund	29.95	24.18	-	-	-	-
ix.	<b>Donations given</b>						
	M.P.Jatia Charitable Trust	68.00	65.00	-	-	-	-
x.	<b>Remuneration to Key Management Personnel (KMP):</b>						
a)	Short-term employee benefits	736.54	480.05	-	112.10	-	-
b)	Post employment benefit	92.13	52.26	-	-	-	-
c)	Other long term benefits	75.13	12.43	-	-	-	-
d)	Sitting fees to independent Directors	6.02	5.51	-	-	-	-
	<b>Total remuneration to KMP</b>	<b>909.82</b>	<b>550.25</b>	<b>-</b>	<b>112.10</b>	<b>-</b>	<b>-</b>
xi.	<b>Remuneration to Relative of Key Management Personnel (RKMP):</b>						
a)	Short-term employee benefits	42.39	30.40	-	-	-	-
b)	Post employment benefit	1.51	1.03	-	-	-	-
c)	Other long term benefits	-	2.00	-	-	-	-
	<b>Total remuneration to RKMP</b>	<b>43.90</b>	<b>33.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 31 : CONTINGENT LIABILITIES**

Particulars	31-Mar-22	31-Mar-21
(a) Octroi :		
Claims against the Company not acknowledged as debts.	197.31	197.31
(b) Interest on electrical duty on generated power:		
Claims against the Company not acknowledged as debts.	327.23	327.23
	<u>524.54</u>	<u>524.54</u>

**NOTE 32 : PROVISION FOR ELECTRICITY SURCHARGE**

The Company had purchased power (i.e. electricity) from Sai Wardha Power Generation Limited (SWPGL) 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.

However, in respect of such a supply, Maharashtra Electricity Regulatory Commission (MERC) vide its orders dated 15.02.2019, 22.10.2020 and 29.10.2020 has held that the supplies of the year 2018-19 (involving CSS and ASC of ₹ 863.39 lakhs) and of the year 2016-17 and 2017-18 (involving CSS and ASC and interest thereon aggregating of ₹ 2,449.59 lakhs), are not eligible for exemption from the levy of CSS and ASC and, therefore, these amounts are payable. The entire matter is decided by appellate authorities and subsequently by the MERC substantially in the favour of the Company. However one of the party to the litigation is reported to have approached higher appellate authorities.

Although in terms of Power Delivery Agreement (PDA) with SWPGL, the levy of CSS/ASC, if imposed or demanded, was liable to be paid/reimbursed by SWPGL to the Company. However, 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 of SWPGL's obligation and liabilities. Consequently, the Company has made provision in the accounts, for full demand amount of total ₹ 3,312.98 lakhs. as on 31<sup>st</sup> March, 2021 (₹ 863.39 lakhs as on 31<sup>st</sup> March, 2020).

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 33 : EARNINGS PER SHARE**

Particulars	31-Mar-22	31-Mar-21
Profits attributable to equity shareholders (Rs. in lakhs)	3,453.20	3,003.10
<b>Basic Earnings Per Share</b>		
Weighted average number of equity shares outstanding during the year	949.50	949.50
<b>Basic EPS (₹)</b>	3.64	3.16
<b>Diluted Earnings Per Share</b>		
Weighted average number of equity shares outstanding for diluted EPS	949.50	949.50
<b>Diluted EPS (₹)</b>	3.64	3.16

**NOTE 34 : COMMITMENTS**

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

Particulars	31-Mar-22	31-Mar-21
Property plant and equipment	7.38	4,001.92
Intangible assets	-	-

- (b) **Leases - the Company as a lessee**

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

Maturity analysis of lease liabilities	31-Mar-22	31-Mar-21
Within one year	239.26	216.34
After one year and not later than five years	669.10	700.49
Later than five years	-	-
<b>Total minimum lease payments</b>	<b>908.36</b>	<b>916.83</b>
Less: Amounts representing finance charges	158.24	194.66
<b>Present value of minimum lease payments</b>	<b>750.12</b>	<b>722.17</b>

The weighted average incremental borrowing rate applied to lease liabilities @ 9.5% p.a. (31<sup>st</sup> March, 2021 : 10.50% p.a.)

Rental expense of ₹ 13.90 lakhs (31<sup>st</sup> March, 2021: ₹ 19.07 lakhs) recorded during the year for short-term leases.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 35: IMPAIRMENT**

- (a) Goodwill has arisen as per the Scheme of arrangement and reconstruction(demerger) approved by Hon'ble Bombay High Court dated January 8, 2016 (the Scheme). Goodwill reflects the difference between the fair value of shares issued and all the net assets transferred at carrying value under the scheme. Although the management used to monitors goodwill at the company level, in current year it is allocated to operating segments Paper division and Hygiene division, based on the consideration paid and net assets acquired as per the scheme for each of these segment, i.e. CGUs.

Goodwill is tested for impairment at least annually in accordance with the Company's procedure for determining the recoverable value of each CGUs.

- (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 value less cost to sell 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 in table below.

	(in %)
	<b>March 31, 2022</b>
Long term growth rate	0.50%
Discount rate	10.30%

Management has determined the values assigned to each of the above key assumptions as follows:

<b>Assumption</b>	<b>Approach used to determine values</b>
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, the recoverable amount calculated for the company level (i.e. combining both CGUs) does not trigger impairment, as the recoverable value exceeded the carrying value. However, as per the requirement of Ind AS, to allocate goodwill to CGU for impairment testing, the results for both the CGUs are as follows -

Paper division-

No impairment identified for CGU-Paper division as of March 31, 2022 as the recoverable value exceeded the carrying value. The paper division accounts for 95% of the revenue form operation of the Company.

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 of CGU-Paper division would fall below its carrying amount.

Hygiene division-

Impairment identified in Hygiene division for entire goodwill amount. The uncertainty created by the COVID-19 situation has made significate impact for certain industries. Whether such impact will be temporary or represents a fundamental re-adjustment in the market would unravel in only in future years. However on conservative basis and based on the projected cash flows of CGU-Hygiene Division, the company has recognised an impairment of ₹ 1,368.02 lakhs in the Statement of profit and loss as an exceptional item.



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

### NOTE 36: DISCLOSURE FOR BALANCES WITH STRUCK OFF COMPANIES

The Company has had the following relationships with struck-off companies as at the Balance Sheet dated 31.03.2022

Name of the Struck-off company	Nature of Transactions with struck off companies	31-Mar-22		31-Mar-21	
		Balance Outstanding	Relationship with the struck off Company if any	Balance Outstanding	Relationship with the struck off Company if any
		₹ in lakhs		₹ in lakhs	
R S FOILS PRIVATE LIMITED	Trade Receivables/ (Advance from customer)	(0.10)	-NA-	(0.10)	-NA-
S.K.D.Impex Pvt.Ltd		0.88	-NA-	-	-NA-
Vijay Paper Mills (P) Ltd		(0.01)	-NA-	(0.01)	-NA-
		<b>0.77</b>		<b>(0.11)</b>	

### NOTE 37: ADDITIONAL DISCLOSURE REQUIRED AS PER THE ACT

- No proceedings has been initiated or pending against the company for holding any became property under the Benami Transaction (Prohibition) Act 1988 or rules made thereunder. Hence no further disclosure required.
- The Company is not in non compliance with number of layers of companies prescribed under clause (87) of section 2 of the Companies Act 2013 read with the Companies (Restriction on number of layers) Rules, 2017. Hence no further disclosure required.
- There has been no delay in Registration of Charges or satisfaction with ROC.

### NOTE 38 : 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, 2020</b>	<b>6,439.67</b>	<b>494.87</b>	<b>988.24</b>
Cash Flows	(1,381.73)	(98.37)	(983.01)
Change in amortisation	10.86	-	-
Lease liabilities recognised as per Ind AS 116	-	325.67	-
<b>As on March 31, 2021</b>	<b>5,068.80</b>	<b>722.17</b>	<b>5.23</b>
Cash Flows	1,542.03	(164.08)	272.20
Change in amortisation	8.11	-	-
Lease liabilities recognised as per Ind AS 116	-	198.45	-
<b>As on March 31, 2022</b>	<b>6,618.94</b>	<b>756.54</b>	<b>277.43</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2022 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

**NOTE 39 : RECLASSIFICATION**

Previous year figure's have been reclassified to conform to this year's classification.

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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

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

Place : Pune  
Date : 21<sup>st</sup> May, 2022

Place : Pune  
Date : 21<sup>st</sup> May, 2022



**If undelivered, please return to :**

**Pudumjee Paper Products Limited**  
Thergaon, Pune - 411 033.