

**BOARD OF DIRECTORS**

Shri S. S. Kanoria	<i>Executive Chairman</i>
Shri A. C. Mukherji	<i>Director</i>
Shri R. V. Kanoria	<i>Director</i>
Shri J. K. Bhagat	<i>Director</i>
Shri I. P. Poddar	<i>Director</i>
Shri B. Choudhuri	<i>Director</i>
Shri L. G. Toolsidass	<i>Director</i>
Shri S. Kapur	<i>Director</i>
Shri D. K. Bubna	<i>Executive Director cum Company Secretary</i>

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**Registered Office**

6, Little Russell Street  
Kolkata - 700 071

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**Works**

Chengail, Howrah - 711 308 (W.B.)

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**Bankers**

Central Bank of India  
Allahabad Bank

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**Auditors**

Singhi & Co.  
*Chartered Accountants*

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**Resident Director**

B. M. Thakkar

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**Vice President (Finance & Accounts)**

R. K. Gupta

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**Registrar and Share Transfer Agents**

MCS Ltd.  
77/2A, Hazra Road  
Kolkata - 700 029

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## NOTICE

### TO THE SHAREHOLDERS

**NOTICE** is hereby given that the Thirty First Annual General Meeting of the members of **LUDLOW JUTE & SPECIALITIES LIMITED** (formerly Aekta Limited) will be held at Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700 020 on Friday, 30th July, 2010 at 3:00 p.m. to transact the following business :

#### ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March 2010, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri B. Choudhuri, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri L. G. Toolsidass, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

**“RESOLVED THAT** M/s. Singhi & Co., Chartered Accountants, the retiring auditors, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors.”

#### SPECIAL BUSINESS :

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 provisions of Sections 198, 269, 309 read with Schedule XIII thereto and other applicable provisions, if any, of the

Companies Act, 1956 ('Act'), the consent of the Company be and is hereby accorded to the reappointment of Shri D. K. Bubna as Executive Director cum Company Secretary of the Company for a period of three years with effect from 01st June, 2010 on the terms and conditions including remuneration as are set out in the Agreement executed by the Company with Shri D. K. Bubna on 24th May, 2010, a copy whereof is placed before this meeting, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors (which shall be deemed to include any committee of the Board) to vary/alter and increase the remuneration, perquisites, incentives and bonus as the Board may consider appropriate subject to the limits contained in the relative provisions of the Act.”

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 provisions of Sections 198, 269, 309 read with Schedule XIII thereto and other applicable provisions, if any, of the Companies Act, 1956 ('Act'), the consent of the Company be and is hereby accorded to the reappointment of Shri S. S. Kanoria as the Executive Chairman of the Company for a period of three years with effect from 01st October, 2010 on the terms and conditions including remuneration as are set out in the Agreement executed by the Company with Shri S. S. Kanoria on 24th May, 2010, a copy whereof is placed before this meeting, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors (which shall be deemed to include any committee of the Board) to vary/alter and increase the remuneration, perquisites, incentives and bonus as the Board may consider appropriate subject to the limits contained in the relative provisions of the Act.”

Registered Office :  
6, Little Russell Street  
Kolkata - 700 071  
24th day of May, 2010

For & on behalf of the Board  
**D. K. BUBNA**  
*Executive Director cum  
Company Secretary*

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution/Power of Attorney, authorizing their representatives to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books shall remain closed from 15.07.2010 to 30.07.2010 (both days inclusive).
4. Dividend, if approved by the shareholders at the AGM, will be paid within 30 days from the date of AGM, to those Members -
  - (a) Whose names appear as Beneficial Owners as at the end of business hours on 14.07.2010 in the list furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
  - (b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before the end of business hours on 14.07.2010.
5. Dividend which remain unpaid/unclaimed over a period of seven years will have to be transferred by the Company to 'Investor Education and Protection Fund' of the Central Government under Section 205A & 205C of the Companies Act, 1956. Shareholders are advised to encash the unpaid dividend warrants before transfer to the above referred fund.
6. Members are requested to notify immediately any change of address and also particulars of their Bank Accounts viz., Name of the Bank, branch, complete address of the Bank and Bank account number for printing the same on the Dividend Warrants to avoid fraudulent encashment :
  - to their Depository Participants (DP) in respect of their Demat Account(s); and
  - to the Company at its registered office or to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form.
7. The Company will be providing ECS facility to the shareholders, whereby they will be able to receive their dividend by direct electronic credit to their bank account(s). In the absence of availing of the ECS option by the shareholders, the Company shall send the dividend warrants by post in the normal manner. Members holding shares in physical form are requested to fill in the form provided along with this Annual Report and send it to the Company's Registrars and Share Transfer Agents. Shareholders holding shares in demat form are required to furnish such details to their respective depository participants, if not furnished earlier.
8. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company, for admission to the meeting hall.
9. Members who hold shares in dematerialized form, are requested to furnish their Client ID and DP ID numbers to facilitate identification of membership at the Meeting.
10. Shareholders, who have not dematerialized their shares as yet, are advised to have their shares dematerialized to avail the benefit of paperless trading.
11. In all correspondences with the Company/Registrar & Share Transfer Agents, members are requested to quote their folio number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID number.
12. Members can avail the nomination facilities under Section 109A of the Companies Act, 1956 by filing Form No.2B with the Registrars and Transfer Agents, MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029 (in the case of physical shares) or to the Depository.
13. Members are requested to notify immediately any change of address to the Depository Participants in respect of electronic share accounts and to the Registrars and Transfer Agents, MCS Limited, 77/2A, Hazra Road, Kolkata-700 029 in respect of physical share accounts.
14. In case the mailing address mentioned in the Annual Report is without the Pin Code, members are requested to inform their Pin Code immediately.
15. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
16. Members are requested to bring their copy of the Annual Report to the Meeting.
17. The share certificates with previous name of the Company viz. 'Aekta Limited', are acceptable for transfer/ demat etc. The stickers bearing the change of name of the Company to 'Ludlow Jute & Specialities Limited' had been dispatched to the shareholders holding shares in physical mode. If any shareholder has not received the stickers with the Company's new name, they may write to the Company or to the Registrars for the required number of stickers.
18. Re-appointment of Directors :  
The information and/or details pertaining to the appointment of the retiring Director, being eligible for re-appointment, to be provided in terms of clause 49 of the Listing Agreement with the Stock Exchange(s), has been provided in the Corporate Governance Report.



## **Annexure to the Notice**

### **Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**

In terms of Section 173(2) of the Companies Act 1956, the following Explanatory Statement sets out all material facts relating to item 6.

#### **1. For Item No. 6**

Shri D. K. Bubna was reappointed as the Executive Director cum Company Secretary of the Company with effect from 01st June, 2010 for a period of three years and upon the terms and conditions, including remuneration, as set out in the Agreement executed between the Company and Shri D. K. Bubna on 24th May, 2010, an abstract of which is given below :

- a) **Salary** : Rs.2,00,000 (Rupees two lacs only) per month. The Board may at its sole discretion, consider and grant an annual increment up to 20% of the last drawn salary, within the permissible limits under the Companies Act, 1956, as amended from time to time.
- b) **Commission** : At the rate of 1% (one percent) of net profits of the Company for each financial year computed in the manner laid down in Sections 198 and 309 of the Companies Act, 1956 and shall be payable on pro-rata basis for any broken period/year.
- c) **Perquisites** : Shri D. K. Bubna will be entitled to the following perquisites in addition to salary and commission. Perquisites being limited to his Annual Salary or to Rs.12,00,000 (Rupees twelve lacs only) per annum, whichever is less.

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows :

#### **CATEGORY A :**

This will comprise of house rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided for as under :

##### **Housing :**

- i) Monthly house rent allowance to the maximum extent of 60% of the salary.
- ii) The Expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962.

##### **Medical Reimbursement :**

Reimbursement of expenses actually incurred on Self and Family.

##### **Leave Travel Concession :**

For Self and Family once in a year, to and from any place in India, subject to the condition that only actual fares, and no hotel expenses, will be allowed.

##### **Club Fees :**

Fees of Clubs subject to a maximum of two Clubs.

This will not include admission and life membership fees.

##### **Personal Accident Insurance :**

Of an amount, the annual premium of which does not exceed Rs.10,000 (Rupees ten thousand only) per annum.

##### **CATEGORY B :**

- i) Contribution to Provident Fund and Superannuation/Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable should not exceed half a month's salary for each completed year of service and will not be included in the computation of the ceiling on perquisites.
- iii) Encashment of Leave at the end of the tenure will be permitted as per Rules of the Company subject to a maximum of three months' salary and will not be included in the computation of the ceiling on perquisites.

##### **CATEGORY C :**

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to Shri D. K. Bubna.

##### **Overall Remuneration :**

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively payable to all the Managerial personnel together, as calculated in accordance with Sections 198 and 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may for the time being in force.

##### **Minimum Remuneration :**

In the event of loss or inadequacy of profits in any financial year, during the currency of tenure of office of Shri D. K. Bubna, the Company may pay him remuneration by way of salary, perquisites and other allowances not exceeding the ceiling of Rs. 30,00,000 (Rupees thirty lacs only) per annum or Rs. 2,50,000 (Rupees two lacs fifty thousand only) per month or any amendments in the Companies Act 1956 as may be applicable at the relevant time, but shall not be entitled to any commission.

##### **About Shri D. K. Bubna :**

Shri D. K. Bubna possesses over 46 years of business experience (including over 23 years with Kanoria Group of Industries) relating to various aspects of Jute Industries including general management, business strategy, marketing, finance, administration etc., with reputed Companies. He has an impressive academic background which includes M.Com and L.L.B from Calcutta University, F.I.C.W.A.

and F.C.S. from Indian Professional Institutes and ACIS, AMBIM and MIIA from Foreign Institutions. Shri D. K. Bubna has travelled extensively to various parts of the world for aggressive marketing of the Company's products.

Your Directors feel that it will be advantageous to reappoint Shri D. K. Bubna as the Executive Director Cum Company Secretary of the Company with liberty to the Board of Directors to vary the terms as mentioned above.

The Special Resolution set out at item no. 6 of the annexed Notice is intended to obtain approval of the Members to the reappointment of Shri D. K. Bubna and payment of remuneration as mentioned above to him as Executive Director cum Company Secretary of the Company.

Your Directors recommend the said resolution be passed.

Copy of the Agreement executed between the Company and Shri D. K. Bubna on 24th May, 2010, is available for inspection by Members at the Registered Office of the Company and will also be available at the meeting.

None of the Directors of the Company other than Shri D. K. Bubna is concerned with or interested in this resolution.

The disclosure under Section 302 of the Companies Act, 1956 has been sent to the members of the Company.

**Statement pursuant to clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.**

**I. General Information**

- 1) Nature of Industry : Manufacturer of Jute Goods
- 2) Date or expected date of commencement of Commercial Production : 1921
- 3) In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Being an existing Company, not applicable.
- 4) Financial performance based on given indicators :

(Rs. in lacs)				
Year ending 31st March	Sales	Operating Profit	Profit before Tax	Profit after Tax
2006	14230	357	211	121
2007	12943	346	212	142
2008	15538	593	432	293
2009	17091	620	416	229
2010	19318	809	553	334

- 5) Export Performance and net foreign exchange collaborations : Export for the year 2009-10 was Rs. 5149 lacs.

- 6) Foreign Investments or Collaborators, if any : There are 11 NRI Shareholders holding 32152 Ordinary Shares of Rs.10 each. The Company does not have any foreign Collaborator.

**II. Information about the Appointee**

**1) Background Details :**

Shri D. K. Bubna, aged about 63 years, possesses over 46 years of business experience relating to various aspects of Jute Industries including general management, business strategy, marketing, finance, administration etc., with reputed Companies. He has an impressive academic background which includes M.Com and L.L.B from Calcutta University, F.I.C.W.A. and F.C.S. from Indian Professional Institutes, ACIS, AMBIM and MIIA from Foreign Institutions.

He has been with the Company for over fifteen years now and had been the Managing Director of the Company from 09.12.1995 to 31.05.2004 and the Executive Director cum Company Secretary of the Company from 01.06.2004.

He is a member of the Share Transfer and Shareholders Grievance Committee of the Board of Directors of the Company.

**2) Past Remuneration :**

2009-10	Rs. 31,17,600
2008-09	Rs. 27,48,000
2007-08	Rs. 23,30,000
2006-07	Rs. 18,98,000
2005-06	Rs. 17,66,000

- 3) Recognition or awards : —

- 4) Job profile and his suitability : Shri Bubna devotes whole time attention to the management of the affairs of the Company and exercises powers subject to the superintendence, direction and control of the Board of Directors. He is responsible for the day-to-day management of the Company and carries out duties as entrusted to him from time to time by the Board of Directors.

- 5) Proposed Remuneration : Salary Rs. 2,00,000 per month (the Board may at its sole discretion, consider and grant an annual increment upto 20% of the last drawn salary, within the permissible limits under the Companies Act, 1956 as amended from time to time) along with Commission @ 1% of the net profits computed in the manner laid down under Sections 198 and 309 of the Companies Act, 1956 and other perquisites, as spelt out in the explanatory statement hereinabove.

- 6) Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person : The remuneration proposed is in consonance with similar position in the Industry.

- 7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any : Except salary, commission and perquisites to be received from the Company and to receive dividend declared by the Company, Shri Bubna does not have any pecuniary relationship directly or indirectly with the Company or relationship with any managerial personnel of the Company.

### III. Other information

- 1) Reasons of loss or inadequate profits and
- 2) Steps taken or proposed to be taken for improvement :  
There is profit in the Company at present, but as abundant caution for payment of minimum remuneration to Shri D. K. Bubna, in case of no profit or inadequate profit in any particular year, this information is provided to the shareholders.
- 3) Expected increase in productivity and profits in measurable terms : 20% approximately.

### IV. Disclosures

- 1) For Remuneration Package offered to Shri Bubna, Executive Director cum Company Secretary, please refer to the Explanatory Statement hereinabove.
- 2) Detailed salary is being disclosed herewith :

Executive Director cum Company Secretary	Business Relationship with the Company, if any	Total Salary for 2009-2010 (in Rs.)
Shri D. K. Bubna	Executive Director cum Company Secretary	31,17,600.00

#### Notes :

1. The Executive Director cum Company Secretary is paid remuneration as per his agreement with the Company. This agreement had been placed for approval before the Remuneration Committee and the Board and subject to the approval of the members, he has been re-appointed as such, with effect from 01.06.2010.
2. Salary includes Basic Salary, Allowances, contribution to Provident and other Funds and Perquisites (including monetary value of Perquisites) etc, the break-up of which is as below :
 

Basic Salary	: Rs. 20,16,000.00
Perquisites	: Rs. 9,00,000.00
Provident fund	: Rs. 2,01,600.00

The figures mentioned herein is for financial year 2009-2010.

Commission at the rate of 1% of net profits of the Company for each financial year computed in the manner laid down in Sections 198 and 309 of the Companies Act, 1956.

3. His appointment is for tenure of three years commencing from 01.06.2010 to 31.05.2013.
4. The Company does not have any scheme for grant of stock options to its Directors or Employees.
5. For termination of Agreement, the Company or the Executive Director cum Company Secretary are required to give a notice of three months or three months' salary in lieu thereof.

### 2. For Item No. 7

Shri S. S. Kanoria was appointed as the Executive Chairman of the Company with effect from 01st October, 2007 for a period of three years and upon the terms and conditions, including remuneration, as set out in the Agreement executed between the Company and Shri S. S. Kanoria on 24th May, 2010, an abstract of which is given below :

- a) **Salary** : Rs. 3,00,000 (Rupees three lacs only) per month. The Board may at its sole discretion, consider and grant annual increments within permissible limits under the Companies Act, 1956.
- b) **Commission** : At the rate of 3% (three percent) of net profits of the Company for each financial year computed in the manner laid down in Sections 198 and 309 of the Companies Act, 1956 and shall be payable on pro-rata basis for any broken period/year.
- c) **Perquisites** : In addition to salary and commission, the Executive Chairman shall also be entitled to perquisites like house rent allowance, gas, electricity, water and furnishings, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance etc. and the monetary value of such perquisites shall be limited to his annual salary or to Rs.12,00,000 per annum, whichever is less.

### OTHERS

- a) Perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such rule, perquisites shall be evaluated at actual cost.
- b) Use of Company's car for Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Shri S. S. Kanoria.

## Ludlow Jute & Specialities Limited

- c) Company's contribution to Provident Fund and Superannuation/Annuity Fund will not be considered as perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- d) Gratuity payable shall not exceed half a month's salary for each completed year of service and will not be included in the computation of the ceiling on perquisites.
- e) Encashment of leave at the end of the tenure will be permitted as per Rules of the Company, subject to a maximum of three month's salary and will not be included in the computation of the ceiling on perquisites.
- f) The terms and conditions of appointment and payment of remuneration to Shri S. S. Kanoria, may be altered, varied or increased from time to time during his tenure of appointment in such manner as may be agreed to, between the Board of Directors, provided such terms are within and in accordance with the limits specified in Companies Act, 1956 and/or in Schedule XIII to the Companies Act, 1956 or any amendment thereto.
- g) The Executive Chairman shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee(s) thereof.
- h) The Executive Chairman shall not so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or children in any selling agency of the Company in future without the prior approval of the Central Government.

### Overall Remuneration :

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively payable to all the Managerial personnel together, as calculated in accordance with Sections 198 and 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may for the time being in force.

### Minimum Remuneration :

In the event of loss or inadequacy of profits in any financial year, during the currency of tenure of office of Shri S. S. Kanoria, the Company may pay him remuneration by way of salary, perquisites and other allowances not exceeding the ceiling of Rs.30,00,000 (Rupees thirty lacs only) per annum or Rs.2,50,000 (Rupees two lacs fifty thousand only) per month, or any amendment in the Companies Act, 1956, as may be applicable at the relevant time, but shall not be entitled to any commission.

### About Shri S. S. Kanoria :

Shri S. S. Kanoria is an experienced businessman who is held in high esteem. He was the founder and Chairman of Kanoria Chemicals & Industries Limited

for a long period. He was also the President of the Federation of Indian Chamber of Commerce & Industry (FICCI) and has served on many important Committees of the Government. He enjoys a very good position in the social circle and is well known for his charitable activities.

Your Directors feel that it will be advantageous to reappoint Shri S. S. Kanoria as the Executive Chairman of the Company with liberty to the Board of Directors to vary the terms as mentioned above.

The Special Resolution set out at item no. 7 of the annexed Notice is intended to obtain approval of the Members to the reappointment of Shri S. S. Kanoria and payment of remuneration as mentioned above, to him as Executive Chairman of the Company.

Your Directors recommend the said resolution be passed.

Copy of the Agreement executed between the Company and Shri S. S. Kanoria on 24th May, 2010, is available for inspection of Members at the Registered Office of the Company and will also be available at the meeting.

None of the Directors of the Company other than Shri S. S. Kanoria and Shri R.V. Kanoria are concerned with or interested in this resolution.

The disclosure under Section 302 of the Companies Act, 1956 has been sent to the members of the Company.

### Statement pursuant to clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

#### I. General Information

- 1) Nature of Industry : Manufacturer of Jute Goods
- 2) Date or expected date of commencement of Commercial Production : 1921
- 3) In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Being an existing Company, not applicable.
- 4) Financial performance based on given indicators

Year ending 31st March	(Rs. in lacs)			
	Sales	Operating Profit	Profit before Tax	Profit after Tax
2006	14230	357	211	121
2007	12943	346	212	142
2008	15538	593	432	293
2009	17091	620	416	229
2010	19318	809	553	334

- 5) Export Performance and net foreign exchange collaborations : Export for the year 2009-10 was Rs. 5149 lacs.

- 6) Foreign Investments or Collaborators, if any : There are 11 NRI Shareholders holding 32152 Ordinary Shares of Rs.10 each. The Company does not have any foreign Collaborator.

## II. Information about the Appointee

### 1) Background Details :

Shri S. S. Kanoria is an experienced businessman who is held in high esteem. He was the Founder and Chairman of Kanoria Chemicals & Industries Limited for a long period. He was also the President of the Federation of Indian Chambers of Commerce & Industry (FICCI) and has served on many important Committees of the Government. He enjoys a very good position in the social circle and is well known for his charitable activities.

He has been the Executive Chairman of the Company for the past 3 years.

### 2) Past Remuneration :

2009-10	Rs. 31,20,000
2008-09	Rs. 31,35,000
2007-08	Rs. 15,71,500 (part year)

### 3) Recognition or awards : —

- 4) Job profile and his suitability : Shri Kanoria devotes whole time attention to the management of the affairs of the Company and exercises powers subject to the superintendence, direction and control of the Board of Directors. He is responsible for the day-to-day management of the Company and carries out duties as entrusted to him from time to time by the Board of Directors.

- 5) Proposed Remuneration : Salary Rs. 3,00,000 per month (the Board may at its sole discretion, consider and grant annual increments within permissible limits under the Companies Act, 1956) and commission @ 3% of the net profits computed in the manner laid down under Sections 198 and 309 of the Companies Act, 1956 and perquisites, as spelt out in the explanatory statement.

- 6) Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person : The remuneration proposed is in consonance with similar position in the Industry.

- 7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any : Except salary, commission and perquisites to be received from the Company and to receive dividend declared by the Company, Shri S. S. Kanoria does not have any pecuniary relationship directly or indirectly with the Company or relationship with any managerial personnel of the Company.

## III. Other information

- 1) Reasons of loss or inadequate profits and  
2) Steps taken or proposed to be taken for improvement :

There is profit in the Company at present, but as abundant caution for payment of minimum remuneration to Shri S. S. Kanoria, in case of no profit or inadequate profit in any particular year, this information is provided to the shareholders.

- 3) Expected increase in productivity and profits in measurable terms : 20% approximately.

## IV. Disclosures

- 1) For Remuneration Package offered to Shri Kanoria, Executive Chairman, please refer to the Item 2 of the Explanatory Statement hereinabove.

- 2) Detailed salary is being disclosed herewith :

Executive Chairman	Business Relationship with the Company, if any	Total Salary for 2009-2010 (in Rs.)
Shri S. S. Kanoria	Executive Chairman	31,20,000.00

### Notes :

4. The Executive Chairman is paid remuneration as per his agreement with the Company. This Agreement had been placed for approval before the Remuneration Committee and the Board and subject to the approval of the members he has been re-appointed as such, with effect from 01.10.2010.

5. Salary includes Basic Salary, Allowances, contribution to Provident and other Funds and Perquisites (including monetary value of Perquisites) etc, the break-up of which is as below :

Basic Salary	: Rs. 24,00,000.00
Perquisites	: Rs. 4,80,000.00
Provident fund	: Rs. 2,40,000.00

The figures mentioned herein is for financial year 2009-2010.

Commission at the rate of 3% of net profits of the Company for each financial year computed in the manner laid down in Sections 198 and 309 of the Companies Act, 1956.

6. His appointment is for a tenure of three years commencing from 01.10.2010 to 30.09.2013.  
7. The Company does not have any scheme for grant of stock options to its Directors or Employees.  
8. For termination of Agreement, the Company or the Executive Chairman is required to give a notice of three months or three months' salary in lieu thereof.

Registered Office :  
6, Little Russell Street  
Kolkata - 700 071  
24th day of May, 2010

For & on behalf of the Board  
**D. K. BUBNA**  
Executive Director cum  
Company Secretary



**DIRECTORS' REPORT  
TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting their Annual Report and Audited Accounts along with the Auditor's Report thereon of the Company for the year ended 31st March, 2010.

(Rs. in crores)

<b>FINANCIAL RESULTS</b>	<b>2009-2010</b>	<b>2008-2009</b>
Profit before Depreciation	<b>8.09</b>	6.21
Less : Depreciation	<u><b>2.56</b></u>	<u>2.05</u>
Profit for the year	<b>5.53</b>	4.16
Less : Provision for Current Taxation	<b>2.20</b>	1.60
Less/(Add) : Provision for Deferred Taxation	<b>(0.08)</b>	(0.30)
Less : Fringe Benefit Tax	—	0.08
Less : Income Tax for earlier years	<u><b>0.07</b></u>	<u>0.49</u>
Profit after Tax	<b>3.34</b>	2.29
(Less)/Add : Balance brought forward from last year	<u><b>3.83</b></u>	<u>2.80</u>
Balance carried forward and available for appropriation	<u><b>7.17</b></u>	<u>5.09</u>
Appropriated as under :		
Transfer to General Reserve	<b>0.17</b>	—
Proposed Dividend	<b>1.62</b>	1.08
Corporate Dividend Tax	<u><b>0.26</b></u>	<u>0.18</u>
Balance carried to Balance Sheet	<u><b>5.12</b></u>	<u>3.83</u>

**DIVIDEND**

In view of the sustained working results during the year, the Board of Directors are pleased to recommend a dividend of Re.1.50 per share (i.e. 15%) on 1,07,73,120 equity shares, aggregating to Rs.1,61,59,680.00 excluding Corporate Dividend Tax of Rs. 26,83,921.00 subject to approval of the members of the Company.

**OPERATIONS**

During the year under review, the Company's sale was Rs.195.08 crores and export was Rs. 51.49 crores against sales of Rs.172.51 crores and exports of Rs. 60.15 crores during the previous year. The production during the financial year was 41447 M.T. against 46788 M.T. during the previous year.

During the year unfortunately, there was an industry wide strike for 62 days from 14.12.2009 to 13.02.2010 which adversely effected the production, sales and exports of the Company during the year.

The continuous thrust on modernization and diversification has helped your Company to adjust the product mix as per market requirements.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**
**Industry Structure and Development**

- i) The Jute Packaging Materials (Compulsory use for Packing Commodities) Act 1987 (JPMA), which makes it compulsory for 100% packaging of Food grains and Sugar in Jute was extended till June, 2010. Due to, however, an unfortunate industry wide strike, the supply of Jute Bags was completely disrupted which prompted Govt. of India to dilute a substantial portion of Jute in favour of plastics both for food grain and sugar.
- ii) It is fortunate that Jute Industry has been able to arrive at agreement with workers for 3 years which is expected to assure continuous working

for next 3 years. This should strengthen the case of Jute Industry for continuation of 100% mandatory uses of Jute Bags for food grains and sugar. Further, in view of the ecological reasons, continued availability of the Jute Bags for packing food grains are of vital importance and should not be compromised at any cost.

- iii) Since Jute Mills in Bangladesh enjoy lower wages, lower power cost and substantial Government assistance, it is essential that the same treatment be accorded to the Indian Jute Industry as well, by providing suitable Export Market Allowance applicable to all composite Jute Mills against export of Jute Yarn to enable them to compete in the International Market.

#### **OPPORTUNITIES AND THREATS/RISKS AND CONCERNS**

Following are the major areas of risks and concerns for the Jute Industry :

- a) Competition from Bangladesh, which enjoys substantial benefits of lower wages and power cost, apart from getting sizeable Government assistance against exports.
- b) Economic meltdown in Europe and USA, in particular and globally in general has affected the exports of jute products adversely, particularly in items connected to the housing sector.
- c) Growing competition with cheaper synthetics which is fraught with ecological hazard. There is a need for well thought out plan to replace synthetic with Bio Degradable product like Jute in the near future.
- d) Continuous increase in Dearness Allowance of workers, without any corresponding increase in productivity which may lead to further increase in wage cost, which is already substantially higher than competitors at Bangladesh.
- e) Establishment of new units with lower wages and various incentives, non application of statutory benefits for new comers in West Bengal and elsewhere is unhealthy and an impediment towards the viability, modernization and diversification of the existing units.
- f) Dilution of The Jute Packaging Materials (Compulsory use for Packing Commodities) Act 1987 (JPMA) and on-going litigation creates uncertainty.

#### **OPPORTUNITIES**

Jute being Biodegradable product is likely to replace synthetic and other materials as a material of choice. Jute Industry has an opportunity to research the market and manufacture goods which may replace synthetic both in India and abroad. Apart from packaging materials, several other diversified fields where the usage of Jute can be introduced, need to be explored. For this, the Industry has to be innovative and equip itself with the necessary equipments. The recent agreement between workmen and the management in Jute Industry for 3 years uninterrupted working shall pave the way for further modernization in the Jute Industry and uninterrupted supply to the end users will improve the credibility of the Jute Industry as a reliable supplier.

#### **SEGMENTWISE OR PRODUCTWISE PERFORMANCE**

As Company's business activities falls within a single primary business segment viz. Jute Goods, the disclosure requirement of Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India is not applicable. However, the geographical segments considered for disclosure on the basis of sales are as under :

Within India	Rs. 141.75 crores
Outside India	Rs. 51.49 crores
<b>Total</b>	<b><u>Rs. 193.24 crores</u></b>

#### **OUTLOOK**

During the current year, Raw Jute Crop is expected to be higher than last year but due to low carry over, the Raw Jute prices are expected to remain at high level throughout the year. It is expected, however, to be lower than the prices prevailing at the end of the last year end season due to an unprecedented short crop. The Company continues to face absenteeism problem causing imbalances at times which results in lower production and higher wage cost. It is important that the workmen realize the importance of regular attendance without which the profitability and competitiveness of the Company gets affected.

Due to judicious buying of Raw Jute at reasonable prices and harnessing the opportunity of sudden spurt in export yarn market, the Company should be able to improve its performance substantially during first half of current year. Continuous modernization/

expansion should help your Company towards reduction in cost as well.

In view of above, the Company expects to improve its all round performance during the current year.

Jute being a natural fibre, this is a great opportunity for the Jute Industry to promote jute as the best substitute for synthetic material, which is being recognized as hazardous for packaging purpose particularly as the world is getting increasingly sensitive to sustainable development.

Jute products can be made hydro carbon free by replacing petroleum produce with vegetable oil, which will improve its properties for its improved application in food products and other usages which in turn will help preserve the health of the Nation.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has a proper and adequate internal control procedure, which is well supplemented by the surveillance of the Internal Auditors.

#### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

As a result of better marketing strategy, improvement in productivity and other measures undertaken, the Company has been able to increase its production and productivity and procure substantial export orders during the year and is thereby able to achieve an all round improvement in production, sales, export and profitability during the year but for the strike. With continuous thrust on modernization, new product development, productivity and cost control measures, the Company looks to the future with optimism and strength.

#### **CAUTIONARY STATEMENT**

Statement in this Management Discussion and Analysis Report, describing Company's objective, projection, expectation, estimate or prediction is based on the prevailing Industry position and market conditions which may be different from what is envisaged with regards to future prospects and performance. However this may undergo changes in future in view of the volatility involved based on weather condition, Government Policy relating to Jute Industry, global situation and market trends.

#### **ISO CERTIFICATION**

The Company is pleased to state that it has been recertified under ISO 9001:2008 for all its products and the same is valid till 4th day of August, 2011.

#### **DIRECTORS**

Shri B. Choudhuri and Shri L. G. Toolsidass retire from the Board by rotation, and being eligible, offers themselves for reappointment at the ensuing Annual General Meeting.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i) That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were responsible 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 profit or loss of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2010 on 'a going concern' basis.

#### **CORPORATE GOVERNANCE REPORT**

The code of Corporate Governance introduced by Clause 49 of the Listing Agreement with the Stock Exchanges, where the shares of the Company are listed, has been implemented by the Company in its true spirit. The Company has complied with all the mandatory requirements as prescribed under the said clause of the Listing Agreement.

A report on the matters specified in the said code of Corporate Governance, along with a certificate from the Company's Auditors confirming compliance is annexed and forms part of the report.



#### **AUDITORS AND AUDITORS' REPORT**

The statutory auditors, M/s. Singhi & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting of the Company and offer themselves for re-appointment. The Company has received a certificate from the above Auditors to the effect that re-appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956. The Audit Committee and the Board recommends the re-appointment of M/s. Singhi & Co., Chartered Accountants as Statutory Auditors of the Company.

Pursuant to provisions of Section 233B of the Companies Act, 1956, Messrs. Prasad & Co., Cost Accountants has been appointed, subject to requisite approval of the Central Government, to conduct an audit of the Cost Accounts maintained by the Company for the year ending 31st March 2011.

During the year, the Company has fully provided for gratuity as per actuarial valuation basis in compliance with Revised Accounting Standard 15.

#### **PARTICULARS OF EMPLOYEES**

As required under Section 217(2A) of the Companies Act, 1956, and the Rules made there under,

particulars of the employees concerned are given in the Annexure, which is attached hereto and forms part of the Directors' Report.

#### **ENERGY CONSERVATION**

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this Report.

#### **SUBSIDIARIES**

The statement required under Section 212 of the Companies Act, 1956 in respect of Subsidiary Companies, is appended to this report.

The Company, namely, Vidun Dealers Limited, has been struck off from the Registrar of Companies, West Bengal, as it was a defunct Company.

#### **APPRECIATION**

Your Directors would like to express their grateful appreciation for the assistance extended by the Banks, Government Authorities, Dealers, Customers, Shareholders and to all others who are continuing their assistance to the Company.

Registered Office :  
6, Little Russell Street,  
Kolkata - 700 071.  
The 24th day of May, 2010

For and on behalf of the Board

**S. S. Kanoria**  
*Executive Chairman*

**ANNEXURE TO THE DIRECTORS' REPORT**

**INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2010.**

**I. CONSERVATION OF ENERGY :**

As reported earlier, the Company accords high priority to Energy Conservation.

- (a) During the year, the Company has taken various measures to economize on Electricity consumption by –
- Installing lower H.P. Motors, wherever possible.
  - Replacement of old Motors with new Energy Efficient Motors.
  - Continuous replacement of conventional choke with electronic choke.
  - Optimization of machine speed, particularly in Spinning Frames, keeping in view the optimum productivity.
  - Change of Belts to reduce slippage and better utilization and conservation of power.
  - Maintenance of all machines, including boiler and compressor to make them energy efficient and minimize losses.
- (b) The Company has been making investment on continuous basis for the purpose of Energy Conservation.
- (c) Impact of measures undertaken and under process is reflected in lower consumption of electricity per M.T. of finished goods production during the year.

**Total energy consumption and energy consumption per unit of production as per Form 'A'**

	2009-2010	2008-2009
<b>A. Power &amp; Fuel Consumption :</b>		
1. Electricity :		
a) Purchased :		
Unit (in lacs)	178.62	200.86
Total Amount (Rs. in lacs)	836.81	852.13
Rate / unit (Rs.)	4.68	4.24
b) Own Generation :		
Through Diesel Generator		
Unit (in lacs)	7.71	6.45
Unit per litre of Diesel Oil	2.76	2.66
Cost / unit (Rs.)	12.58	13.85
2. Coal (used for generation of steam in boiler) :		
Quantity (in tons)	573	725
Total Cost (Rs. in lacs)	27.42	36.17
Average Rate (Rs.)	4785	4989
<b>B. Consumption per unit of production :</b>		
Products (Unit : M.T.)	41447	46788
Electricity (KWH)	449.56	443.09
Coal (Steam Kgs.)	69	86



## II. TECHNOLOGY ABSORPTION :

### Research & Development (R & D)

#### (a) Specification of technology :

The Company is a member of the Indian Jute Industries Research Association (IJIRA) and Jute Manufacturers Development Council (JMDC), the prime Research body for the Jute Industry and are getting the benefits of Research and Development made by the Association.

#### (b & c) Benefit and future plan of action :

The Company expects to derive benefits in future by higher value addition and per unit realization of its products.

#### (d) Expenditure on R & D :

The Company contributes to the Indian Jute Industries Research Association for Research and Development.

## III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

### (a) Export activities :

During the year under review, the FOB value of the exports of the Company was Rs. 4980 lacs as against Rs.4977 lacs in the last year.

### (b) Total foreign exchange used and earned :

Used	-	Rs. 3408 lacs
Earned	-	Rs. 5334 lacs

Registered Office :  
6, Little Russell Street,  
Kolkata - 700 071.  
The 24th day of May, 2010

For and on behalf of the Board

**S. S. Kanoria**  
Executive Chairman

## ANNEXURE TO THE DIRECTORS' REPORT

### PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER

and forming part of the Directors' Report for the year ended 31st March, 2010 in respect of the employees in receipt of remuneration for the year, aggregating not less than Rs. 24,00,000/- per year or Rs. 2,00,000/- per month.

Name	Designation	Remuneration Received (Rs.)	Qualification	Experience (years)	Date of joining	Age (years)	Particulars of last employment held
1. Shri S. S. Kanoria	Executive Chairman	31,20,000.00	B. A. (Hons.)	60	01.10.2007	82	Kirtivardhan Finvest Services Limited as Executive Chairman
2. Shri D. K. Bubna	Executive Director cum Company Secretary	31,17,600.00	M.Com, LLB, FCS, FICWA	44	09.12.1995	63	Anglo India Company Limited as President

Remuneration received includes Basic Salary, Allowances, Contribution to Provident and other Funds and Perquisites (including monetary value of Perquisites) etc. (the above does not include Provision for Gratuity & Leave Encashment).

**REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company has been following the principles of corporate governance over the years by placing emphasis on transparency, accountability and integrity so as to enhance value of all stakeholders namely employees, shareholders, customers, creditors and the society at large.

We give hereunder our report on the prevailing practices in your Company.

**2. BOARD OF DIRECTORS**

**2.1 Composition of the Board**

The strength of the Board of Directors as on 31st March, 2010 is 9 (nine), comprising of 7 (seven) non-executive and 2 (two) executive, independent Directors. More than 75% of the present Board are non-executive. The Board is headed by the Executive Chairman. The Company, therefore meets with the requirements relating to the composition of Board of Directors as laid down in Clause 49.

None of the Directors is a member of more than 10 committees and chairman of more than 5 committees (as specified in clause 49), across all the companies in which he is a Director. The necessary disclosures regarding committee memberships/chairmanships have been made by the Directors.

5 (five) meetings of the Board of Directors were held during the year ended 31st March, 2010. The intervening period between two Board Meetings was well within the maximum time gap of four months prescribed in Clause 49 of the Listing Agreement.

The meetings were held on :

- |                     |                           |
|---------------------|---------------------------|
| 1. 23rd April, 2009 | 4. 20th October, 2009 and |
| 2. 27th June, 2009  | 5. 29th January, 2010.    |
| 3. 27th July, 2009  |                           |

The composition and category of the Directors on Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also number of directorships and committee memberships/ chairmanships and number of shares held by them as on 31st March, 2010 are as follows :

Name of Directors	Position held	Category/ Classification	No. of Board Meetings attended	Attend-ance in last AGM	No. of shares held	No. of other Director-ships	Details of other Board Committee Membership	
							Member	Chairman
Shri S. S. Kanoria	Chairman	Executive	4	Yes	5200	6	-	-
Shri R. V. Kanoria	Director	Non-Executive Non-Independent	1	No	5100	8	1	-
Shri A. C. Mukherji	Director	Non-Executive Independent	5	Yes	-	7	5	4
Shri J. K. Bhagat	Director	Non-Executive Independent	4	Yes	-	5	4	-
Shri I. P. Poddar	Director	Non-Executive Independent	5	Yes	-	1	-	-
Shri B. Choudhuri	Director	Non-Executive Independent	5	Yes	-	11	3	3
Shri L. G. Toolsidass	Director	Non-Executive Independent	4	Yes	-	2	-	-
Shri Satish Kapur	Director	Non-Executive Independent	2	Yes	-	3	-	-
Shri D. K. Bubna	Executive Director cum Company Secretary	Executive	5	Yes	400	1	-	-

The number of directorships are reckoned by excluding directorships in private limited companies, foreign companies, alternate directorships and companies under Section 25 of the Companies Act, 1956.

In case of committees, only the two committees, viz. the Audit Committee and the Share Transfer and Shareholder's Grievances Committee are considered.

## 2.2 Remuneration of Directors (Executive and Non-Executive)

The details of remuneration paid to the Directors of the Company are given below. No remuneration other than the sitting fees for attending Board & Committee Meetings was paid to the Non-Executive Directors.

No Director is related to any other Director on the Board except that Shri R. V. Kanoria is son of Shri S. S. Kanoria.

### A. Non-Executive Directors

Name of the Directors	Sitting Fees (Rs.)	Salary (Rs.)	Commission (Rs.)	Service Contract	Notice Period	Stock Options
Shri R. V. Kanoria	5000.00	–	–	N.A.	N.A.	N.A.
Shri J. K. Bhagat	29000.00	–	–	N.A.	N.A.	N.A.
Shri A. C. Mukherji	35000.00	–	–	N.A.	N.A.	N.A.
Shri I. P. Poddar	43000.00	–	–	N.A.	N.A.	N.A.
Shri B. Choudhuri	35000.00	–	–	N.A.	N.A.	N.A.
Shri L. G. Toolsidass	35000.00	–	–	N.A.	N.A.	N.A.
Shri Satish Kapur	10000.00	–	–	N.A.	N.A.	N.A.

### B. Executive Chairman

Name	Designation	Sitting fees (Rs.)	Commission (Rs.)	Salary * (Rs.) during 2009-10
Shri S. S. Kanoria	Executive Chairman	Nil	Nil	31,20,000.00 p.a.

#### Notes :

- The Executive Chairman is paid remuneration as per his agreement with the Company. His appointment as Executive Chairman of the Company along with the terms and conditions of his appointment has been duly approved by the members of the Company at a duly convened Extra Ordinary General Meeting held on 09.01.2008.
- His appointment in the said capacity is from 01.10.2007.
- \*Salary includes Basic Salary, Allowances, contribution to Provident and other Funds and Perquisites (including monetary value of Perquisites) etc, the break-up of which is as below :
 

Basic Salary	: Rs. 24,00,000.00
Perquisites	: Rs. 4,80,000.00
Provident fund	: Rs. 2,40,000.00

 (the above does not include provision for gratuity and leave encashment)
- His appointment is for a tenure of three years commencing from 01.10.2007 to 30.09.2010 and a resolution is being proposed for his reappointment for a further period of 3 years.
- The Company does not have any scheme for grant of stock options to its Directors or Employees.
- For termination of Agreement, the Company or the Executive Chairman is required to give a notice of three months or three months' salary in lieu thereof.



**C. Executive Director**

Name	Designation	Sitting fees (Rs.)	Commission (Rs.)	Salary * (Rs.) during 2009-10
Shri D. K. Bubna	Executive Director cum Company Secretary	Nil	Nil	31,17,600.00

**Notes :**

- The Executive Director cum Company Secretary is paid remuneration as per his agreement with the Company.
- \*Salary includes Basic Salary, Allowances, contribution to Provident and other Funds and Perquisites (including monetary value of Perquisites) etc, the break-up of which is as below :
 

Basic Salary	: Rs.	20,16,000.00
Perquisites	: Rs.	9,00,000.00
Provident fund	: Rs.	2,01,600.00

 (the above does not include provision for gratuity and leave encashment)
- His re-appointment is for a tenure of three years commencing from 01.06.2010 to 31.05.2013.
- The Company does not have any scheme for grant of stock options to its Directors or Employees.
- For termination of Agreement, the Company or the Executive Director cum Company Secretary is required to give a notice of three months or three months' salary in lieu thereof.

**2.3 Re-appointment of Directors :**

The brief particulars of the Directors of the Company, retiring by rotation and proposed to be reappointed at the ensuing Annual General Meeting are as under :

**I.**

i. Name of the Director	Shri B. Choudhuri
ii. Date of birth	30.04.1942
iii. Date of appointment	28.06.2007
iv. Expertise in specific functional areas	Rich and varied experience in Engineering, Banking & Management. He is B. Tech (Hons) and FICWA.
v. List of other Directorships held	a) Aditya Birla Chemicals (India) Limited b) Bengal Sunny Rock Estates Housing Development Co. Limited c) Godawari Power & Ispat Limited d) DIC India Limited e) Hindusthan Engg. & Inds. Limited f) R. V. Investment & Dealers Limited h) Atvir Financial Consultants (P) Limited i) Space Matrix Limited j) R.R Ispat Limited k) Khaitan Electricals Limited
vi. Chairman/Member of Committees of the Board (Other than Company) of the Companies in which he is a Director	DIC India Limited - Audit Committee
vii. Shareholding in the Company	NIL

**II.**

i. Name of the Director	Shri L. G. Toolsidass
ii. Date of birth	03.07.1937
iii. Date of appointment	28.06.2007
iv. Expertise in specific functional areas	Vast and varied experience in International Trade.
v. List of other Directorships held	a) Jewraj Investments Private Limited b) Juteit Private Limited c) IGT Traders Limited d) Belvedere Gardens Limited e) G.T Properties Private Limited
vi. Chairman/Member of Committees of the Board (Other than Company) of the Companies in which he is a Director	NIL
vii. Shareholding in the Company	NIL

**3. AUDIT COMMITTEE**

- (i) The Audit Committee consists wholly of independent Directors having requisite knowledge of finance, accounts and company law. The role and terms of reference of this Committee is in line with Clause 49 of the Listing Agreement with the Stock Exchanges. The Committee, inter-alia, acts as a vital link between the statutory and internal auditors and the Board of Directors.
- (ii) At present, the Committee comprises of Shri A.C. Mukherji (as its Chairman) and Shri B. Choudhuri, Shri L.G. Toolsidass, Shri I. P. Poddar as its members. The said Committee is mandated to meet at least four times in a year, once to assess the audited accounts for the year before they are put up to the Board, besides meeting at least once in 4 months in the usual course.
- (iii) 5 (five) Audit Committee meetings were held during the year ended 31st March, 2010, dates being 23.04.2009, 27.06.2009, 27.07.2009, 20.10.2009 and 29.01.2010. The attendance of each Committee Member is as under :

Name of Member	Status	No. of Meetings attended
Shri A. C. Mukherji	Chairman	5
Shri I. P. Poddar	Member	5
Shri B. Choudhuri	Member	5
Shri L. G. Toolsidass	Member	4

- (iv) Shri D. K. Bubna, Executive Director cum Company Secretary acts as the Secretary to the said Committee.  
Shri R.K. Gupta, Vice President (Finance & Accounts) is also an invitee to the Committee and he remained present at all the meetings of the Audit Committee.
- (v) The broad functions of the Audit Committee are :-
- To discuss and review the comment on Internal Audit Reports submitted by Company's Internal Auditors.
  - To review the progress on implementation of the suggestions made by the Systems Department and Internal Auditors.
  - To discuss and review the observations of Internal Auditors, cost control measures, statutory compliances etc. in various functional areas.
  - To discuss the Quarterly and Annual financial results of the Company and submit the observation to the Board of Directors.
  - To interact with Statutory Auditors on the Annual Accounts and other accounting matters.

#### 4. SHARE TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE

- (i) The present composition of the Share Transfer and Shareholders' Grievance Committee is as under :

Name of Member	Status
Shri J. K. Bhagat	Chairman
Shri L. G. Toolsidass	Member
Shri I. P. Poddar	Member
Shri D. K. Bubna	Member

The Committee meets at least once in a month.

- (ii) The Committee looks into redressal of shareholder's complaints like transfer of shares, transmissions, demat and remat of shares etc, redressal of shareholders/investors grievances. In the beginning of the year, there were no outstanding complaints, the total number of complaints received during the year under review were 22 and all were addressed and replied to the satisfaction of shareholders. Outstanding complaints as on 31st March, 2010 was nil.
- (iii) Shri D.K. Bubna, the Executive Director cum Company Secretary is the Compliance Officer of the Company.

(iv) **Business Transacted**

- Ratification of share transfers effected by the Executive Director cum Company Secretary.
- Transfer and transmission of shares.
- Issue of duplicate share certificates.
- Consolidation and sub-division of shares.
- Review of routine complaints and corrective action taken.

#### 5. REMUNERATION COMMITTEE

- (i) The Committee is responsible for recommending to the Board of Directors to review and/or determine and recommend the remuneration package of the executive directors of the Company in accordance with the guidelines laid out by the statute and the Listing Agreement with the stock exchanges.
- (ii) The Company has one Executive Chairman and one Executive Director on the Board, whose appointment and remuneration is approved by the Shareholders of the Company on recommendation of the Board of Directors of the Company, duly recommended by the Remuneration Committee.
- (iii) The present composition of the Remuneration Committee is as under :

Name of Member	Status
Shri B. Choudhuri	Chairman
Shri L. G. Toolsidass	Member
Shri I. P. Poddar	Member

- (iv) There was no requirement of any meeting of the Remuneration Committee during the financial year ending 31.03.2010, hence no meeting was held.

#### 6. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for its members and the senior managerial personnel of the Company. All the Directors and senior managerial personnel of the Company have affirmed compliance with the Code of Conduct of the Company, as envisaged in Clause 49 of the Listing Agreement with the stock exchanges. The code of conduct has been posted on the web-site of the Company.

## 7. GENERAL BODY MEETINGS

The details of Annual General Meetings held in last 3 years are as under :

Annual General Meeting (AGM)	Day, Date & Time	Venue
28th AGM	Thursday, 30th August 2007 at 10:30 A.M.	"Bharatiya Bhasha Parishad" 36A, Shakespeare Sarani, Kolkata - 700 017
29th AGM	Thursday, 28th August 2008 at 10:30 A.M.	"Bharatiya Bhasha Parishad" 36A, Shakespeare Sarani, Kolkata - 700 017
30th AGM	Thursday, 27th August 2009 at 11:00 A.M.	"Bharatiya Bhasha Parishad" 36A, Shakespeare Sarani, Kolkata - 700 017

**NOTE :**

- (i) No special resolution was passed in the 29th and 30th AGM. There were 2 special resolutions which were passed in the 28th AGM, one pertaining to re-appointment and remuneration of Shri D. K. Bubna as the Executive Director cum Company Secretary of the Company and the other one was for voluntary de-listing of equity shares of the Company from The Calcutta Stock Exchange Association Limited.
- (ii) 3 special resolutions were passed in the EGM held on 09.01.2008. One was passed pursuant to Section 163 of the Companies Act, 1956 in connection with the keeping of Register of Members, Index of Members and copies of the Annual Returns etc. at the office of the Company's Registrar and Share Transfer Agents, MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029 and second was for seeking approval for appointment and remuneration of Shri S. S. Kanoria as the Executive Chairman of the Company, w.e.f. 01.10.2007. The third was for seeking approval u/s 21 of the Companies Act, 1956 for change of name of the Company from Aekta Limited to Ludlow Jute & Specialities Limited.
- (iii) No Special Resolutions through Postal Ballot was passed by the Company in the financial year 2007-2008. The Company has transacted a special business by way of postal ballot through which special resolutions for change in the object clause of the Company were proposed to be considered and passed by the Shareholders of the Company. Although, the notice for such postal ballot was dated 20.03.2008, the results of the same was declared on 24.04.2008. The resolutions were passed as special resolutions. Mr. B. N. Khandelwal, Practising Company Secretary, was appointed as the scrutinizer for conducting the postal ballot.
- (iv) There is no proposal of any special resolution to be passed through postal ballot in the upcoming AGM to be held on 30.07.2010.

## 8. DISCLOSURES

- (i) The non-executive Directors have no pecuniary relationship or transactions with the Company in their personal capacity. Non-executive Directors were not paid any remuneration except the sitting fees for attending various meetings of Board/Committees.
- (ii) Related party transactions entered in the ordinary course were placed before the Board. Details of transactions with related parties during the year has been furnished in clause 24 in Schedule N to the Accounts titled as 'Significant Accounting Policies and Notes on Accounts'.
- (iii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or by any other statutory authority on any matter related to capital markets, during the last three years.

**9. SUBSIDIARY COMPANY**

There are no material non listed subsidiary Companies. The financial statement and investment made, if any, by subsidiary Companies, are reviewed by Board of Directors.

**10. MEANS OF COMMUNICATION**

The quarterly, half yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are also published in the newspapers as required by the Listing Agreements. The Company has its own website wherein the quarterly results are displayed.

The financial results are normally published in the Business Standard/ Financial Express and Kalantar/ Pratidin.

The Management Discussion and Analysis Report is part of the Directors' Report.

**11. GENERAL SHAREHOLDERS INFORMATION**

**11.1 The Registered Office of the Company is situated at**

6, Little Russell Street, Kolkata - 700 071  
Phone : (033) 2283-9081/9082/9083  
Fax : (033) 2283-9078/4503  
e-mail : ludlow@giascl01.vsnl.net.in  
website : www.ludlowjute.com

**11.2 Address for Correspondence/Corporate Office is same as given above.**

**11.3 Plant Location**

Chengail, Howrah - 711308  
Phone : (033) 2642-8366/8820/9821  
Fax : (033) 2642-8367

**11.4 Registrar and Share Transfer Agents**

MCS Ltd.  
77/ 2A, Hazra Road, Kolkata - 700 029  
Phone : (033) 2454-1892/93  
Fax : (033) 2454-1961, e-mail : mcskol@cal2.vsnl.net.in

**11.5 Annual General Meeting**

Date : 30.07.2010  
Day : Friday  
Time : 3:00 P.M.  
Venue : Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020

**11.6 Book Closure : 15.07.2010 to 30.07.2010 (both days inclusive)**

**11.7 Listing of Shares & Other Securities\* :**

Name of the Stock Exchange	Stock Code
<b>Equity Shares</b> Bombay Stock Exchange Limited, 25th Floor, P. J. Towers, Dalal Street, Mumbai - 400 001	526179

\* The equity shares of the Company have been voluntarily de-listed from the Calcutta Stock Exchange Association Limited vide their letter reference CSEA/ID/491/2008 dated 28th June, 2008.

**Listing Fees :**

The Company has paid listing fees for the financial year 2010-2011 to the Bombay Stock Exchange Limited, where securities of the Company is listed.

### 11.8 Share Transfer System

Company's shares are in compulsory demat segment. Share Transfer in physical form are presently registered within a period of twenty to twenty five days from the date of receipt provided the documents are complete and the shares under transfer are not under dispute. Option letters for simultaneous demat of shares are also being sent to the shareholders.

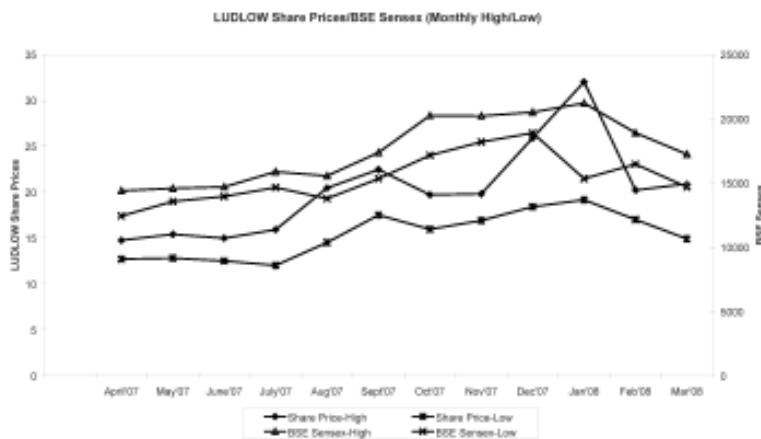
The share certificates, duly endorsed, are being returned immediately after expiry of 30 days from the date of option letter to those who have not opted for simultaneous transfer cum dematerialization.

### 11.9 Market Price Data

The details of monthly high/low market price of the shares at Bombay Stock Exchange Limited during each month of 2009-2010 is given hereunder :

Month	Quotation of Bombay Stock Exchange (in Rs.)	
	HIGH	LOW
APR - 2009	16.40	11.00
MAY - 2009	18.45	12.90
JUNE - 2009	18.95	12.95
JULY - 2009	18.25	15.40
AUG. - 2009	18.95	16.25
SEP. - 2009	25.00	17.00
OCT. - 2009	32.75	20.00
NOV. - 2009	46.65	28.80
DEC. - 2009	47.15	37.30
JAN. - 2010	45.10	32.20
FEB. - 2010	39.60	28.45
MAR. - 2010	39.85	26.55

### 11.10 Stock Performance in comparison to broad based indices



**11.11 Distribution of Shareholding**

The shareholding distribution of equity shares as on 31st March, 2010 is given below :

<b>No. of Shares (Range defined)</b>	<b>No. of Equity Shares held</b>	<b>No. of Shareholders</b>	<b>Percentage of Shareholding</b>
1 - 500	1425817	9290	13.23
501 - 1000	316788	376	2.94
1001 - 2000	214186	140	1.99
2001 - 3000	103608	41	0.96
3001 - 4000	89573	25	0.83
4001 - 5000	89681	19	0.83
5001 - 10000	229326	33	2.13
10001 - 50000	581481	26	5.40
50001 - 100000	77675	1	0.73
And above	7644985	7	70.96
	<b>10773120</b>	<b>9958</b>	<b>100.00</b>

**11.12 Shareholding Pattern as on 31st March, 2010**

<b>Category</b>	<b>No. of Shares</b>	<b>% of Shareholding</b>
<b>A. Promoters Holding</b>		
a) Indian Promoters	6167878	57.25
b) Foreign Promoters	—	—
<b>Sub Total "A"</b>	<b>6167878</b>	<b>57.25</b>
<b>B. Non-Promoters Holding</b>		
a) Banks, Financial Institutions/ Insurance Companies	600	.0056
b) Private Corporate Bodies	1467646	13.62
c) Resident Individuals	3103844	28.81
d) NRI/ OCB	32152	0.30
e) Trust & Foundations	1000	0.0093
<b>Sub Total "B"</b>	<b>4605242</b>	<b>42.75</b>
<b>Grand Total : "A+B"</b>	<b>10773120</b>	<b>100.00</b>

**11.13 Dematerialisation of Shares**

52.89% i.e. 5698429 Equity Shares of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31.03.2010.

**11.14 Financial Calendar 2010-2011**

First Quarter Results	: Before end of July 2010
Second Quarter Results	: Before end of October 2010
Third Quarter Results	: Before end of January 2011
Audited Results for the year ended 31.03.2011	: Before end of May 2011
Date of Book Closure	: 15.07.2010 to 30.07.2010 (both days inclusive)
Dividend Payment Date	: Within the statutory period of 30 days

### FIVE YEARS PERFORMANCE

(Rs. in lacs)					
	2006	2007	2008	2009	2010
Sales	14229.86	12942.91	15537.89	17091.50	<b>19318.02</b>
Cash Profit Before tax	357.45	346.36	593.02	620.30	<b>808.73</b>
Net Profit/(Loss) After tax	121.12	141.86	293.08	228.96	<b>333.94</b>
Gross Block	6026.85	6163.22	7139.77	7671.79	<b>8593.75</b>
Net Worth	1730.48	1872.34	1871.45	1943.89	<b>2081.22</b>
Debt	—	—	524.55	547.69	<b>2702.27</b>
Cash EPS (Rs.)	3.32	3.22	5.50	5.76	<b>7.51</b>
EPS (Rs.)	1.12	1.32	2.72	2.13	<b>3.10</b>
Dividend (%)	—	—	10	10	<b>15</b>
Installed Capacity (M. Tons)	42954	42954	57500	57500	<b>67500</b>
Production - (M. Tons)	40161	35436	47906	46788	<b>41447</b>

Note : Net Worth is calculated by excluding Revaluation Reserve and Deferred Tax liability/Asset.

#### 12. RISK MANAGEMENT

The Company has an integrated approach to managing risks inherent in various aspects of the business.

#### 13. CEO/CFO CERTIFICATION

The necessary certificates under clause 49 V of the Listing Agreement has been placed before the Board of Directors.

#### 14. NON-MANDATORY REQUIREMENTS

The Company has not adopted the non-mandatory requirements given under clause 49 of the Listing Agreement.

#### DECLARATION OF CEO

I confirm that all members of the Board of Directors and senior managerial personnel have affirmed their compliance with the Code of Conduct, for the year 2009-2010.

Place : Kolkata

Date : 24th day of May, 2010

**D. K. Bubna**  
Chief Executive Officer



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**Ludlow Jute & Specialities Limited****AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE****To The Members of Ludlow Jute & Specialities Limited**

We have reviewed the Compliance of Conditions of Corporate Governance by Ludlow Jute & Specialities Limited for the year ended 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

On the basis of our review and according to the information and explanations given to us and the representations made to us by the Management, we state that to the best of our knowledge and belief, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges.

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.

1 B, Old Post Office Street  
Kolkata - 700 001  
Dated : 24th day of May, 2010

For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E  
M. L. SHUKLA  
Partner  
Membership No. 051505

## AUDITORS' REPORT

### To the Shareholders

1. We have audited the attached Balance Sheet of **LUDLOW JUTE & SPECIALITIES LIMITED (formerly Aekta Limited)** as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the said Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
  2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
  3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to above, we report that :
- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Account.
  - iv) In our Opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts *read* with the Accounting Policies & Notes on Account in schedule "N" give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
    - b) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date and
    - c) In the case of the Cash Flow Statement of the Cash flows for the year ended on that date.

1 B, Old Post Office Street  
Kolkata - 700 001  
Dated : 24th day of May, 2010

For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E  
M. L. SHUKLA  
Partner  
Membership No. 051505

**ANNEXURE TO THE AUDITORS' REPORT**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management as per a based programme of verification of its Fixed Assets adopted by the company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. As per the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) No substantial part of Fixed Assets has been disposed off during the year.
2. (a) According to the information and explanations given to us, the inventories have been physically verified at reasonable interval during the year by the management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on such physical verification
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(III)(b) to (d) of the Order are not applicable.
- (b) During the year the Company has taken unsecured loan amounting to Rs. 15 crores from three companies covered in the register maintained under Section 301 of the Companies Act, 1956. The entire amount was repaid during the year. The maximum amount outstanding at any time during the year was Rs. 15 crores.
- (c) On the basis of the quotations available with the company, obtained from different parties, we are of the opinion that the above loans have been taken at competitive rates of interest and are not prejudicial to the interest of the company.
- (d) The company was regular in repaying the amount of principal and interest during the year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
5. (a) In our opinion, and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 have been duly entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at rates which are reasonable having regard to the prevailing market rates at the relevant time.
6. The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under. Accordingly clause 6(B) of the order is not applicable.
7. In our opinion, the Company has internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the Books of Account maintained by the Company in respect of its product as prescribed by the Central Government for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have

- been maintained. However, we have not carried out a detailed examination of such accounts and records.
9. (a) The Company has generally been regular in depositing undisputed statutory dues, in respect of Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty and Cess with the appropriate authorities.  
(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty and Cess outstanding on account of any dispute, other than those stated in Annexure "A" attached herewith.
  10. The Company does not have any accumulated loss as at 31st March 2010. The Company has not incurred any cash loss during the financial year ended on that date and in immediately preceding financial year.
  11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
  12. According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The Company is not a chit fund/nidhi/mutual benefit fund/society.
  14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities etc. However it has maintained proper records of the transactions and contracts of the investments dealt in by it and timely entries have been made by it. The investments made by the company are held in its own name except to the extent of the exemption under Section 49 of the Companies Act, 1956.
  15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
  16. According to the information and explanations given to us, the Company has not raised any term loan during the year.
  17. According to the information and explanations given to us, funds raised on short term basis have not been used for long term investment.
  18. During the year the Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956, and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
  19. The Company has not issued any debentures during the year.
  20. The Company has not raised monies by public issues during the year.
  21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**Annexure 'A'****Statement of Statutory dues outstanding on account of disputes, as on March 31, 2010, referred to in para 9(b) of the Auditor's Report**

No.	Nature of Dues	Gross Amount (Rs. in lakhs)	Paid under protest	Period to which the amount relates	Forum where dispute is pending
1.	a) Excise Duty	0.43	—	1964 to 1969	Pending at Calcutta High Court
	b) Excise Duty	17.80	3.00	1986-87 to 1991-92	CESTAT
2.	a) Sales Tax	62.59	11.70	1998 to 2002	D.C.C.T.(CD)
	b) Sales Tax	14.66	1.00	1991-92 & 1995-96	WBCT(A & R) Board
	c) Sales Tax	130.60	—	2004-05 & 2005-2006	D.C.C.T. (CD)
	d) Sales Tax	14.48	—	2002-03 & 2003-2004	WBCT(A & R) Board
	<b>Total</b>	<b>240.56</b>	<b>15.70</b>		



## Balance Sheet as at 31st March, 2010

(Rs. in '000)

	Schedule	As at 31st March, 2010	As at 31st March, 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	'A'	10,79,77	10,79,77
Reserves & Surplus	'B'	15,23,95	14,60,64
<b>Loan Funds</b>			
Secured Loans	'C'	27,02,27	5,47,69
<b>Total Funds Employed</b>		<b>53,05,99</b>	<b>30,88,10</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	'D'	84,13,74	75,29,08
Less : Depreciation		50,65,41	47,28,42
Net Block		33,48,33	28,00,66
Capital Work-in-Progress		1,80,01	1,42,70
		<b>35,28,34</b>	<b>29,43,36</b>
<b>Investments</b>	'E'	2,55,18	2,55,17
<b>Deferred Tax Assets (Net)</b>		1,24,04	1,15,87
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	'F'	62,15,29	37,64,69
Sundry Debtors		7,37,18	9,41,79
Cash & Bank Balances		3,10,84	1,78,28
Loans, Advances & Deposits		5,07,95	2,30,31
		<b>77,71,26</b>	<b>51,15,07</b>
<b>Less : Current Liabilities &amp; Provisions</b>	'G'		
Current Liabilities		46,71,57	38,96,73
Provisions		17,01,26	14,44,64
		<b>63,72,83</b>	<b>53,41,37</b>
<b>Net Current Assets</b>		<b>13,98,43</b>	<b>(2,26,30)</b>
<b>Total Assets</b>		<b>53,05,99</b>	<b>30,88,10</b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>			
	'N'		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our Report of even date annexed.

For SINGHI & CO.

Chartered Accountants

M. L. SHUKLA

Partner

Membership No. 051505

1-B, Old Post Office Street

Kolkata, the 24th day of May, 2010

For and on behalf of the Board

D. K. BUBNA  
Executive Director cum  
Company Secretary

A. C. MUKHERJI  
Director

S. S. KANORIA  
Executive Chairman

## Ludlow Jute & Specialities Limited

### Profit & Loss Account for the year ended 31st March, 2010

(Rs. in '000)

	Schedule	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>INCOME</b>			
Sales	'H'	1,93,18,02	1,70,91,49
Other Income	'I'	3,45,71	85,52
		<u>1,96,63,73</u>	<u>1,71,77,01</u>
<b>EXPENDITURE</b>			
(Increase)/Decrease in Finished Goods and Process Stocks	'J'	3,65,44	(4,62,08)
Raw Materials Consumed	'K'	1,01,54,46	81,90,07
Purchase of Finished Goods		—	5,08
Manufacturing, Administrative, Selling and Other Expenses	'L'	79,94,19	86,88,26
Interest	'M'	3,40,91	1,35,38
		<u>1,88,55,00</u>	<u>1,65,56,71</u>
Profit/(Loss) Before Depreciation & Tax		8,08,73	6,20,30
Less : Depreciation		3,37,69	2,86,85
Less : Transferred from Revaluation Reserve		82,18	82,18
		<u>2,55,51</u>	<u>2,04,67</u>
Profit/(Loss) Before Tax		5,53,22	4,15,63
Less : Provision for			
Income Tax		2,20,00	1,59,87
Deferred Tax		(8,17)	(30,48)
Fringe Benefit Tax		—	8,20
		<u>3,41,39</u>	<u>2,78,04</u>
Add : Excess FBT Provision written Back		2,52	—
Less : Income Tax Relating to Earlier Year		9,97	49,08
Profit After Tax		3,33,94	2,28,96
Balance brought forward from last A/c		3,83,50	2,80,58
Balance available for appropriation		7,17,44	5,09,54
Transferred to General Reserve		16,70	—
Proposed Dividend		1,61,60	1,07,73
Corporate Dividend Tax		26,84	18,31
Balance carried to Balance Sheet		<u>5,12,30</u>	<u>3,83,50</u>
Basic & Diluted Earning Per Share (Rs.)		3.10	2.13
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>			
	'N'		

The Schedules referred to above form an integral part of the Profit & Loss Account  
As per our Report of even date annexed.

For SINGHI & CO.  
Chartered Accountants  
M. L. SHUKLA  
Partner

Membership No. 051505  
1-B, Old Post Office Street  
Kolkata, the 24th day of May, 2010

**For and on behalf of the Board**

D. K. BUBNA  
*Executive Director cum  
Company Secretary*

A. C. MUKHERJI  
*Director*

S. S. KANORIA  
*Executive Chairman*



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in '000)

	2009-2010	2008-2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT/(LOSS) BEFORE TAX &amp; EXTRAORDINARY ITEMS</b>	<b>5,53,22</b>	<b>4,15,63</b>
Adjustments for :		
Depreciation	2,55,51	2,02,64
Income from Interest	(23,18)	(4,52)
Income from Dividend	(16,45)	(15,27)
Interest Expenses	3,40,91	1,35,37
(Profit)/Loss from sale of Fixed Assets	(32,61)	(12,33)
Provision For Gratuity	1,77,27	1,07,13
Provision For Leave	16,96	20,75
Provision For Doubtful debts	—	2,89
Liabilities written back	(4,98)	(5,63)
Provision for dimunition in the value of investment	9	9
	<b>12,66,74</b>	<b>8,46,75</b>
<b>Adjustment for change in Working Capital</b>		
Trade & other receivables (increase)	18,60	(82,41)
Inventories	(24,50,61)	(4,72,48)
Trade Payables and Liabilities	7,03,64	7,51,88
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(4,61,63)</b>	<b>10,43,74</b>
Income tax Net of paid/ provisions (including FBT)	3,14,60	2,16,37
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(7,76,23)</b>	<b>8,27,37</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(9,22,72)	(5,32,22)
Sale/Adjustment of Fixed Assets	32,61	12,34
Sale/(Purchase) of Investment	(10)	5,03
Interest Received	23,18	4,52
Dividend Received	16,45	15,27
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(8,50,58)</b>	<b>(4,95,06)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	21,55,12	23,14
Dividend Paid	(1,03,51)	(1,03,10)
Dividend Tax Paid	(18,31)	(18,31)
Interest Paid	(2,73,93)	(1,34,83)
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>	<b>17,59,37</b>	<b>(2,33,10)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>1,32,56</b>	<b>99,21</b>
<b>OPENING CASH &amp; CASH EQUIVALENTS</b>	<b>1,78,28</b>	<b>79,07</b>
<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>	<b>3,10,84</b>	<b>1,78,28</b>
<b>CASH &amp; CASH EQUIVALENTS COMPRISES</b>		
Cash and Bank Balances	3,10,84	1,78,28

### Notes :

- Above statement has been prepared in indirect method.
- Cash and Cash Equivalents represent "Cash Balance in hand and Balances with Scheduled Banks". Cash & Cash equivalents includes Rs. 8,85 (Previous Year Rs. 4,63) in Unpaid Dividend Account and Rs. 78,91 (Previous Year Rs. 36,95) in Margin Money A/c. kept with Scheduled Banks.
- Figures have been regrouped where ever necessary.

As per our Report of even date annexed.

For SINGHI & CO.  
Chartered Accountants  
M. L. SHUKLA  
Partner  
Membership No. 051505  
1-B, Old Post Office Street  
Kolkata, the 24th day of May, 2010

For and on behalf of the Board

D. K. BUBNA  
Executive Director cum  
Company Secretary

A. C. MUKHERJI  
Director

S. S. KANORIA  
Executive Chairman



**Schedules to the Balance Sheet**

(Rs. in '000)

	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED		
1,49,90,000 Equity Shares of Rs.10/- each	<b>14,99,00</b>	14,99,00
1,000 Redeemable Preference Shares of Rs.100/- each	<b>1,00</b>	1,00
	<u><b>15,00,00</b></u>	<u>15,00,00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,07,73,120 Equity Shares of Rs.10/- each fully paid up (Out of above 6,00,000 Equity Shares issued for consideration other than cash in pursuance of Scheme of Arrangement sanctioned by High Court)	<b>10,77,31</b>	10,77,31
Add : Forfeited Shares	<b>2,46</b>	2,46
	<u><b>10,79,77</b></u>	<u>10,79,77</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve (As per Last Account)	<b>10,54</b>	10,54
Revaluation Reserve (As per Last Account)	<b>4,80,64</b>	5,62,83
Less : Transferred to Profit & Loss Account	<b>82,18</b>	82,18
	<b>3,98,46</b>	4,80,65
Share Premium (As per Last Account)	<b>5,85,95</b>	5,85,95
General Reserve	<b>16,70</b>	—
Profit/(Loss) as per Account Annexed	<b>5,12,30</b>	3,83,50
	<u><b>15,23,95</b></u>	<u>14,60,64</u>
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
Working Capital Borrowing		
From Banks	<b>27,02,27</b>	5,47,14
Interest Accrued and Due	<b>—</b>	55
	<u><b>27,02,27</b></u>	<u>5,47,69</u>

Note : Secured against hypothecation of stocks and book debts and also against first charge on Fixed Assets of the company.

## Schedules to the Balance Sheet

### SCHEDULE 'D' FIXED ASSETS

(Rs. in '000)

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK			
	Value As at 31.03.2009	Additions during the year	Deductions/ Adjustment during the year	Value As at 31.03.2010	Upto 31.03.2009	Provided during the year	Deductions/ Adjustments during the year	As at 31.3.2010	As at 31.3.2009
Goodwill	(1)	—	—	(1)	—	—	—	(1)	(1)
Freehold Land	1,39,09	—	—	1,39,09	—	—	—	1,39,09	1,39,09
Buildings	14,98,77	4,02	—	15,02,79	9,99,14	8,47	47,66	4,47,52	4,99,63
Plant & Machinery	51,70,37	6,63,32	74	58,32,95	33,30,44	2,02,84	70	22,71,66	18,39,93
Workshop Machinery & Installations	21,96	—	—	21,96	21,95	—	—	1	1
Electrical Machinery & Installation	1,35,42	—	—	1,35,42	75,39	6,92	1,10	52,01	60,03
Water Supply Installation	1,35,30	—	—	1,35,30	58,59	2,89	2,80	71,02	76,71
Roads, Drainage, Fencing	55,46	—	—	55,46	19,19	52	23	35,52	36,27
Motor Vehicles & Fork Lifts	2,42,37	2,02,91	—	4,45,28	1,42,17	22,39	1,68	2,79,04	1,00,20
Furniture & Fixtures, Office Equipments, Air-Conditioners, Telephone Installations & Laboratory Equipments	1,30,34	15,15	—	1,45,49	81,55	11,48	—	52,46	48,79
<b>Total</b>	75,29,08	8,85,40	74	84,13,74	47,28,42	2,55,51	70	33,48,33	28,00,66
<b>Previous Year</b>	70,06,21	5,63,68	40,81	75,29,08	44,43,79	2,04,67	2,22	28,00,66	28,00,66

**NOTE :** Fixed Assets of the Company excluding minor items were revalued by an external Independent Valuer on 31st March, 1992 which resulted in increase of Fixed Assets Value by Rs.30,04,76 on Net Current Replacement Basis. This increase had been transferred to Revaluation Reserve Account. After adjustment in respect of Fixed Assets sold/discarded and Depreciation provided the Revaluation Reserve now stands at Rs. 3,98,46 as on 31.03.2010.

## Ludlow Jute & Specialities Limited

### Schedules to the Balance Sheet

(Rs. in '000)

	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 'E'</b>		
<b>INVESTMENTS</b>		
(Other than Trade)		
<b>A. Long Term</b>		
No. of Shares/ Debentures/Units	Face Value per Share/Debenture/Unit (Rs.)	No. of Shares/ Debentures/Units
<b>GOVERNMENT SECURITIES</b>		
Unquoted -		
7 years National Saving Certificates (Deposited with Central Excise and Sales Tax Authorities),(Matured)		
	<u>5</u>	<u>5</u>
<b>Total Government Securities:</b>		
	<u>5</u>	<u>5</u>
<b>FULLY PAID UP EQUITY SHARES :</b>		
Quoted -		
50 Alliance Udyog Ltd.	10 (5,12)	50 (5,12)
24 Anglo India Jute Mills Co. Ltd. *	100 (4,62)	24 (4,62)
660 Birla Corporation Ltd.	10 1,48	660 148
305 Budge-Budge Co. Ltd.*	10 1	305 1
274 Cheviot Company Ltd.	10 7	274 7
1035 Delta International Ltd. *	10 20	1035 20
4 Hindustan Development Corpn. Ltd.	10 (2,92)	4 (2,92)
50 Howrah Mills Company Limited *	10 (4,75)	50 (4,75)
50 The Jagatdal Ind. Ltd.	10 (3,58)	50 (3,58)
19 Kanknarrah Co. Ltd. *	100 1	19 1
1000203 Kanoria Chemicals & Ind. Ltd.	5 2,28,32	1000203 2,28,32
10 Kelvin Jute Co. Ltd.	10 (2,40)	10 (2,40)
70 Nellimarla Jute Mills Co. Ltd.	10 (3,68)	70 (3,68)
12 New Central Jute Mills Co. Ltd. *	100 (88)	12 (88)
100 Presidency Exports & Industries Ltd.	5 (1,05)	100 (1,05)
5430 Bajaj Hindusthan Sugar and Industries Limited	10 2	5430 2
224 Reliance Ispat Industries Ltd.	10 6	224 6
200 Solarson Ind. Ltd.	10 2	200 2
50 The Agarpara Co. Ltd. *	10 (1,75)	50 (1,75)
990 The Auckland International Ltd.	10 (7,50)	990 (7,50)
660 Abhishek Jute & Industries Limited	10 (5,00)	660 (5,00)
5 The Baranagar Jute Factory Co.Ltd.*	5 (1,16)	5 (1,16)
100 AI Champdany Industries.Ltd.	10 (3,44)	100 (3,44)
50 Fort William Industries Ltd.	10 2	50 2
50 The Ganges Manufacturing Co.Ltd. *	10 (3,75)	50 (3,75)
90 Gillanders Arbuthnot & Co Ltd.	10 13	90 13
40 The Gouripore Co. Ltd.	10 (1,50)	40 (1,50)
1176 The Hooghly Mills Co.Ltd.	10 (7,42)	1176 (7,42)
62 The India Jute & Industries Ltd. *	10 2	62 2
25 The Nuddea Mills Co. Ltd.*	10 (50)	25 (50)
7 Waverly Investments Ltd.	1 (30)	7 (30)
1200 Willard India Ltd.	10 44	1200 44
112 Reliance Jute Mills (Int) Ltd.*		112
<b>FULLY PAID-UP DEBENTURES (Quoted)</b>		
1 Hindustan Development Corpn. Ltd. (P.C.D.)	50 (50)	1 (50)
Total of Quoted Investments	<u>2,30,86</u>	<u>2,30,86</u>
<b>Balance Carried over</b>	<u>2,30,91</u>	<u>2,30,91</u>



## Schedules to the Balance Sheet

(Rs. in '000)

	As at 31st March, 2010		As at 31st March, 2009	
<b>SCHEDULE 'E' (Contd.)</b>				
No. of Shares/ Debentures/Units	Face Value per Share/Debenture/Unit (Rs.)		No. of Shares/ Debentures/Units	
<b>Balance brought forward</b>		<b>2,30,91</b>		2,30,91
<b>FULLY PAID-UP EQUITY SHARES :</b>				
Unquoted -				
10 Birds Jute & Exports Ltd.	100	1	10	1
50 National Co.Ltd. *	10	(6,69)	50	(6,69)
200 Santosh Garden Co operative.	10	2	200	2
5 The Alexandra Jute Mills Ltd. *	100	(2,59)	5	(2,59)
50 The Empire Jute Co. Ltd.	10	(1,34)	50	(1,34)
50 Caledonian jute & Industries	10	(5,05)	50	(5,05)
62 The Khardah Co. Ltd. *	10	(4,76)	62	(4,76)
12 The Kinnison Jute Mills Co.Ltd. *	100	2	12	2
10 The Lawrence Investment & Property Co. Ltd.	100	(9,80)	10	(9,80)
50 The North Brooke Co. Ltd.	10	(8,94)	50	(8,94)
10 Union Jute Co. Ltd. *	100	(7,18)	10	(7,18)
56 RJM Fibres Industries Ltd.	10	(5,74)	56	(5,74)
56 RJM Investment Ltd.	10	(5,46)	56	(5,46)
<b>IN SUBSIDIARY COMPANIES (UN-QUOTED)</b>				
Vidun Dealers Ltd.			50	(505)
250000 Ludlow Exports Ltd.	10	25,00	250000	25,00
<b>Total of Unquoted Investments</b>		<b>25,11</b>		<b>25,12</b>
<b>Total</b>		<b>2,56,02</b>		<b>2,56,03</b>
<b>Less : Prov. for diminution in market value of Investment (Net)</b>		<b>95</b>		<b>86</b>
<b>Value of Investment (Net)</b>		<b>2,55,07</b>		<b>2,55,17</b>
<b>B. Current</b>				
<b>UNITS IN MUTUAL FUNDS ( UNQUOTED)</b>				
528.635 HDFC Cash Mgmt. Fund	10			
Retail Option - Daily Dividend Plan (998213.592 Units Subscribed and 997684.957 Units Redeemed during the year)		6	0	0
5.295 Reliance Money Manager	1,000	5		
Retail Option - Daily Dividend Plan (10004.981 Units Subscribed and 9999.686 Units Redeemed during the year)			0	0
		<b>11</b>		<b>0</b>
<b>GRAND TOTAL</b>		<b>25518</b>		<b>25517</b>
		<b>As at 31st March, 2010</b>	<b>As at 31st March, 2009</b>	
		<b>Book</b>	<b>Book</b>	<b>Market</b>
		<b>Value (Rs.)</b>	<b>Value (Rs.)</b>	<b>Value (Rs.)#</b>
<b>Aggregate Amount of :</b>				
Quoted Investments		2,30,02	2,30,00	2,31,04
Unquoted Investments		25,16	25,17	
		<b>2,55,18</b>	<b>2,55,17</b>	<b>2,31,04</b>

## Schedules to the Balance Sheet

### SCHEDULE 'E' (Contd.)

Units in Mutual Funds subscribed and redeemed during the year	No. of Units
i) H.D.F.C.Cash Management Fund - Treasury Advantage Plan Whole-Sale weekly dividend plan of Rs.10/- each	2003852.319
ii) Reliance Money Management Fund - Retail option - Weekly Dividend Plan of Rs. 1000/- each	10005.420
* BIFR Companies	
@ Shares in Reliance Jute Mills (Int.) Ltd. has been acquired as per scheme of Arrangement of Reliance Jute Ltd. with Reliance International Ltd.	
# In absence of availability of quoted rates, market value of such shares have been considered at Rs. 1/-	
	(Rs. in '000)

	<b>As at</b>	<b>As at</b>
	<b>31st March, 2010</b>	<b>31st March, 2009</b>

### SCHEDULE 'F'

#### CURRENT ASSETS, LOANS, ADVANCES & DEPOSITS

##### (A) CURRENT ASSETS

Inventories (as taken, valued and certified by the Management)		
Stores, Spare Parts & Packing	<b>2,46,12</b>	1,84,88
Materials (at cost)		
<b>Stock in Trade</b>		
Raw Jute	<b>50,33,39</b>	22,74,05
(at lower of cost or net realisable value)		
Finished Goods	<b>7,53,86</b>	11,40,93
(at lower of cost or net realisable value)		
Stock-in-Process	<b>1,81,92</b>	1,64,83
(at lower of cost or net realisable value)		
	<b>62,15,29</b>	37,64,69
	<u><u>62,15,29</u></u>	<u><u>37,64,69</u></u>
<b>SUNDRY DEBTORS</b>		
<b>Debts exceeding six months</b>		
Unsecured Considered good	<b>89,96</b>	1,23,40
Less : Provision for Doubtful Debts	<b>89</b>	89
	<u>89,07</u>	<u>1,22,51</u>
<b>Other Debts</b>		
Unsecured Considered good	<b>6,48,11</b>	8,19,28
	<u>7,37,18</u>	<u>9,41,79</u>
	<u><u>7,37,18</u></u>	<u><u>9,41,79</u></u>
<b>CASH AND BANK BALANCES</b>		
Cash in hand(incl. stamps)(as certified by the management)	<b>10,82</b>	7,20
Balances with Scheduled Banks		
in Current Accounts	<b>2,08,87</b>	1,25,68
in Margin Money Account	<b>78,91</b>	36,95
in EEFC Account	<b>3,39</b>	3,82
In Unpaid Dividend Account	<b>8,85</b>	4,63
	<u>3,10,84</u>	<u>1,78,28</u>
	<u><u>3,10,84</u></u>	<u><u>1,78,28</u></u>



## Schedules to the Balance Sheet

(Rs. in '000)

	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 'F' (Contd.)</b>		
<b>(B) LOANS, ADVANCES &amp; DEPOSITS</b>		
Advances (recoverable in cash or in kind or for value to be received and/or pending adjustment)(Unsecured, considered good/ unless otherwise stated)		
For purchase of goods	66,41	26,89
Advance Tax Net of Provision	1,40,99	49,36
Prepaid expenses	34,50	28,55
To Others	11,60	9,77
To Subsidiary	—	2,00
To Workmen Advance	82,44	2,24
To Staffs	3,82	2,47
Balances with Government Authorities	42,44	43,86
Claims receivable etc.	3,77	3,27
DEPB Licence Receivable	1,06,80	43,18
Duty Draw Back Receivable	10,42	14,66
Deposits (Unsecured, considered good unless otherwise stated)	4,76	6,06
	<u>5,07,95</u>	<u>2,32,31</u>
Less : Provision for Doubtful Advance	—	2,00
	<u>5,07,95</u>	<u>2,30,31</u>
<b>SCHEDULE 'G'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
<b>Sundry Creditors</b>		
For Goods	31,13,22	21,03,08
For Expenses (Includes Rs. Nil for Micro, Small and Medium Enterprises, Previous Yr. Rs Nil)	13,27,15	16,00,89
Due to Subsidiary	21,97	24,47
Security & Trade Deposits	12,80	12,80
Unpaid Dividend*	8,85	4,63
Other Liabilities	1,20,60	1,50,86
Interest Accrued but not due	66,98	—
	<u>46,71,57</u>	<u>38,96,73</u>
<b>PROVISIONS</b>		
For Disputed Statutory Dues		
i) Employee State Insurance	2,59	2,59
ii) Land Revenue Tax	49	49
For Gratuity	14,13,23	12,35,97
For Leave Pay	96,51	79,55
For Proposed Dividend - 2009	1,61,60	1,07,73
For Proposed Dividend Tax - 2009	26,84	18,31
	<u>17,01,26</u>	<u>14,44,64</u>

\* No amount are due and outstanding to be credited to Investor, Education and Protection fund.

**Schedules to the Profit & Loss Account**

(Rs. in '000)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>SCHEDULE 'H'</b>		
<b>SALES</b>		
Finished Products (Including Export Sales Rs. 51,48,61 Pr.Yr. Rs. 60,15,23)	<b>1,93,23,32</b>	1,70,95,76
Less : Jute Manufacturing Cess	<b>1,90,07</b>	1,59,12
Refer note B(8) in Schedule "N"	<u><b>1,91,33,25</b></u>	<u>1,69,36,64</u>
Add : Sales related income		
Export Benefits	<b>1,84,77</b>	1,54,85
	<u><b>1,93,18,02</b></u>	<u>1,70,91,49</u>
<b>SCHEDULE 'I'</b>		
<b>OTHER INCOME</b>		
Rent	<b>12,83</b>	11,78
Exchange Fluctuation Gain	<b>2,19,96</b>	—
Miscellaneous Income	<b>35,71</b>	28,12
Insurance & Other Claims	<b>5</b>	3,27
Excess Liabilities & Credit balances w/back (Net)	<b>1,00</b>	2,57
Sundry Balances Written Back	<b>4</b>	2,03
Adjustments Relating to Earlier Year	<b>3,90</b>	5,63
Dividend Received (including Rs. 15,07 for Long-term Investments)	<b>16,45</b>	15,27
Interest Received	<b>23,17</b>	4,52
Profit on Sale of Fixed Assets	<b>32,60</b>	12,33
	<u><b>3,45,71</b></u>	<u>85,52</u>
<b>SCHEDULE 'J'</b>		
<b>(INCREASE)/DECREASE IN STOCK</b>		
<b>OPENING STOCK</b>		
Finished Goods (incl. Semi-finished goods Rs. 97,67 Prev. Yr : Rs. 84,66)	<b>11,40,93</b>	7,34,73
Stock-in-Process	<b>1,64,83</b>	1,04,19
	<u><b>13,05,76</b></u>	<u>8,38,92</u>
<b>Deduct : CLOSING STOCK</b>		
Finished Goods (including semi-finished goods Rs. 1,28,28 Prev. Yr. Rs. 97,67)	<b>7,53,86</b>	11,40,93
Stock-in-Process	<b>1,81,92</b>	1,64,83
	<u><b>9,35,78</b></u>	<u>13,05,76</u>
	<b>3,69,98</b>	(4,66,84)
<b>Less :</b> Increase/(Decrease) in cess on stocks	<b>(4,54)</b>	(4,76)
<b>Net Differences</b>	<u><b>3,65,44</b></u>	<u>(4,62,08)</u>



## Schedules to the Profit & Loss Account

(Rs. in '000)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>SCHEDULE 'K'</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	22,74,05	23,22,89
Add : Purchases	1,29,13,80	81,41,23
	<u>1,51,87,85</u>	<u>1,04,64,12</u>
Less : Closing Stock	50,33,39	22,74,05
	<u>1,01,54,46</u>	<u>81,90,07</u>
<b>SCHEDULE 'L'</b>		
<b>MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>		
Consumption of Stores & Spares (Including packing material)	10,26,71	11,24,63
Power & Fuel	9,61,21	9,77,61
Manufacturing & Processing Expenses	3,54,73	3,01,88
Salaries, Wages & Bonus	33,11,71	33,87,37
Gratuity	2,42,18	1,78,88
Contribution to P.F. & Other Funds	4,17,94	3,96,14
Staff & Workers Welfare Expenses	73,52	71,22
Rates & Taxes	6,83	14,06
Rent	38,54	27,40
Insurance	36,92	34,17
Repairs & Maintenance :		
Plant & Machinery	86,02	1,08,11
Buildings	1,18,44	88,48
Others	82,51	61,57
Commission & Brokerage on sales	49,73	57,43
Freight, Transport & Selling Expenses	9,09,97	13,18,31
Travelling Expenses (Including Directors' Travelling Rs. 18,45 Previous year - Rs. 15,90)	34,51	31,09
Legal & Professional Expenses	30,75	26,11
Provision for Doubtful Debts	—	2,89
Provision for diminution in investment	9	9
Miscellaneous Expenses	2,05,85	1,42,11
Exchange Fluctuation Loss	—	3,33,59
Directors' Fee	1,92	1,73
Auditors' Remuneration :		
Statutory Auditors :		
Audit Fee	2,76	2,21
Fees for certification	1,10	98
Cost Auditors :		
Audit Fees	25	20
	<u>79,94,19</u>	<u>86,88,26</u>
<b>SCHEDULE 'M'</b>		
<b>INTEREST</b>		
To Banks & Others	3,40,91	1,35,38
	<u>3,40,91</u>	<u>1,35,38</u>



## Schedules to the Accounts

### SCHEDULE 'N'

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

##### A. SIGNIFICANT ACCOUNTING POLICIES

###### 1. Basis of Accounting

The Financial Statements are prepared under the historical cost convention, on an accrual basis and in accordance with the Generally Accepted Accounting Principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

###### 2. Fixed Assets & Capital work in Progress

Fixed Assets including modernisation expenses incurred as per schemes are stated at cost of acquisition, construction and improvement made which is inclusive of freight, duties, taxes, incidental expenses, interest and other pre-operative expenses apportioned and also includes revaluation amount.

Capital Work-in-Progress is stated at cost.

###### 3. Intangible Assets

Intangible assets are stated at cost. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

###### 4. Depreciation and Amortisation

a) Depreciation on Fixed Assets has been provided on straight-line method at the Rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 (as amended). Depreciation on revalued amount of fixed assets is adjusted by transferring the equivalent amount from Revaluation Reserve Account.

b) Intangible assets are amortised over their estimated useful life.

###### 5. Impairment

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior years is adjusted when there is an indication that the Impairment losses recognized for the asset no longer exist or have decreased.

###### 6. Investments

Long Term Investments are stated at Cost. Provision for diminution in value is made if the decline in value is other than temporary in the opinion of the management. Current Investments are stated at lower of cost and fair value.

###### 7. Inventories

###### Basis of Valuation :

Stores, Spare Parts & Packing Materials	:	At Cost, based on weighted average method
Raw Materials	:	At Cost based on weighted average method or Net realizable value whichever is lower
Work-in-progress	:	At Cost based on weighted average method or Net realizable value whichever is lower
Finished Goods	:	At Cost based on standard cost duly adjusting the variance or net realisable value, whichever is lower

###### 8. Foreign Currency Transactions

i) Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction Year and balance of foreign currency transactions is translated at the year end rates.

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## Schedules to the Accounts

### SCHEDULE 'N' (Contd.)

Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expense in the period in which they arise.

- ii) In respect of transactions covered by Forward Exchange contract (except for firm commitments and highly probable forecast transactions), the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Exchange differences between rate at the inception of such contracts and rate on the reporting date are recognized as income or expenses for the period.
- iii) Outstanding forward contract for firm commitment and highly probable forecast transactions and derivative contracts, other than those stated, above are marked to market and the resulting loss, if any, is charged to the Profit & Loss Account. Gain, if any, on such marking to market is not recognized as a prudent accounting policy.

#### 9. Recognition of Income and Expenditure

Items of Income and Expenditure are recognised on accrual basis.

#### 10. Sales

Sales are inclusive of transport & delivery charges realised less excise duty, cess, rebates & claims, sales returns & discounts including for earlier years.

#### 11. Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognized as expenses in the year in which they are incurred.

#### 12. Employee benefits

- i) Employee benefits of short term nature are recognized as expense as and when it accrues.
- ii) Employee benefits of long term nature are recognized as expenses based on actuarial valuation.
- iii) Post employment benefits :
  - a) In the nature of Defined Contribution Plans are recognized as expenses as and when it accrues.
  - b) In the nature of Defined Benefit Plans in respect of employees on roll are recognized as expenses based on actuarial valuation.
- iv) Actuarial gains and losses are recognized immediately in the Profit and Loss account as income and expense.

#### 13. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act 1961. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in the year and are capable of reversal in one or more subsequent years. Fringe Benefit tax is accounted for on the estimated value of fringe benefits for the year as per the related provisions of Income Tax Act, 1961.

#### 14. Government Grant

Grant from Government are recognised on compliance of conditions and on reasonable assurance of the same being received. Capital incentives received during the year are deducted from Fixed Assets. Revenue Grants related to export incentives are shown under the head Sales as Sales related income & other grants are deducted from the other expenses.

## Schedules to the Accounts

### SCHEDULE 'N' (Contd.)

#### 15. Provision, Contingent Liability and Contingent Assets

Provisions are recognized where reliable estimate can be made for probable outflow of resources to settle the present obligation as a result of past event and the same is reviewed at each Balance Sheet date. Contingent liabilities are generally not provided for in the accounts and are shown separately in Notes on Accounts. Contingent assets are neither recognized nor disclosed in financial statement.

	As at 31st March, 2010	(Rs. in '000) As at 31st March, 2009
<b>B. NOTES ON ACCOUNTS</b>		
1. Contingent Liabilities not provided for in respect of :		
a) Bills Discounted with Banks	5,62,36	4,83,62
b) Other Disputed Claims (ESI) (Adv. paid Rs. 18,73 Previous year - Rs. 18,93)	56,91	56,91
c) Excise Duty Demand disputed		
(i) Excise Authority raised the demand on transit loss of JBO from 1964 to 1969. Writ Petition pending before High Court at Kolkata.	43	43
(ii) Excise Authority raised the demand on Jute Webbing as differential duty between specific rate as per classification list and advalorm rate. Matter is pending before Appeallate Authority. (Advance paid Rs. 300 Previous year - Rs. 300)	17,80	17,80
(iii) Penalty imposed by Excise Official on Jute Twine lifted during 2006-07, pending before Central Excise Appeal.	—	5
d) (i) Disputed demand against Sales Tax for which the Company has preferred appeal (Adv. paid Rs. 12,70, Previous year - Rs.12,70)	77,25	77,25
(ii) Disputed demand against Sales Tax for the year 2002-03, 2003-04, 2004-05 and 2005-06 for which Appeal is pending before D.C.C.T. (CD).	1,45,08	1,30,60
e) Land Revenue (Rent) raised by the office of the B.L & L.R. Officer Uluberia - II, Howrah due to retrospective changes in W.B. Land Reform Act. Matter is pending before W.B. Land Reform Tribunal.	71,20	59,66
2. a) Outstanding Bank Guarantees	2,98,61	2,50,65
b) Outstanding Letter of Credit	4,23,57	11,68,60
3. Estimated amount of contracts remaining to be executed on Capital Account not provided for (Advance given Rs. 52,34 Previous year - Rs. Nil)	2,10,68	Nil
4. Loans, Advances & Deposits include receivable from a Subsidiary Company Name of the Company : Vidun Dealers Ltd. Maximum Amount outstanding during the year Rs. 2,00 (Previous Year Rs. 2,50)	Nil	2,00

## Schedules to the Accounts

### SCHEDULE 'N' (Contd.)

(Rs. in '000)

	<b>As at 31st March, 2010</b>	As at 31st March, 2009
5. Remuneration to Executive Chairman & Executive Director cum Company Secretary for the year is debited to respective heads of account.		
- Salary	<b>44,16</b>	40,80
- Contribution to Provident Fund	<b>4,42</b>	4,08
- Perquisites	<b>13,80</b>	13,95
(The above does not include Provision for Gratuity & Leave Encashment)		

6. Disclosure as per Accounting Standard - 29

Particulars	Opening Balance	Addition	Deduction	Closing Balance
Disputed Statutory Matter	3,08	—	—	3,08

Represents the provision for disputed Statutory liabilities on account of cases pending with courts /or concerned authorities based on estimate made by the Company considering the facts & circumstances.

7. In accordance with the revised Accounting Standard – 15 i.e. Employee Benefits, the requisite disclosure are as follows :

a) The amount recognized as an expense for the Defined Contribution Plans are as under :

	<b>For the year ended 31st March, 2010</b>	For the year ended 31st March, 2009
i) Employees Provident Fund	<b>6,57</b>	4,48
ii) Employees Pension Scheme	<b>2,01,14</b>	1,92,66

b) In respect of Defined Benefits Plans, necessary disclosures are as under :

i) Benefits are of the following types :

- Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.
- Provident Fund (other than government administered) as per the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.

ii) The amounts recognized in the Balance Sheet as at 31st March, 2010 are as follows :

	<b>Gratuity (2009-10)</b>	Gratuity (2008-09)
Present Value of unfunded obligations	<b>14,13,23</b>	12,35,97
Unrecognized past service cost	—	—
Liabilities in respect of unfunded obligations Based on actuarial basis	<b>14,13,23</b>	12,35,97

**Schedules to the Accounts**

**SCHEDULE 'N' (Contd.)**

(Rs. in '000)

	<b>Gratuity (2009-10)</b>	<b>Gratuity (2008-09)</b>
The amounts recognized in the Profit and Loss account for the year ended 31st March, 2010 are as follows :		
Current service cost	<b>1,30,19</b>	1,13,92
Interest cost on obligation	<b>99,35</b>	88,59
Expected Return on plan assets	—	—
Expected Return on any reimbursement right Recognized as an asset	—	—
Net actuarial losses/(gains) recognized during the year	<b>12,64</b>	(23,63)
Past service cost	—	—
Losses/(gains) on curtailments and settlements	—	—
Total included in 'payments to and Provisions for employees'	<b>2,42,18</b>	1,78,88
iii) Changes in the present value of the defined benefit obligation representing Reconciliation of opening and closing balances thereof are as follows :		
Present value of defined benefit obligation at the beginning of the year		(Rs. in Lakhs)
	<b>1235.97</b>	1126.46
Employer Service Cost (+)	<b>130.19</b>	113.92
Interest Cost (+)	<b>99.35</b>	88.59
Curtailment Cost (+)	<b>0.00</b>	0.00
Settlement Cost (+)	<b>0.00</b>	0.00
Plan Amendments	<b>0.00</b>	0.00
Acquisitions	<b>0.00</b>	0.00
Actuarial Gains (-)/Loss (+)	<b>12.64</b>	(-)23.63
Benefit Paid/ Liabilities Created (-)	<b>(-)64.92</b>	69.37
Present value of Defined Benefit obligations at the end of the year	<b>1413.23</b>	1235.97
iv) Principal actuarial assumptions at the balance sheet date are as follows :		
1 Mortality	:	LIC (1994-96), ultimate table
2 Morbidity	:	No Explicit Allowance
3 Withdrawal	:	2% to 1%, depending on the age and length of service
4 Discount Rate	:	7.5% p.a. being consistent with the yield on Long Term Govt. Bond
5 Salary Increase	:	5% p.a.
6 Normal Age of Retirement	:	58 years
v) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.		
vi) In respect of provident funds in the nature of defined benefits plan, pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability and therefore contributions to those provident funds amounting to Rs.59,68 (previous year Rs.53,26) during the year is recognized as expense and included in 'Payments to and Provision for Employees'.		
Shortfall if any in the contribution to the Provident Funds in the nature of defined benefit plans could not be ascertained and provided.		

## Schedules to the Accounts

### SCHEDULE 'N' (Contd.)

(Rs. in '000)

8. Sales include Rs. 25,20,04 on account of goods sent on consignment (Previous year Rs. 21,55,01) which has been considered on the basis of proforma invoice/actual realisation. However, the Management does not anticipate any loss on this account.
9. Raw materials, Stores & Spares Parts consumed include profit and/or loss on sale and excess/short found on physical verification.
10. The amount of borrowing cost capitalized during the year is Rs. Nil (Previous year Nil).
11. a) Outstanding forward exchange contracts booked for the purpose of hedging receivables are US\$ 280 (Previous Year Nil).  
b) Unhedged foreign currency payables are US\$ 20 (Previous Year 15).  
c) The marked to market gain amounting to Rs. 66,24 (Previous Year Nil) on Forward Exchange Contracts for firm commitments and highly probable forecast transaction has not been accounted for.
12. The company is entitled for export incentives available under target plus scheme, in relation to additional export made during the year as per Foreign Trade Policy. The incentive under the scheme is non transferable and can be utilized for import of material only. Due to uncertainty about sufficient future import of material within stipulated time for utilising the incentive, the company has not recognised the export incentive during the year. The same will be accounted for on certainty about the utilisation of incentives on import of material.
13. Break up of major component of Deferred Tax at the year end is as follows :

<b>Liability</b>	<b>As at 31st March, 2010</b>	<b>As at 31st March, 2009</b>
Timing difference in depreciable Assets	<b>3,91,95</b>	3,35,21
Total : A	<b>3,91,95</b>	3,35,21
<b>Assets</b>		
Provision for Leave, Doubtful Debts & Gratuity	<b>5,13,46</b>	4,48,12
Other timing difference	<b>2,53</b>	2,96
Total : B	<b>5,15,99</b>	4,51,08
<b>Deferred Tax (Assets)/Liability Net (A - B)</b>	<b>(1,24,04)</b>	(1,15,87)

14. The Company has not received any memorandum as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to such parties during the year is Rs. NIL.
15. Balance with Government authorities include Rs.650 being cash seized and lying with Income Tax Department since 2002-03. The matter is pending.
16. As Company's business activities falls within a single primary business segment viz. Jute Goods, the disclosure requirements of Accounting Standard – AS-17 Segment Reporting issued by The Institute of Chartered Accountants of India are not applicable in respect of business segment. However, the geographical segments considered for disclosures on the basis of sales are as under :

	<b>2009-10</b>	<b>2008-09</b>
Within India	<b>1,41,74,71</b>	1,10,80,53
Outside India	<b>51,48,61</b>	60,15,23
Total	<b>1,93,23,32</b>	1,70,95,76

**Schedules to the Accounts**

**SCHEDULE 'N' (Contd.)**

(Rs. in '000)

17. Consumption of Raw Materials, Spares and Components :

	<b>Raw Materials</b>				<b>Spares &amp; Components</b>			
	<b>For the year ended 31st March, 2010</b>		<b>For the year ended 31st March, 2009</b>		<b>For the year ended 31st March, 2010</b>		<b>For the year ended 31st March, 2009</b>	
	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Imported	<b>18,40,96</b>	<b>18.00</b>	5,73,61	7.00	<b>8,01</b>	<b>1.67</b>	14,30	3.06
Indigenous	<b>83,13,50</b>	<b>82.00</b>	76,16,46	93.00	<b>4,72,03</b>	<b>98.34</b>	4,52,52	96.94
	<b><u>1,01,54,46</u></b>	<b><u>100.00</u></b>	<b><u>81,90,07</u></b>	<b><u>100.00</u></b>	<b><u>4,80,03</u></b>	<b><u>100.00</u></b>	<b><u>4,66,82</u></b>	<b><u>100.00</u></b>
					<b><u>For the year ended 31st March, 2010</u></b>		<b><u>For the year ended 31st March, 2009</u></b>	
18. Expenditure in Foreign Currencies (paid/provided) :								
Travelling					<b>11,02</b>		8,03	
Commission					<b>16,83</b>		21,52	
Spares/Machinery purchased					<b>1,72,94</b>		48,02	
19. C.I.F. Value of Imports :								
Raw Materials					<b>32,07,45</b>		4,48,81	
20. Earnings in Foreign Exchange :					<b>49,79,52</b>		49,76,80	
F.O.B. Value of Exports								
21. Raw Materials consumed								
					<b><u>For the year ended 31st March, 2010</u></b>		<b><u>For the year ended 31st March, 2009</u></b>	
					<b><u>Qty. M.T.</u></b>	<b><u>Value</u></b>	<b><u>Qty. M.T.</u></b>	<b><u>Value</u></b>
Raw Jute					<b>44,410</b>	<b>1,01,31,32</b>	51,088	81,39,41
Cotton, Yarn, Viscose & PP. Tape					—	<b>23,14</b>	—	50,66
						<b><u>1,01,54,46</u></b>		<b><u>81,90,07</u></b>
22. Installed Capacity (*)								
Particulars					<b><u>2009 - 2010 M.T.</u></b>		<b><u>2008 - 2009 M.T.</u></b>	
Installed capacity					<b>67,500</b>		57,500	

\* Installed Capacity has been certified by the Company's technical experts.

## Schedules to the Accounts

### SCHEDULE 'N' (Contd.)

(Rs. in '000)

#### 23. Production, Sales and Stocks

	For the year ended 31st March, 2010		For the year ended 31st March, 2009			
	Qty. M.T.	Value	Qty. M.T.	Value		
Production : Jute Goods	41,447	—	46,788	—		
Outside Purchases Jute Goods	—	—	12	5,08		
Sales : Jute Goods	42,638	1,93,23,32	46,084	1,70,95,76		
Damaged / Destroyed	—	—	—	—		
	Opening Stock 2008-2009		Closing Stock 2008-2009 Opening Stock 2009-2010		Closing Stock 2009-2010	
	Qty. M.T.	Amount	Qty. M.T.	Amount	Qty. M.T.	Amount
Jute Goods	1,945	7,34,73	2,661	11,40,93	1,470	7,53,86

(Amount includes value of semi-finished goods)

Note : Closing Stock is after adjustment of internal consumption for manufacture of Products and wastage/disposal & samples.

#### 24. Related Party Disclosures

Related Party disclosures as required by AS-18 are given below :

##### A. Relationships

##### 1) Subsidiaries

- a) Ludlow Exports Ltd.
- b) Vidun Dealers Ltd.

##### 2) Key Managerial Personnel

- a) Sri S. S. Kanoria (Executive Chairman)
- b) Sri D. K. Bubna (Executive Director cum Company Secretary)
- c) Sri B. M. Thakkar (President – Works)

##### B. The following transactions were carried out with the related parties in the ordinary course of business

	2009-10		2008-09	
	A (1)	A (2)	A (1)	A (2)
a) Sales of goods	—	—	—	—
b) Guarantees given	—	—	—	—
c) Advance Recovered	35	—	50	—
d) Investment	25,00	—	25,01	—
e) Remuneration, Perquisites & Others	—	82,24	—	75,86
f) Balance outstanding at the year end				
Advance given	—	—	2,00	—
Creditors	21,97	—	24,47	—



**Schedules to the Accounts****SCHEDULE 'N' (Contd.)**

(Rs. in '000)

## 25. Earning per Share :

	<b><u>As at 31st March, 2010</u></b>	<b><u>As at 31st March, 2009</u></b>
Earning per share has been computed as under :		
a) Profit/(Loss) after Taxation as per Profit & Loss Account	<b>3,33,94</b>	2,28,96
b) Weighted average number of Equity Shares	<b>1,07,73,120</b>	1,07,73,120
c) Basic and diluted earnings per share (in Rs.) (Face value per share Rs.10/-)	<b>3.10</b>	2.13

26. Figures are not exclusively comparable as the mill was under closure from 14th December, 2009 to 13th February, 2010 due to mass Industrial Strike. There were no production activities during that period.

27. Figures of the Previous year have been regrouped/re-arranged/re-casted wherever considered necessary.

28. Figures of less than Rs. 1000 have been shown at actual in brackets in schedules 'D' and 'E'.

For SINGHI &amp; CO.

Chartered Accountants

M. L. SHUKLA

Partner

Membership No. 051505

1-B, Old Post Office Street

Kolkata, the 24th day of May, 2010

**For and on behalf of the Board**

D. K. BUBNA  
*Executive Director cum  
Company Secretary*

A. C. MUKHERJI  
*Director*

S. S. KANORIA  
*Executive Chairman*



**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS**

CIN	L65993WB1979PLC032394
State Code	21
Balance Sheet Date	31st March, 2010

**II. CAPITAL RAISED DURING THE YEAR**

(Amount in Rs. in thousands )

Public Issue	Nil
Rights Issue	Nil
Private Placement	Nil
Bonus Issue	Nil

**III. POSITION OF MOBILISATION AND  
DEPLOYMENT OF FUNDS**

(Amount in Rs. thousands)

Total Liabilities	530599
Total Assets	530599

**SOURCES OF FUNDS**

Paid-up Capital	107977
Reserves & Surplus	152395
Secured Loans	270227
Unsecured Loans	Nil
Deferred Tax	Nil

**APPLICATION OF FUNDS**

Net Fixed Assets	352834
Investments	25518
Current Assets ( Net )	139843
Misc. Expenditure	Nil
Accumulated Losses	Nil
Deferred Tax	12404

**IV. PERFORMANCE OF THE COMPANY**

(Amount in Rs. thousands)

Turnover(Gross Revenue)	1966373
Total Expenditure	1911051
Profit/(Loss) before Tax	55322
Profit/(Loss) after Tax	33394
Earnings per Share (in Rs.)	3.10
Dividend Rate (%)	15% (Proposed)

**V. GENERIC NAMES OF PRINCIPAL  
PRODUCTS/SERVICES OF THE COMPANY**

(As per monetary terms)

Item Code No.(ITC Code)	590700
Product Description	Jute Fabrics
Item Code No.(ITC Code)	530700
Product Description	Jute Yarn

**For and on behalf of the Board**

D. K. BUBNA  
*Executive Director cum  
Company Secretary*

A. C. MUKHERJI  
*Director*

S. S. KANORIA  
*Executive Chairman*

Kolkata, the 24th day of May, 2010



**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF LUDLOW JUTE & SPECIALITIES LIMITED (FORMERLY AEKTA LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LUDLOW JUTE & SPECIALITIES LIMITED (FORMERLY AEKTA LIMITED) AND ITS SUBSIDIARIES**

1. We have examined the attached consolidated Balance Sheet of **LUDLOW JUTE & SPECIALITIES LIMITED** (formerly Aekta Limited) and its subsidiaries as at 31st March, 2010, the consolidated Profit & Loss Account and also the consolidated Cash Flow Statement of the said Company for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries, whose financial statement reflect total assets of Rs.25.06 Lacs as at 31st March, 2010, total revenues of Rs. 2.84 lacs and total cash flows of Rs. 2.46 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of Accounting Standard (AS) 21 "Consolidated Financial Statement" on the basis of the separate audited financial statement of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiaries included in the Consolidated Financial Statement.
5. On the basis of the information and explanations given to us and on the consideration of the separate audit report on audited financial statements of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its aforesaid subsidiary and read with the accounting policies and notes on accounts in schedule "M" give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view :
  - i) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiaries as at 31st March, 2010.
  - ii) In the case of the consolidated Profit & Loss Account, of the consolidated result of operations of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiaries for the year ended on that date; and
  - iii) In the case of the consolidated Cash Flow Statement, of the consolidated Cash Flows of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiaries for the year ended on that date.

1 B, Old Post Office Street  
Kolkata - 700 001  
Dated : 24th day of May, 2010

For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E  
M. L. SHUKLA  
Partner  
Membership No. 051505

## Ludlow Jute & Specialities Limited

### Consolidated Balance Sheet of Ludlow Jute & Specialities Ltd. and its Subsidiaries as at 31st March, 2010

(Rs. in '000)

	Schedule	As at 31st March, 2010	As at 31st March, 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	'A'	10,79,77	10,79,77
Reserves & Surplus	'B'	15,23,88	14,58,31
<b>Loan Funds</b>			
Secured Loans	'C'	27,02,27	5,47,69
<b>Total Funds Employed</b>		<u>53,05,92</u>	<u>30,85,77</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	'D'	84,13,74	75,29,08
Less : Depreciation		50,65,41	47,28,42
Net Block		<u>33,48,33</u>	28,00,66
Capital Work-in-Progress		1,80,01	1,42,70
		<u>35,28,34</u>	29,43,36
<b>Investments</b>		2,30,18	2,30,16
<b>Deferred Tax Assets (Net)</b>		1,24,04	1,15,87
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	'E'	62,15,29	37,64,69
Sundry Debtors		7,37,18	9,41,79
Cash & Bank Balances		3,13,84	1,79,00
Loans, Advances & Deposits		5,07,98	2,30,32
		<u>77,74,29</u>	51,15,80
Less : <b>Current Liabilities &amp; Provisions</b>	'F'		
Current Liabilities		46,49,67	38,74,78
Provisions		17,01,26	14,44,64
		<u>63,50,93</u>	53,19,42
<b>Net Current Assets</b>		<u>14,23,36</u>	(2,03,62)
<b>Total Assets</b>		<u>53,05,92</u>	<u>30,85,77</u>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>			
	'M'		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our Report of even date annexed.

For SINGHI & CO.

Chartered Accountants

M. L. SHUKLA

Partner

Membership No. 051505

1-B, Old Post Office Street

Kolkata, the 24th day of May, 2010

For and on behalf of the Board

D. K. BUBNA  
*Executive Director cum  
Company Secretary*

A. C. MUKHERJI  
*Director*

S. S. KANORIA  
*Executive Chairman*

**Consolidated Profit & Loss A/c. of Ludlow Jute & Specialities Ltd. and its Subsidiaries as at 31st March, 2010**

(Rs. in '000)

	Schedule	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>INCOME</b>			
Sales	'G'	<b>19,31,802</b>	1,70,91,49
Other Income	'H'	<b>3,48,55</b>	85,56
		<b><u>1,96,66,57</u></b>	<b><u>1,71,77,05</u></b>
<b>EXPENDITURE</b>			
(Increase)/Decrease in Finished Goods and Process Stocks	'I'	<b>3,65,44</b>	(4,62,08)
Raw Materials Consumed	'J'	<b>1,01,54,46</b>	81,90,07
Purchase of Finished Goods		—	5,08
Manufacturing, Administrative, Selling, and Other Expenses	'K'	<b>79,97,07</b>	86,88,54
Interest	'L'	<b>3,40,91</b>	1,35,38
		<b><u>1,88,57,88</u></b>	<b><u>1,65,56,99</u></b>
Profit/(Loss) Before Depreciation & Tax		<b>8,08,69</b>	6,20,06
Less : Depreciation		<b>3,37,69</b>	2,86,85
Less : Transferred from Revaluation Reserve		<b>82,18</b>	82,18
		<b>2,55,51</b>	2,04,67
Profit/(Loss) Before Tax		<b>5,53,18</b>	4,15,39
Less : Provision for			
Income Tax		<b>2,20,00</b>	1,59,87
Deferred Tax		<b>(8,17)</b>	(30,48)
Fringe Benefit Tax		—	8,20
		<b><u>3,41,35</u></b>	<b><u>2,77,80</u></b>
Add : Excess FBT Provision written Back		<b>2,52</b>	—
Less : Income Tax Relating to Earlier Year		<b>9,97</b>	49,08
Profit After Tax		<b>3,33,90</b>	2,28,72
Balance brought forward from last A/c		<b>3,81,12</b>	2,78,44
Add : Loss of Subsidiary no longer exist		<b>2,35</b>	—
Balance available for appropriation		<b>7,17,37</b>	5,07,16
Transferred to General Reserve		<b>16,70</b>	—
Proposed Dividend		<b>1,61,60</b>	1,07,73
Corporate Dividend Tax		<b>26,84</b>	18,31
Balance carried forward to Balance Sheet		<b><u>5,12,23</u></b>	<b><u>3,81,12</u></b>
Basic & diluted Earning Per Share (Rs.)		<b>3.10</b>	2.12

**SIGNIFICANT ACCOUNTING POLICIES  
& NOTES ON ACCOUNTS**

'M'

The Schedules referred to above form an integral part of the Profit &amp; Loss A/c

As per our Report of even date annexed.

For SINGHI &amp; CO.

Chartered Accountants

M. L. SHUKLA

Partner

Membership No. 051505

1-B, Old Post Office Street

Kolkata, the 24th day of May, 2010

**For and on behalf of the Board**D. K. BUBNA  
Executive Director cum  
Company SecretaryA. C. MUKHERJI  
DirectorS. S. KANORIA  
Executive Chairman

## Ludlow Jute & Specialities Limited

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	(Rs'000)	
	2009-2010	2008-2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT/(LOSS) BEFORE TAX &amp; EXTRAORDINARY ITEMS</b>	<b>5,53,18</b>	<b>4,15,39</b>
Adjustments for :		
Depreciation	2,55,51	2,02,64
Income from Interest	(23,18)	(4,52)
Income from Dividend	(16,45)	(15,27)
Interest Expenses	3,40,91	1,35,37
(Profit)/Loss from sale of Fixed Assets	(32,61)	(12,33)
Provision For Gratuity	1,77,27	1,07,13
Provision For Leave	16,96	20,75
Provision For Doubtful debts	—	2,89
Liabilities written back	(4,98)	(5,63)
Provision for diminution in the value of investment	9	9
	<u>12,66,70</u>	<u>8,46,51</u>
<b>Adjustment for change in Working Capital</b>		
Trade & other receivables (increase)	21,10	(81,54)
Inventories	(24,50,61)	(4,72,48)
Trade Payables and Liabilities	7,03,64	7,51,32
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(4,59,17)</b>	<b>10,43,81</b>
Income tax Net of paid/provisions (including FBT)	3,14,60	2,16,37
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(7,73,77)</b>	<b>8,27,44</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(9,22,72)	(5,32,22)
Sale/Adjustment of Fixed Assets	32,61	12,34
Sale/(Purchase) of Investment	(10)	5,03
Interest Received	23,18	4,52
Dividend Received	16,45	15,27
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(8,50,58)</b>	<b>(4,95,06)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	21,55,12	23,14
Dividend Paid	(1,03,51)	(1,03,10)
Dividend Tax Paid	(18,31)	(18,31)
Interest Paid	(2,73,93)	(1,34,83)
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>	<b>17,59,37</b>	<b>(2,33,10)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>1,35,02</b>	<b>99,28</b>
<b>OPENING CASH &amp; CASH EQUIVALENTS</b>	<b>1,78,82</b>	<b>79,72</b>
<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>	<b>3,13,84</b>	<b>1,79,00</b>
<b>CASH &amp; CASH EQUIVALENTS COMPRISES</b>		
Cash and Bank Balances	<b>3,13,84</b>	<b>1,79,00</b>

**Notes :**

1. Above statement has been prepared in indirect method.
2. Cash and Cash Equivalents represent "Cash Balance in hand and Balances with Scheduled Banks". Cash & Cash equivalents includes Rs. 8,85 (Previous Year Rs. 4,63) in Unpaid Dividend Account and Rs. 78,91 (Previous Year Rs. 36,95) in Margin Money A/c. kept with Scheduled Banks.
3. Figures have been regrouped where ever necessary.
4. Cash & cash equivalent amounting to Rs. 18 as on 01.04.09 of Vidun Dealers Ltd. which ceased to exist, has been adjusted with opening cash & cash equivalent.

As per our Report of even date annexed.

For SINGHI & CO.

Chartered Accountants

M. L. SHUKLA

Partner

Membership No. 051505

1-B, Old Post Office Street

Kolkata, the 24th day of May, 2010

**For and on behalf of the Board**

D. K. BUBNA  
Executive Director cum  
Company Secretary

A. C. MUKHERJI  
Director

S. S. KANORIA  
Executive Chairman



## Schedules to the consolidated Balance Sheet

(Rs. in '000)

	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED		
1,49,90,000 Equity Shares of Rs.10/- each	14,99,00	14,99,00
1,000 Redeemable Preference Shares of Rs.100/- each	1,00	1,00
	<u>15,00,00</u>	<u>15,00,00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,07,73,120 Equity Shares of Rs.10/- each fully paid up (Out of above 6,00,000 Equity Shares issued for consideration other than cash in pursuance of Scheme of Arrangement sanctioned by High Court).	10,77,31	10,77,31
Add : Forfeited Shares	2,46	2,46
	<u>10,79,77</u>	<u>10,79,77</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve (As per Last account)	10,54	10,54
Capital Redemption Reserve	—	5
Revaluation Reserve (As per Last account)	4,80,64	5,62,83
Less : Transferred to Profit & Loss Account	82,18	82,18
	<u>3,98,46</u>	<u>4,80,65</u>
Share Premium (As per Last account)	5,85,95	5,85,95
General Reserve	16,70	—
Profit/(Loss) as per Account Annexed	5,12,23	3,81,12
	<u>15,23,88</u>	<u>14,58,31</u>
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
<b>Working Capital Borrowings</b>		
From Banks	27,02,27	5,47,14
Interest Accrued and Due	—	55
	<u>27,02,27</u>	<u>5,47,69</u>

Note : Secured against hypothecation of stocks and book debts and also against first charge on Fixed Assets of the Company.



## Schedules to the Consolidated Balance Sheet

SCHEDULE 'D'  
FIXED ASSETS

(Rs. in '000)

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK			
	Value As at 31.03.2009	Addition during the year	Deductions/ Adjustments during the year	Value As at 31.3.2010	Upto 31.03.2009	Provided during the year	Upto 31.3.2010	As at 31.3.2009	As at 31.3.2010
Goodwill	(1)	—	—	(1)	—	—	—	(1)	(1)
Freehold Land	1,39,09	—	—	1,39,09	—	—	—	1,39,09	1,39,09
Buildings	14,98,77	4,02	—	15,02,79	9,99,14	8,47	10,55,27	4,47,52	4,99,63
Plant & Machinery	51,70,37	6,63,32	74	58,32,95	33,30,44	2,02,84	35,61,29	22,71,66	18,39,93
Workshop Machinery & Installations	21,96	—	—	21,96	21,95	—	21,95	1	1
Electrical Machinery & Installation	1,35,42	—	—	1,35,42	75,39	6,92	83,41	52,01	60,03
Water Supply Installation	1,35,30	—	—	1,35,30	58,59	2,89	64,28	71,02	76,71
Roads, Drainage, Fencing	55,46	—	—	55,46	19,19	52	19,94	35,52	36,27
Motor Vehicles & Fork Lifts	2,42,37	2,02,91	—	4,45,28	1,42,17	22,39	1,66,24	2,79,04	1,00,20
Furniture & Fixtures, Office Equipments, Air-Conditioners, Telephone Installations & Laboratory Equipments	1,30,34	15,15	—	1,45,49	81,55	11,48	93,03	52,46	48,79
<b>Total</b>	<b>75,29,08</b>	<b>8,85,40</b>	<b>74</b>	<b>84,13,74</b>	<b>47,28,42</b>	<b>2,55,51</b>	<b>50,65,41</b>	<b>33,48,33</b>	<b>28,00,66</b>
<b>Previous Year</b>	<b>70,06,21</b>	<b>5,63,68</b>	<b>40,81</b>	<b>75,29,08</b>	<b>44,43,79</b>	<b>2,04,67</b>	<b>47,28,42</b>	<b>28,00,66</b>	

**NOTE :** Fixed Assets of the Company excluding minor items, were revalued by an external Independent Valuer on 31st March, 1992 which resulted in increase of Fixed Assets Value by Rs.30,04,76 on Net Current Replacement Basis. This increase had been transferred to Revaluation Reserve Account. After adjustment in respect of Fixed Assets sold/discarded and Depreciation provided, the Revaluation Reserve now stands at Rs. 3,98,46 as on 31.03.2010.



## Schedules to the consolidated Balance Sheet

(Rs. in '000)

	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 'E'</b>		
<b>CURRENT ASSETS, LOANS, ADVANCES &amp; DEPOSITS</b>		
<b>(A) CURRENT ASSETS</b>		
Inventories (as taken, valued and certified by the Management)		
Stores, Spare Parts & Packing Materials (at cost)	2,46,12	1,84,88
Stock-in-Trade		
Raw Jute	50,33,39	22,74,05
(at lower of cost or net realisable value)		
Finished Goods	7,53,86	11,40,93
(at lower of cost or net realisable value)		
Stock-in-Process	1,81,92	1,64,83
(at lower of cost or net realisable value)		
	<u>62,15,29</u>	<u>37,64,69</u>
<b>SUNDRY DEBTORS</b>		
<b>Debts exceeding six months</b>		
Unsecured Considered good	89,96	1,23,40
Less : Provision for Doubtful Debts	89	89
Other Debts	89,07	1,22,51
Unsecured Considered good	6,48,11	8,19,28
	<u>7,37,18</u>	<u>9,41,79</u>
<b>CASH AND BANK BALANCES</b>		
Cash in hand (incl. stamps)		
(as certified by the management)	10,82	7,20
Balances with Scheduled Banks		
in Current Accounts	2,11,87	1,26,40
in Margin Money Account	78,91	36,95
in EEFC Account	3,39	3,82
in Unpaid Dividend A/c.	8,85	4,63
	<u>3,13,84</u>	<u>1,79,00</u>

## Ludlow Jute & Specialities Limited

### Schedules to the consolidated Balance Sheet

(Rs. in '000)

	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 'E' (Contd.)</b>		
<b>(B) LOANS, ADVANCES &amp; DEPOSITS</b>		
Advances (recoverable in cash or in kind or for value to be received and/or pending adjustment)(Unsecured,considered good/ unless otherwise stated)		
For purchase of goods	66,41	26,89
Advance Tax net of provisions	1,40,99	49,34
Prepaid expenses	34,50	28,55
To Others	11,60	9,77
To Workmen Advance	82,44	2,24
To Staff	3,82	2,47
Balances with Government Authorities	42,44	43,86
Claims receivable etc.	3,77	3,27
DEPB Licence Receivable	1,06,80	43,18
Duty Draw Back Receivable	10,42	14,66
Deposits (Unsecured,considered good unless otherwise stated)	4,79	6,09
	<b>5,07,98</b>	<b>2,30,32</b>
<b>SCHEDULE 'F'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
<b>Sundry Creditors</b>		
For Goods	31,13,22	21,03,08
For Expenses (Includes Rs. Nil for Micro and Small Enterprises, Previous year Rs. Nil )	13,27,22	16,00,89
Security & Trade Deposits	12,80	12,80
Unpaid Dividends*	8,85	4,63
Other Liabilities	1,20,60	1,53,38
Interest Accrued but not due	66,98	—
	<b>46,49,67</b>	<b>38,74,78</b>
<b>PROVISIONS</b>		
For Disputed Statutory Dues		
i) Employee State Insurance	2,59	2,59
ii) Land Revenue Tax	49	49
For Gratuity	14,13,23	12,35,97
For Leave Pay	96,51	79,55
For Proposed Dividend	1,61,60	1,07,73
For Corporate Dividend Tax	26,84	18,31
	<b>17,01,26</b>	<b>14,44,64</b>

\* No amount are due and outstanding to be credited to Investor Educations and Protection Fund.



## Schedules to the consolidated Profit & Loss Account

(Rs. in '000)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>SCHEDULE 'G'</b>		
<b>SALES</b>		
Finished Products (Including Export Sales Rs. 51,48,61 Previous year Rs. 60,15,22)	<b>1,93,23,32</b>	1,70,95,76
Less : Jute Manufacturing Cess Refer note B(8) in Schedule "M"	<b>1,90,07</b>	1,59,12
	<b>1,91,33,25</b>	1,69,36,64
<b>ADD : SALES RELATED INCOME</b>		
Export Benefits	<b>1,84,77</b>	1,54,85
	<b>1,93,18,02</b>	1,70,91,49
<b>SCHEDULE 'H'</b>		
<b>OTHER INCOME</b>		
Rent	<b>12,83</b>	11,78
Exchange Fluctuation Gain	<b>2,19,96</b>	—
Miscellaneous Income	<b>38,55</b>	28,16
Insurance & Other Claims	<b>5</b>	3,27
Excess Liabilities & Credit balance Written back	<b>100</b>	2,57
Sundry Balances Written Back	<b>4</b>	2,03
Adjustments Relating to Previous year	<b>3,90</b>	5,63
Dividend received (including Rs. 15,07 for Long-term Investments)	<b>16,45</b>	15,27
Interest Received	<b>23,17</b>	4,52
Profit on Sale of Fixed Assets	<b>32,60</b>	12,33
	<b>3,48,55</b>	85,56
<b>SCHEDULE 'I'</b>		
<b>(INCREASE)/DECREASE IN STOCK</b>		
<b>OPENING STOCK</b>		
Finished Goods (including Semi-finished goods Rs. 97,67 Previous year Rs. 84,66)	<b>11,40,93</b>	7,34,73
Stock-in-Process	<b>1,64,83</b>	1,04,19
	<b>13,05,76</b>	8,38,92
<b>Deduct : CLOSING STOCK</b>		
Finished Goods (including semi-finished goods Rs. 1,28,28 Previous year Rs. 97,67)	<b>7,53,86</b>	11,40,93
Stock-in-Process	<b>1,81,92</b>	1,64,83
	<b>9,35,78</b>	13,05,76
	<b>3,69,98</b>	(4,66,84)
<b>Less : Increase/(Decrease) in ccess on stock</b>	<b>(4,54)</b>	(4,76)
	<b>3,65,44</b>	(4,62,08)

## Ludlow Jute & Specialities Limited

### Schedules to the consolidated Profit & Loss Account

(Rs. in '000)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>SCHEDULE 'J'</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	22,74,05	23,22,89
Add : Purchases	1,29,13,80	81,41,23
	<u>1,51,87,85</u>	<u>1,04,64,12</u>
Less : Closing Stock	50,33,39	22,74,05
	<u>1,01,54,46</u>	<u>81,90,07</u>
<b>SCHEDULE 'K'</b>		
<b>MANUFACTURING, ADMINISTRATIVE, SELLING, AND OTHER EXPENSES</b>		
Consumption of Stores & Spares (including packing materials)	10,26,71	11,24,63
Power & Fuel	9,61,21	9,77,61
Manufacturing & Processing Expenses	3,54,73	3,01,88
Salaries, Wages & Bonus	33,11,71	33,87,37
Gratuity	2,42,18	1,78,88
Contribution to P.F. & Other Funds	4,17,94	3,96,14
Staff & Workers Welfare Expenses	73,52	71,22
Rates & Taxes	6,87	14,13
Rent	38,54	27,40
Insurance	36,92	34,17
Repairs & Maintenance :		
Plant & Machinery	86,02	1,08,11
Buildings	1,18,44	88,48
Others	82,51	61,57
Commission & Brokerage on sales	49,73	57,43
Freight, Transport & Selling Expenses	9,09,97	13,18,31
Travelling Expenses (including Directors)		
Travelling Rs. 18,45, Previous year Rs. 15,90)	34,51	31,09
Legal & Professional Expenses	30,82	26,13
Provision for doubtful Debts	—	2,89
Provision for Diminution in Investment	9	9
Miscellaneous Expenses	2,08,56	1,42,19
Exchange Fluctuation Loss	—	3,33,59
Directors' Fee	1,92	1,73
Auditors' Remuneration :		
Statutory Auditors :		
Audit Fee	2,82	2,32
Fees for certification	1,10	98
Cost Auditors :		
Audit Fees	25	20
	<u>79,97,07</u>	<u>86,88,54</u>
<b>SCHEDULE 'L'</b>		
<b>INTEREST</b>		
To Banks & Others	3,40,91	1,35,38
	<u>3,40,91</u>	<u>1,35,38</u>

## Schedules to the Accounts

### SCHEDULE 'M'

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

##### PRINCIPLES OF CONSOLIDATION

The Consolidated Financial statements have been prepared in accordance with the generally accepted accounting principles and Accounting Standards issued by "The Institute of Chartered Accountants of India". The Consolidated Financial Statement relate to Ludlow Jute & Specialities Limited (formerly Aekta Limited) the parent Company and its one subsidiary company. In the Consolidated Financial Statement the term "Company" refers to Ludlow Jute & Specialities Limited (formerly Aekta Limited) and collectively with its subsidiary refers to as the "Group".

The subsidiary company considered in the consolidated financial statements is :

Sl. No.	Name of the Company	Country of Incorporation	% of Holding
1.	Ludlow Exports Limited	India	100

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Accounting

The Financial Statements are prepared under the historical cost convention, on an accrual basis and in accordance with the Generally Accepted Accounting Principals in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

##### 2. Fixed Assets & Capital Work-in-Progress

Fixed Assets including modernisation expenses incurred as per schemes are stated at cost of acquisition, construction and improvement made which is inclusive of freight, duties, taxes, incidental expenses, interest and other pre-operative expenses apportioned and also includes revaluation amount.

Capital Work-in-Progress is stated at cost.

##### 3. Intangible Assets

Intangible assets are stated at cost. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

##### 4. Depreciation and Amortisation

a) Depreciation on Fixed Assets has been provided on straight-line method at the Rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 (as amended). Depreciation on revalued amount of fixed assets is adjusted by transferring the equivalent amount from Revaluation Reserve Account.

b) Intangible assets are amortised over their estimated useful life.

##### 5. Impairment

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior years is adjusted when there is an indication that the Impairment losses recognized for the asset no longer exist or have decreased.

**Schedules to the Accounts****SCHEDULE 'M' (Contd.)****6. Investments**

Long Term Investments are stated at Cost. Provision for diminution in value is made if the decline in value is other than temporary in the opinion of the management. Current Investments are stated at lower of cost and fair value.

**7. Inventories****Basis of Valuation :**

Stores, Spare Parts & Packing Materials	: At Cost, based on weighted average method
Raw Materials	: At Cost based on weighted average method or Net realizable value whichever is lower
Work-in-progress	: At Cost based on weighted average method or Net realizable value whichever is lower
Finished Goods	: At Cost based on standard cost duly adjusting the variance or net realisable value, whichever is lower.

**8. Foreign Currency Transactions**

- i) Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction Year and balance of foreign currency transactions is translated at the year end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expense in the period in which they arise.
- ii) In respect of transactions covered by Forward Exchange contract (except for firm commitments and highly probable forecast transactions), the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Exchange differences between rate at the inception of such contracts and rate on the reporting date are recognized as income or expenses for the period.
- iii) Outstanding forward contract for firm commitment and highly probable forecast transactions and derivative contracts, other than those stated, above are marked to market and the resulting loss, if any, is charged to the Profit & Loss Account. Gain, if any, on such marking to market is not recognized as a prudent accounting policy.

**9. Recognition of Income and Expenditure**

Items of Income and Expenditure are recognised on accrual basis.

**10. Sales**

Sales are inclusive of transport & delivery charges realised less excise duty, cess, rebates & claims, sales returns & discounts including for earlier years.

**11. Borrowing Cost**

Borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognized as expenses in the year in which they are incurred.

**12. Employee Benefits**

- i) Employee benefits of short term nature are recognized as expense as and when it accrues.
- ii) Employee benefits of long term nature are recognized as expenses based on actuarial valuation.

## Schedules to the Accounts

### SCHEDULE 'M' (Contd.)

(Rs. in '000)

- iii) Post employment benefits :
  - a) In the nature of Defined Contribution Plans are recognized as expenses as and when it accrues.
  - b) In the nature of Defined Benefit Plans in respect of employees on roll are recognized as expenses based on actuarial valuation.
- iv) Actuarial gains and losses are recognized immediately in the Profit and Loss account as income and expense.

#### 13. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the Provisions of the Income tax Act 1961. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in the year and are capable of reversal in one or more subsequent years. Fringe Benefit tax is accounted for on the estimated value of fringe benefits for the year as per the related provisions of Income Tax Act, 1961.

#### 14. Government Grant

Grant from Government are recognised on compliance of conditions and on reasonable assurance of the same being received. Capital incentives received during the year are deducted from Fixed Assets. Revenue Grants related to export incentives are shown under the head Sales as Sales related income & other grants are deducted from the other expenses.

#### 15. Provision, Contingent Liability and Contingent Assets

Provisions are recognized where reliable estimate can be made for probable outflow of resources to settle the present obligation as a result of past event and the same is reviewed at each Balance Sheet date. Contingent liabilities are generally not provided for in the accounts and are shown separately in Notes on Accounts. Contingent assets are neither recognized nor disclosed in financial statement.

### B. NOTES ON ACCOUNTS :

	As at 31st March, 2010	As at 31st March, 2009
1. Contingent Liabilities not provided for in respect of :		
a) Bills Discounted with Banks	5,62,36	4,83,62
b) Other Disputed Claims (ESI) (Advance paid Rs. 18,73 Previous year Rs. 18,93)	56,91	56,91
c) Excise Duty Demand disputed		
(i) Excise Authority raised the demand on transit loss of JBO from 1964 to 1969. Writ Petition pending before High Court at Kolkata.	43	43
(ii) Excise Authority raised the demand on Jute Webbing as differential duty between specific rate as per classification list and advalorem rate. Matter is pending before Appellate Authority. (Advance paid Rs. 3,00 Previous year Rs. 3,00)	17,80	17,80
(iii) Penalty imposed by Excise Official on Jute Twine lifted during 2006-07, pending before Central Excise Appeal.	—	5



**Schedules to the Accounts**

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

(Rs. in '000)

	<b>As at 31st March, 2010</b>	As at 31st March, 2009
d) (i) Disputed demand against Sales Tax for which the Company has preferred appeal (Advance paid Rs. 12,70 Previous year Rs. 12,70)	<b>77,25</b>	77,25
(ii) Disputed demand against Sales Tax for the year 2002-03, 2003-04, 2004-05 & 2005-06 for which Appeal is pending before D.C.C.T.(CD).	<b>1,45,08</b>	1,30,60
e) Land Revenue (Rent) raised by the office of the B.L & L.R. Officer Uluberia - II, Howrah due to retrospective changes in W.B. Land Reform Act. Matter is pending before W.B. Land Reform Tribunal.	<b>71,20</b>	59,66
2. a) Outstanding Bank Guarantees	<b>2,98,61</b>	2,50,65
b) Outstanding Letter of Credit	<b>4,23,57</b>	11,68,60
3. Estimated amount of contracts remaining to be executed on Capital Account not provided for (Advance given Rs. 52,34, Previous year Rs. Nil)	<b>2,10,68</b>	Nil
4. Loans, Advances & Deposits include receivable from a Subsidiary Company, Name of the Company : Vidun Dealers Ltd. Maximum amount outstanding during the year Rs. 2,00 Previous year Rs. 2,50	<b>Nil</b>	2,00
5. Remuneration to Executive Chairman & Executive Director cum Company Secretary for the year is debited to respective heads of account.		
- Salary	<b>44,16</b>	40,80
- Contribution to Provident Fund	<b>4,42</b>	4,08
- Perquisites	<b>13,80</b>	13,95
(The above does not include Provision for Gratuity and Leave encashment).		
6. Disclosure as per Accounting Standard - 29		

Particulars	Opening Balance	Addition	Deduction	Closing Balance
Disputed Statutory Matter	3,08	—	—	3,08

Represents the provision for disputed Statutory liabilities on account of cases pending with courts /or concerned authorities based on estimate made by the company considering the facts & circumstances.

7. In accordance with the revised Accounting Standard – 15 i.e. Employee Benefits, the requisite disclosure are as follows :

a) The amount recognised as expenses for the Defined Contribution Plans are as under :-

	<b>For the year ended 31st March, 2010</b>	For the year ended 31st March, 2009
i) Employees Provident Fund	<b>6,57</b>	4,48
ii) Employees Pension Scheme	<b>2,01,14</b>	1,92,66

## Schedules to the Accounts

### SCHEDULE "M" (Contd.)

(Rs. in '000)

b) In respect of Defined Benefits Plans, necessary disclosures are as under :-

i) Benefits are of the following types :

- Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.
- Provident Fund (other than government administered) as per the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.

ii) The amounts recognised in the Balance Sheet as at 31st March 2010 are as follows :

	<b>Gratuity (2009-2010)</b>	Gratuity (2008-2009)
Present Value of unfunded obligations	<b>14,13,23</b>	12,35,97
Unrecognized past service cost	—	—
Liabilities in respect of unfunded obligations Based on actuarial basis	<b>14,13,23</b>	12,35,97

The amounts recognized in the Profit and Loss account for the year ended 31st March, 2010 are as follows :

Current service cost	<b>1,30,19</b>	1,13,92
Interest cost on obligation	<b>99,35</b>	88,59
Expected Return on plan assets	—	—
Expected Return on any reimbursement right		
Recognized as an asset	—	—
Net actuarial losses/(gains) recognized during the year	<b>12,64</b>	(23,63)
Past service cost	—	—
Losses/(gains) on curtailments and settlements	—	—
Total included in 'payments to and Provisions for employees'	<b>2,42,18</b>	1,78,88

iii) Changes in the present value of the defined benefit obligation representing Reconciliation of opening and closing balances thereof are as follows :

(Rs. in Lakhs)

Present value of defined benefit obligation at the beginning of the year	<b>1235.97</b>	1126.46
Employer Service Cost (+)	<b>130.19</b>	113.92
Interest Cost (+)	<b>99.35</b>	88.59
Curtailment Cost (+)	—	—
Settlement Cost (+)	—	—
Plan Amendments	—	—
Acquisitions	—	—
Actuarial Gains (-)/Loss (+)	<b>12.64</b>	(-)23.63
Benefit Paid/Liabilities Created (-)	<b>(-) 64.92</b>	69.37
Present value of Defined Benefit obligations at the end of the year	<b>1413.23</b>	1235.97

**Schedules to the Accounts****SCHEDULE "M" (Contd.)**

(Rs. in '000)

- iv) Principal actuarial assumptions at the balance sheet date are as follows :
- |   |                          |   |   |
|---|--------------------------|---|---|
| 1 | Mortality                | : | LIC (1994-96), ultimate table                                     |
| 2 | Morbidity                | : | No Explicit Allowance   |
| 3 | Withdrawal               | : | 2% to 1%, depending on the age and length of service              |
| 4 | Discount Rate            | : | 7.5% p.a. being consistent with the yield on Long Term Govt. Bond |
| 5 | Salary Increase          | : | 5% p.a.   |
| 6 | Normal Age of Retirement | : | 58 years  |
- v) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.
- vi) In respect of provident funds in the nature of defined benefits plan, pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability and therefore contributions to those provident funds amounting to Rs. 59,68, (Previous year Rs. 53,26) during the year is recognized as expense and included in 'Payments to and Provision for Employees'.
- Shortfall if any in the contribution to the Provident Funds in the nature of defined benefit plans could not be ascertained and provided.
8. Sales include Rs. 25,20,04 on account of goods sent on consignment (Previous year Rs.21,55,01) which has been considered on the basis of proforma invoice/actual realisation. However, the Management does not anticipate any loss on this account.
9. Raw materials, Stores & Spares Parts consumed include profit and/or loss on sale and excess/short found on physical verification.
10. The amount of borrowing cost capitalized during the year is Rs. Nil (Previous year Nil).
11. a) Outstanding forward exchange contracts booked for the purpose of hedging receivables are US\$ 280 (Previous Year Nil).  
b) Unhedged foreign currency payables are US\$ 20 (Previous Year 15).  
c) The marked to market gain amounting to Rs. 66,24 (Previous Year Nil) on Forward Exchange contracts for firm commitments and highly probable forecast transaction has not been accounted for.
12. The company is entitled for export incentives available under target plus scheme, in relation to additional export made during the year as per Foreign Trade Policy. The incentive under the scheme is non transferable and can be utilized for import of material only. Due to uncertainty about sufficient future import of material within stipulated time for utilising the incentive, the company has not recognised the export incentive during the year. The same will be accounted for on certainty about the utilisation of incentives on import of material.

## Schedules to the Accounts

### SCHEDULE "M" (Contd.)

(Rs. in '000)

13. Break up of major component of Deferred Tax at the year end is as follows :

<b>Liability</b>	<b>As at 31st March, 2010</b>	As at 31st March, 2009
Timing difference in depreciable Assets	<b>3,91,95</b>	3,35,21
Total : A	<b>3,91,95</b>	3,35,21
<b>Assets</b>		
Provision for Leave, Doubtful Debts & Gratuity	<b>5,13,46</b>	4,48,12
Other timing difference	<b>2,53</b>	2,96
Total : B	<b>5,15,99</b>	4,51,08
<b>Deferred Tax (Assets)/Liability Net (A - B)</b>	<b>(1,24,04)</b>	(1,15,87)

14. The Company has not received any memorandum as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to such parties during the year is Rs. NIL.
15. Balances with Government authorities include Rs. 6,50 being cash seized and lying with Income Tax Department since 2002-03. The matter is pending.
16. As Company's business activities falls within a single primary business segment viz. Jute Goods, the disclosure requirements of Accounting Standard – AS-17' Segment Reporting issued by The Institute of Chartered Accountants of India are not applicable in respect of business segment. However, the geographical segments considered for disclosures on the basis of sales are as under :

	<b>2009-10</b>	2008-09
Within India	<b>1,41,74,71</b>	1,10,80,53
Outside India	<b>51,48,61</b>	60,15,23
Total	<b>1,93,23,32</b>	1,70,95,76

17. Related Party Disclosures

Related Party disclosures as required by AS-18 are given below :

A. Relationships

1) Subsidiaries

- a) Ludlow Exports Ltd.
- b) Vidun Dealers Ltd.

2) Key Managerial Personnel

- a) Sri S. S. Kanoria (Executive Chairman)
- b) Sri D. K. Bubna (Executive Director cum Company Secretary)
- c) Sri B. M. Thakkar (President - Works)

**Schedules to the Accounts**

**SCHEDULE "M" (Contd.)**

(Rs. in '000)

- B. The following transactions were carried out with the related parties in the ordinary course of business :

	2009-10		2008-09	
	A (1)	A (2)	A (1)	A (2)
a) Sales of goods	—	—	—	—
b) Guarantees given	—	—	—	—
c) Advance Recovered	<b>35</b>	—	50	—
d) Investment	<b>25,00</b>	—	25,01	—
e) Remuneration, Perquisites & Others	—	<b>82,24</b>	—	75,86
f) Balance outstanding at the year end				
Advance given	—	—	2,00	—
Creditors	<b>21,97</b>	—	24,47	—

18. Earning per Share :

<b>As at 31st March, 2010</b>	As at 31st March, 2009
-----------------------------------	---------------------------

Earning per share has been computed as under :

a) Profit/(Loss) after Taxation as per Profit & Loss Account	<b>3,33,90</b>	2,28,72
b) Weighted average number of Equity Shares	<b>1,07,73,120</b>	1,07,73,120
c) Basic and diluted earnings per share (in Rs.) (Face value per share Rs.10/-)	<b>3.10</b>	2.12

19. Figures are not exclusively comparable as the mill was under closure from 14th December, 2009 to 13th February, 2010 due to mass Industrial Strike. There were no production activities during that period.

20. Figures of the Previous year have been re-grouped/re-arranged/re-casted wherever considered necessary.

21. Figures of less than Rs. 1,000 have been shown at actual in brackets in schedules 'D'.

**Signatures to Schedules 'A' to 'M'**

For SINGHI & CO.  
Chartered Accountants  
M. L. SHUKLA  
Partner  
Membership No. 051505  
1-B, Old Post Office Street  
Kolkata, the 24th day of May, 2010

**For and on behalf of the Board**

D. K. BUBNA <i>Executive Director cum Company Secretary</i>	A. C. MUKHERJI <i>Director</i>	S. S. KANORIA <i>Executive Chairman</i>
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**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I. REGISTRATION DETAILS</b>	
CIN	L65993WB1979PLC032394
State Code	21
Balance Sheet Date	31st March, 2010
<b>II. CAPITAL RAISED DURING THE YEAR</b>	
(Amount in Rs. thousands)	
Public Issue	Nil
Rights Issue	Nil
Private Placement	Nil
Bonus Issue	Nil
<b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>	
(Amount in Rs. thousands)	
Total Liabilities	530592
Total Assets	530592
<b>SOURCES OF FUNDS</b>	
Paid-up Capital	107977
Reserves & Surplus	152388
Secured Loans	270227
Unsecured Loans	Nil
Deferred Tax	Nil
<b>APPLICATION OF FUNDS</b>	
Net Fixed Assets	352834
Investments	23018
Current Assets (Net)	142336
Misc. Expenditure	Nil
Accumulated Losses	Nil
Deferred Tax	12404
<b>IV. PERFORMANCE OF THE COMPANY</b>	
(Amount in Rs. thousands)	
Turnover (Gross Revenue)	1966657
Total Expenditure	1911339
Profit/(Loss) before Tax	55318
Profit/(Loss) after Tax	33390
Earnings per Share (in Rs.)	3.10
Dividend Rate (%)	15% (Proposed )
<b>V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY</b>	
(As per monetary terms)	
Item Code No. (ITC Code)	590700
Product Description	Jute Fabrics
Item Code No. (ITC Code)	530700
Product Description	Jute Yarn

**For and on behalf of the Board**

D. K. BUBNA  
*Executive Director cum  
Company Secretary*

A. C. MUKHERJI  
*Director*

S. S. KANORIA  
*Executive Chairman*

Kolkata, the 24th day of May, 2010

**DIRECTORS' REPORT  
TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the 16th Annual Report along with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

	<b>2009-2010 (Rs.)</b>	<b>2008-2009 (Rs.)</b>
<b>FINANCIAL RESULTS</b>		
Profit/(Loss) for the year	<b>(3,593)</b>	(16,206)
Less : Provision for Taxation	—	—
Profit/(Loss) after Tax	<b>(3,593)</b>	(16,206)
Add : Balance brought forward from last year	<b>(2,219)</b>	13,987
Balance carried forward	<b>(5,812)</b>	(2,219)

In view of carry forward losses, the directors regret that they are unable to recommend dividend for the year under review.

**OPERATIONS**

The net loss of the Company during the year was Rs. 3,593/- against a net loss of Rs. 16,206/- in the previous year.

**DIRECTORS**

Shri D. K. Bubna, Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

**COMPLIANCE CERTIFICATE**

Compliance Certificate issued by Mr. B. N. Khandelwal, a Company Secretary in whole time practice, is annexed herewith and is self explanatory in nature.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS**

The Company being a Merchant Exporter, the provisions relating to conservation of energy and technology absorption are not applicable to the

Company. The Foreign Exchange earnings during the year under review are as follows :

Earnings : FOB value of Exports - Rs. NIL

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis;

**STATUTORY AUDITORS**

Messrs K. G. Garg & Co., Chartered Accountants, Statutory Auditors of the Company, retire and are eligible for re-appointment. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956. The observations of the auditors in their report are self explanatory and need no further clarifications.

Registered Office :  
6, Little Russell Street  
Kolkata - 700 071.  
Dated : 20th day of May, 2010

For and on behalf of the Board

S. S. KANORIA  
Chairman

**COMPLIANCE CERTIFICATE**  
(Pursuant to Section 383A of the Companies Act, 1956)

**Registration No. of the Company** : U65191WB1994PLC065400  
**Nominal Capital** : Rs. 25 Lacs.

To  
The Members,  
**Ludlow Exports Limited**  
6, Little Russell Street  
Kolkata - 700 071

I have examined the registers, records, books and papers of **Ludlow Exports Limited**, (the company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31 March, 2010 (financial year). In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, West Bengal within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met four times respectively on 20.06.2009, 30.09.2009, 31.12.2009 and 31.03.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 21st July, 2009 after giving due notice to the members of the company and the resolutions passed there were duly recorded in Minutes Book maintained for the purpose.
7. No extra-ordinary General Meeting was held during the financial year
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any Contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act, so far as requirement of Section 297 is concerned.
11. As there were no instances falling within the purview of Section 314 of the Act the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13.
  - i) There was no Allotment / transfer / transmission of securities during the financial year.
  - ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.



## Ludlow Exports Limited

19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year as the company has not issued any preference share or debenture till date.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March, 2010.
25. The Company has not made any loan to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted the Provident Fund for its employees and therefore provisions of section 418 of the Act are not applicable.

Place : Kolkata  
Dated : 20th May, 2010

B. N. KHANDELWAL  
Company Secretary in whole time Practice  
C. P. No. 1148

### ANNEXURE - "A" Registers as maintained by the Company

Sl. No.	Name of the Register	Under Section
1	Register of Members & Index of Members	150 & 151
2	Register of Contract	301
3	Register of Share Transfer	108
4	Register of Charges	143
5	Directors Minutes Book	193
6	Shareholders Minutes Book	193
7	Books of Accounts	209
8	Register of Directors etc	303
9	Register of Director's Shareholding	307

### ANNEXURE - "B" Forms and returns as filed by the Company with Registrar of Companies, Regional Directors, Central Government or other authorities during the financial year ending 31st March, 2010

Sl.No.	Form No./Return	Filed under Section	For	Date of filing	Whether filed within prescribed time yes/no
1	Form No.23AC & 23 ACA-Balance Sheet & Profit & Loss Account	220	31.03.2009	04.08.2009	YES
2	Form No.20B-Annual Return	159	21.07.2009	04.08.2009	YES
3	Form No.66-Compliance Certificate	383A	31.03.2009	04.08.2009	YES



**AUDITOR'S REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of **LUDLOW EXPORTS LIMITED**, as at 31st March, 2010 and also the annexed Profit & Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to above, we report that:
  - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of account of the Company;
- (iii) the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account of the Company;
- (iv) in our opinion the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) based on the written representations made by the Directors of the Company and taken on record by the Board of Directors and the information and explanations given to us, we report that none of the directors is, as at 31st March, 2009, prima-facie disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
  - (b) in the case of the Profit & Loss account, of the loss of the Company for the year ended on that date.

407, Bentinck Chambers  
37A, Bentinck Street  
Kolkata - 700 069  
Dated, the 20th day of May, 2010

For K. G. GARG & CO.  
Chartered Accountants

K. G. AGARWAL  
Proprietor  
Membership No. 011436

**ANNEXURE TO THE AUDITORS' REPORT****(REFERRED TO IN PARAGRAPH (2) OF OUR REPORT OF EVEN DATE)**

1. The Company has no fixed assets and as such the question of maintaining fixed assets register and physical verification and revaluation thereof does not arise.
2. During the year under audit, the Company did not have any stock in trade, hence the question of physical verification and maintenance of record of stock does not arise.
3. The company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions during the financial year that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. The provisions relating to internal audit are not applicable to the Company.
8. The Company is not required to maintain cost records u/s 209 (l) (d) of the Companies Act, 1956.
9. As informed to us the Provident Fund and Employees State Insurance Act are not presently applicable to the Company. According to the records of the Company the Company is generally regular in depositing undisputed statutory dues including Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise Duty Cess and other statutory dues as applicable to it the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Service Tax, Sales Tax, Custom Duty and Excise Duty and Cess were outstanding, at the year end for a period of more than six months from the date they become payable.
10. In our opinion and according to the information and explanations given to us there are no disputed liabilities outstanding including Income-Tax, Sales-Tax, Wealth-Tax, Excise Duty, Service Tax, Custom Duty and Cess.
11. The Company has accumulated losses at the end of the financial year and it has incurred cash losses in the current financial year but the accumulated losses does not exceed the paid up capital of the Company.
12. The Company has not taken any loan from any financial institution, bank or debenture holders.
13. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/society.
15. The Company does not deal or trade in shares, securities, debentures and other investments.
16. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
17. The Company did not have any term loan during the year.
18. The Company did not have any outstanding borrowings during the year.
19. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
20. The Company has not issued any debentures during the year.
21. The Company has not raised any money by public issue during the year.
22. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

407, Bentinck Chambers  
37A, Bentinck Street  
Kolkata - 700 069  
Dated, the 20th day of May, 2010

For K. G. GARG & CO.  
Chartered Accountants

K. G. AGARWAL  
Proprietor  
Membership No. 011436

**BALANCE SHEET**

AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	'A'	25,00,000	25,00,000
		<u>25,00,000</u>	<u>25,00,000</u>
<b>APPLICATION OF FUNDS</b>			
<b>Current Assets, Loans &amp; Advances</b>			
Sundry Debtors		—	24,46,584
Cash & Bank Balances		3,00,039	53,632
Loans & Advances	'B'	21,99,664	3,080
		<u>24,99,703</u>	<u>25,03,296</u>
<b>Less : Current Liabilities and Provisions</b>			
Current Liabilities	'C'	5,515	5,515
		<u>5,515</u>	<u>5,515</u>
Net Current Assets		<u>24,94,188</u>	<u>24,97,781</u>
Miscellaneous Expenditure to the extent not written off			
Balance Loss as per Profit & Loss Account annexed		5,812	2,219
		<u>25,00,000</u>	<u>25,00,000</u>

**PROFIT & LOSS ACCOUNT**

FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
<b>INCOME</b>			
Sales & other Income	'D'	2,83,946	—
		<u>2,83,946</u>	<u>—</u>
<b>EXPENDITURE</b>			
Purchases & Other Losses	'E'	2,70,317	—
Selling, Administrative & other expenses	'F'	17,222	16,206
		<u>2,87,539</u>	<u>16,206</u>
Profit/(Loss) before interest & tax		(3,593)	(16,206)
Less : Provision of Income Tax		—	—
Profit/(Loss) after Tax		<u>(3,593)</u>	<u>(16,206)</u>
Add : Balance brought forward from last Account		(2,219)	13,987
Balance Profit/(Loss) carried over to Balance Sheet		<u>(5,812)</u>	<u>(2,219)</u>
Significant Accounting Policies & Notes on Accounts	'G'		

Significant Accounting Policies & Notes on Accounts 'G'

Schedules 'A' to 'C' & 'G' form an integral part of the Balance Sheet

As per our separate report attached.

For K. G. GARG & CO.  
Chartered Accountants  
K. G. AGARWAL  
Proprietor  
Membership No. 011436  
407, Bentinck Chambers  
37A, Bentinck Street  
Kolkata - 700 069  
Dated : 20th May, 2010

For and on behalf of the Board

D. K. BUBNA      S. S. KANORIA  
Director              Director

Schedules 'D' to 'G' form an integral part of the Profit & Loss A/c.

As per our separate report attached.

For K. G. GARG & CO.  
Chartered Accountants  
K. G. AGARWAL  
Proprietor  
Membership No. 011436  
407, Bentinck Chambers  
37A, Bentinck Street  
Kolkata - 700 069  
Dated : 20th May, 2010

For and on behalf of the Board

D. K. BUBNA      S. S. KANORIA  
Director              Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	2009-2010 (Rs.)	2008-2009 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT/(LOSS) BEFORE TAX &amp; EXTRAORDINARY ITEMS</b>	(3,593)	(16,206)
<b>Adjustments for change in Working Capital</b>		
Trade & other receivables (increase)	2,50,000	25,000
Trade Payables and Liabilities	-	(103)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2,46,407</b>	8,691
Income tax Net of paid/ provisions (including FBT)	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><u>2,46,407</u></b>	<u>8,691</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>2,46,407</b>	8,691
<b>OPENING CASH &amp; CASH EQUIVALENTS</b>	<b>53,632</b>	44,941
<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>	<b><u>3,00,039</u></b>	<u>53,632</u>
<b>CASH &amp; CASH EQUIVALENTS COMPRISES</b>		
Cash and Bank Balances	<b>3,00,039</b>	53,632

**Notes :**

1. Above statement has been prepared in indirect method except in case of interest, dividend, purchase of investments and taxes which have been considered on the basis of the actual movement of cash, with corresponding adjustments in assets and liabilities.
2. Additions to Fixed Assets are stated inclusive of movements of Capital work-in-progress between the beginning and end of the year and treated as part of investing activities.
3. Figures have been regrouped where ever necessary.

As per our Report of even date annexed

For K. G. GARG & CO.  
Chartered Accountants  
K. G. AGARWAL  
Proprietor  
Membership No. 011436  
407, Bentinck Chambers  
37A, Bentinck Street  
Kolkata - 700 069  
Dated : 20th May, 2010

For and on behalf of the Board

D. K. BUBNA      S. S. KANORIA  
Director                      Director

**SCHEDULES TO THE BALANCE SHEET as at 31st March, 2010**

	<b>As at 31st March, 2010 (Rs.)</b>	<b>As at 31st March, 2009 (Rs.)</b>
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,50,000 Equity Shares of Rs.10/- each	<b>25,00,000</b>	25,00,000
	<b><u>25,00,000</u></b>	<u>25,00,000</u>
<b>ISSUED</b>		
2,50,000 Equity Shares of Rs.10/- each	<b>25,00,000</b>	25,00,000
<b>SUBSCRIBED &amp; PAID UP</b>		
2,50,000 Equity Shares of Rs. 10/- each fully paid up in Cash (The entire 2,50,000 Equity Shares are held by holding Company)	<b>25,00,000</b>	25,00,000
	<b><u>25,00,000</u></b>	<u>25,00,000</u>
<b>SCHEDULE 'B'</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A. CURRENT ASSETS</b>		
Sundry Debtors (Unsecured considered good)		
Outstanding for more than six months (Outstanding from Holding Co.)	—	24,46,584
Other Debts	—	—
	<u>—</u>	<u>24,46,584</u>
<b>B. CASH &amp; BANK BALANCES</b>		
Cash-in-Hand (As per books & certified)	—	—
Balance With Scheduled Bank : In Current Account	<b>3,00,039</b>	53,632
	<b><u>3,00,039</u></b>	<u>53,632</u>
<b>C. LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
Advance to Ludlow Jute & Specialities Ltd. (Holding Company)	<b>21,96,584</b>	—
E.I.A. Deposit	<b>2,580</b>	2,580
Security Deposit	<b>500</b>	500
	<b><u>21,99,664</u></b>	<u>3,080</u>
<b>A + B + C</b>	<b><u>24,99,703</u></b>	<u>25,03,296</u>
<b>SCHEDULE 'C'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors	<b>5,515</b>	5,515
	<b><u>5,515</u></b>	<u>5,515</u>

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010**

	<b>Year ended 31st March, 2010 (Rs.)</b>	<b>Year ended 31st March, 2009 (Rs.)</b>
--	--	--

**SCHEDULE 'D'**

**SALES & OTHER INCOME**

**Profit in Future Trading of Commodities**

Copper	52,888	—
Crude Oil	23,988	—
Nickel	73,491	—
Ref. Soy Oil	22,765	—
Zinc	48,225	—
Jute	62,589	—
	<b>2,83,946</b>	—

**SCHEDULE 'E'**

**PURCHASES & OTHER LOSSES**

**Loss in Future Trading of Commodities**

Jute	2,70,317	—
	<b>2,70,317</b>	—

**SCHEDULE 'F'**

**SELLING, ADMINISTRATIVE & OTHER EXPENSES**

Bank Charges	496	1,317
Rates & Taxes	4,350	4,350
Filing Fees	1,500	1,500
Miscellaneous Expenses	—	2,024
Auditors Remuneration	5,515	5,515
Professional charges	5,361	1,500
	<b>17,222</b>	16,206

**SCHEDULE 'G'**

**Significant Accounting Policies and Notes on Accounts**

**A. SIGNIFICANT ACCOUNTING POLICIES**

1. Revenue Recognition

The Company follows the mercantile system of accounting and recognizes the income and expenditure on accrual basis.

2. Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax liabilities and assets are recognised at subsequently enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in the period and are capable of reversal in one or more subsequent periods.

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010**

3. During the year the Company has entered into Future Trading in different commodities. The Profit/Loss on such trading has been shown in Sales & other Income and Purchases & other Losses.

4. Related Party Transaction :

a. **Directors :**

Sri S.S.Kanoria	Nil
Sri D.K.Bubna	Nil
Sri J.K.Bhagat	Nil

b. **Holding Company :**

**Ludlow Jute & Specialities Limited**

Debtors Balance realisation :	Rs. 2446584
Loan received during the year :	Rs. 4653416
Loan/Advance repaid during the year :	Rs. 6850000
Balance recoverable as on 31.03.10	Rs. 2196584

Signature to Schedule 'A' to 'G'

For K. G. GARG & CO.  
Chartered Accountants  
K. G. AGARWAL  
Proprietor  
Membership No. 011436  
407, Bentinck Chambers  
37A, Bentinck Street  
Kolkata - 700 069  
Dated : 20th May, 2010

For and on behalf of the Board

D. K. BUBNA	S. S. KANORIA
Director	Director



**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I. REGISTRATION DETAILS</b>	
CIN	U65191WB1994PLC065400
State Code	21
Balance Sheet Date	31st March, 2010
<b>II. CAPITAL RAISED DURING THE YEAR</b> (Amount in Rs. thousands)	
Public Issue	Nil
Right Issue	Nil
Private Placement	Nil
Bonus Issue	Nil
<b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b> (Amount in Rs. thousands)	
Total Liabilities	2,500
Total Assets	2,500
<b>SOURCES OF FUNDS</b>	
Paid-up Capital	2,500
Reserves & Surplus	Nil
Secured Loans	Nil
Unsecured Loans	Nil
<b>APPLICATION OF FUNDS</b>	
Net Fixed Assets	Nil
Investments	Nil
Net Current Assets	2,494
Miscellaneous Expenditure	Nil
Accumulated Losses	6
<b>IV. PERFORMANCE OF THE COMPANY</b> (Amount in Rs. thousands)	
Turnover (Gross Revenue)	284
Total Expenditure	288
Profit/(Loss) before tax	(4)
Profit/(Loss) after tax	(4)
Earnings per Share (in Rs.)	(0.01)
Dividend Rate (%)	Nil
<b>V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY</b> (As the monetary terms)	
Item Code No. (I.T.C. Code)	N.A.
Product Description	N.A.

For and on behalf of the Board

Dated : 20th May, 2010

D. K. BUBNA  
DirectorS. S. KANORIA  
Director







# Ludlow Jute & Specialities Limited

Regd. Office : 6, Little Russell Street, Kolkata-700 071

## ATTENDANCE SLIP

**31ST ANNUAL GENERAL MEETING - FRIDAY, 30TH JULY, 2010 - 3.00 P.M.**

Name of shareholder	Folio No. / DP ID & Client ID No.	No. of Shares

I/We certify that I am/We are registered shareholder/s/proxy for the registered shareholder/s of the Company.

I/We hereby record my/our presence at the **31ST ANNUAL GENERAL MEETING** of the Company to be held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on **Friday, 30th July, 2010**.

\_\_\_\_\_ Member/s/Proxy Signature

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE HALL.

----- (TEAR HERE) -----



# Ludlow Jute & Specialities Limited

Regd. Office : 6, Little Russell Street, Kolkata-700 071

## FORM OF PROXY

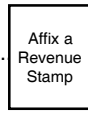
I/We ..... of  
 ..... being a Member/Members of LUDLOW  
 JUTE & SPECIALITIES LIMITED, hereby appoint.....  
 of ..... or failing him  
 ..... of .....  
 as my/our proxy to attend and vote for me/us on my/our behalf at the **31ST ANNUAL GENERAL MEETING** of the  
 Company to be held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on **Friday, 30th July, 2010** at  
 3.00 P.M. and/or at any adjournment thereof.

Signed this.....day of.....2010.

Folio No./DP ID & Client ID No.

No. of Shares

Signature .....



- Note :**
1. Please do not fail to put proper revenue stamp and your signature, when sending this form to the Company.
  2. The proxy form must be returned so as to reach the Registered Office of the Company not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.



# Ludlow Jute & Specialities Limited

Regd. Office : 6, Little Russell Street, Kolkata-700 071

## NATIONAL ELECTRONIC CLEARING SERVICES (NECS) MANDATE FORMAT

### MCS LIMITED

Unit : Ludlow Jute & Specialities Limited

77/2A, Hazra Road,  
Kolkata - 700 029

### Re : Payment of Dividend Through NECS

# I wish to participate in the National Electronic Clearing Service (NECS) introduced by the Reserve Bank of India.

# I do not wish to participate in the NECS. However, kindly print the bank particulars given below on the Dividend Warrant being issued to me.

1. Name of the Shareholder(s) : \_\_\_\_\_

2. Reg. Folio No. : \_\_\_\_\_

3. Particulars of Bank Account

a. Name of the Bank : \_\_\_\_\_

b. Name of the branch : \_\_\_\_\_

Address : \_\_\_\_\_

Telephone No. : \_\_\_\_\_

\* c. 9 digit Code Number of the Bank and Branch as appearing on the MICR Cheque issued by the bank : 

--	--	--	--	--	--	--	--	--

d. Type of the account (Please tick) :  Savings  Current  Cash Credit

e. Ledger and Ledger folio number (if any) of your bank account : \_\_\_\_\_

f. Account number (as appearing on the cheque book) : \_\_\_\_\_

(In lieu of the bank certificate to be obtained as under, please attach a blank cancelled cheque or photocopy of a cheque or front page of your savings bank passbook issued by your bank for verification of the above particulars)

I hereby declare that the particulars given above are correct and complete. I undertake to inform any subsequent changes in the above particulars before the relevant book closure date(s). If the payment is delayed or not effected at all for any reason(s), beyond the control of the Company, I would not hold the Company responsible.

Date : \_\_\_\_\_

\_\_\_\_\_  
Signature of the first holder

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp

Date :

\_\_\_\_\_  
Signature of the authorised official of the Bank

# Delete whichever is not applicable.

\* The nine digit code number of your bank and branch is mentioned on the MICR band next to the cheque number.

**BOOK POST**

*If undelivered please return to :*  
**LUDLOW JUTE & SPECIALITIES LIMITED**  
**(formerly Aekta Limited)**  
6, Little Russell Street  
Kolkata - 700 071

MANJARI | 2230 3495

**ANNUAL REPORT  
2009 - 2010**



LUDLOW JUTE & SPECIALITIES LIMITED  
(formerly Aekta Limited)